

currys

We help
everyone
enjoy
amazing
technology

Annual Report & Accounts
2021/22



We are a leading omnichannel retailer of **technology**

Currys plc is a leading omnichannel retailer of technology products and services, operating online and through 830 stores in 8 countries.

We Help Everyone Enjoy Amazing Technology, however they choose to shop with us.

Our vision has a powerful social purpose at its heart.

We believe in the power of technology to improve lives, help people stay connected, productive, healthy, and entertained.

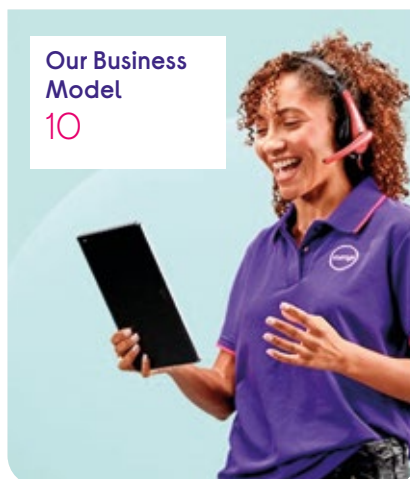
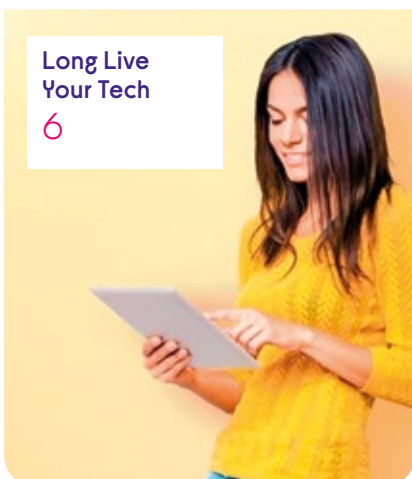
We're here to help everyone enjoy those benefits and with our scale and expertise, we are uniquely placed to do so.



www.currysplc.com/investors

For the latest news visit our website.

Quick links



2021/22 Highlights

Financial highlights

Revenue

£10,144m
(2)%

2021/22	£10,144m
2020/21	£10,344m
2019/20	£10,170m

Free cash flow*

£72m
(84)%

£72m	2021/22
£438m	2020/21
£109m	2019/20

Adjusted profit before tax*

£186m
+19%

2021/22	£186m
2020/21	£156m
2019/20	£116m

Statutory profit/(loss) before tax

£126m
+282%

£126m	2021/22
£33m	2020/21
£(140)m	2019/20

Adjusted EPS*

11.9p
+11%

2021/22	11.9p
2020/21	10.7p
2019/20	6.7p

Statutory EPS

6.3p

6.3p	2021/22
0.0p	2020/21
(13.9)p	2019/20

→ See our **Key Performance Indicators** on pages 66 to 67.

Operational highlights

- Moved to a **single brand** in the UK&I. **Currys** is now customers' single destination for all things tech.
- Launched **new omnichannel platforms** in both UK and across the Nordics.
- Strong progress against **net zero targets**⁽¹⁾, recognised by CDP "A" score.
- Successfully **entered Cyprus**, our **8th market**.
- Resumed **dividend payments** and commenced a **share buyback**.

* Alternative performance measure (APM). In the reporting of financial information throughout the Annual Report and Accounts, the Group uses certain APMs that are not required under IFRS. We consider these to provide additional useful information on the performance of the business and trends to shareholders, consistent with those used internally and are disclosed in order to provide parity and transparency for readers of the Annual Report. Definitions, purpose and reconciliations to the closest statutory equivalent for our APMs are provided within the Glossary and definitions on pages 231 to 245.

(1) Net zero is defined in the Glossary and definitions section on page 245.

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Investor Information

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Non-Financial Information Statement

We aim to comply with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The requirements of this disclosure are addressed within this section by means of cross reference in order to avoid duplication and to help stakeholders understand our position on key non-financial matters:

Environmental matters (including impact of business on the environment)	pages 42-51
TCFD Report	page 49
Colleagues	pages 18-25
Social matters	pages 52-55
Respect for human rights	page 56
Anti-corruption and anti-bribery matters	page 56
Description of our business model	pages 10-11
Details of the principal risks relating to non-financial matters	pages 58-64
Non-financial KPIs	page 67

Overview
Our Vision

We help everyone enjoy amazing technology

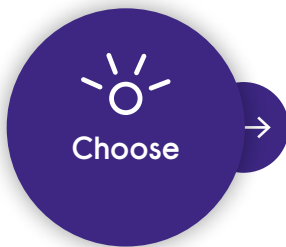
We help customers choose, afford and enjoy amazing technology however they shop with us.

As a market leading technology products and services retailer, our vision drives everything we do, in all countries in which we operate.

Customers find technology incredibly exciting, but also confusing and expensive. Our vision goes beyond ensuring customers can choose, afford and enjoy the right tech.

We put our purpose at the heart of what we do, using our expertise, scale and reach, to bring technology to everyone. The assets, colleagues, capabilities and scale that we have means that no one is better placed than Currys to help customers do all this.

Our business model



We help customers choose the right technology, across a huge range of products, through stores or online. Our capable and committed colleagues provide expert advice to help customers make the right choice.



We help everyone afford the technology they want. We won't be beaten on price and we can spread the cost of tech through the responsible use of credit.



We help customers make the most of their amazing tech through our unique services. We get the product working, help give tech a longer life and help customers make the most of their products. We are uniquely positioned to help customers throughout their life, and by doing so we will drive relationships that are long-lasting and more valuable to our customers and to us.

→ Read more about our **business model** on page 10.

Our Values

Our values unite us, helping us achieve our strategic objectives.



Technology's amazing. And we're here to help everyone enjoy it. We don't just sell products to people, we make sure they have the knowledge and confidence to get everything they can out of them. We know that our advice, our enthusiasm, our commitment to do what's right for customers brings them joy. And it's through this energy and determination that we'll keep more customers for life.



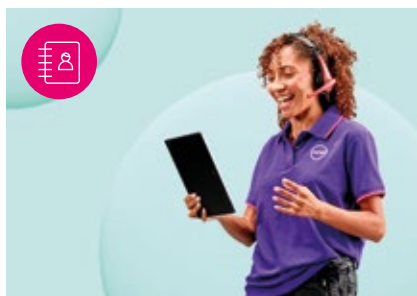
While there are thousands of us, in hundreds of roles and positions, we're all united by the same love for technology and helping people enjoy it. **We value our differences and the difference we make** because that's what makes us unique. When we come together amazing things happen and we win together as one.



We all take charge of our future and we're not afraid of change. It's how we succeed. We find what works well and we make it work better. We share ideas to help make our customers' lives easier and we go above and beyond to help others out. As individuals and as a business, we're committed to learning, growing and taking responsibility for making things happen.

→ Read more about our **values** on page 24.

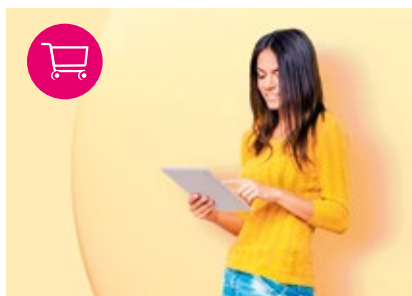
Our strategic priorities



Capable and committed colleagues – our greatest advantage

Happy **colleagues** make happy customers and happy shareholders, and none of our competitors can match our thousands of expert colleagues.

→ Read more about Our Colleagues on page 18.



Customers need an easy shopping experience

For our customers, we will be easy to shop. We're strongest when we offer the best of both online and stores to customers, an **omnichannel** shopping experience.

→ Read more about Omnichannel on page 26.



We are building customers for life

We want to be more valuable to **customers**. This means helping them to afford and enjoy their technology. Our Credit and other Services, fuelled by data, help us build those longer-term customer relationships.

→ Read about Customers for Life on page 30.

Sustainability priorities



Financial benefits by 2023/24

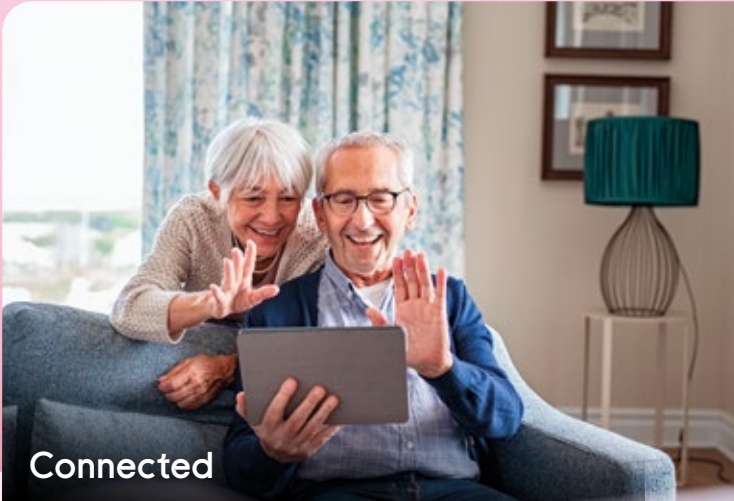


* Definitions, purpose and reconciliations to the closest statutory equivalent for our APMs are provided within the Glossary and definitions on pages 231 to 245.

The importance of technology
to our customers

Amazing technology plays a vital role in our customers' lives

Helping our customers stay...



Growth drivers

Trends

- Hybrid working
- E-learning
- Home entertainment
- Smart tech

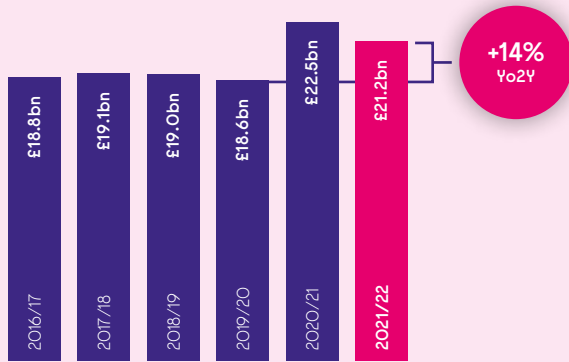
Faster replacement

- Greater usage
- Greater familiarity with benefits of new tech
- High rate of innovation

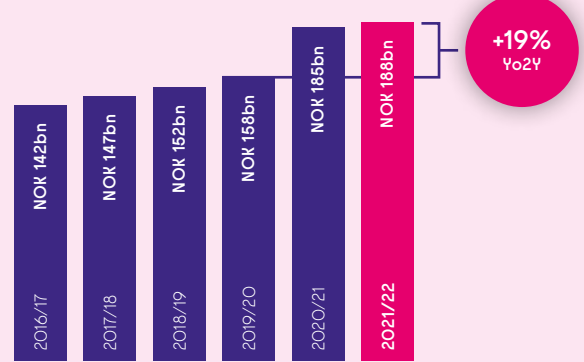
Larger installed base

- Complementary products and services opportunities

UK electricals market size (£bn)



Nordics electricals market size (BNNOK)



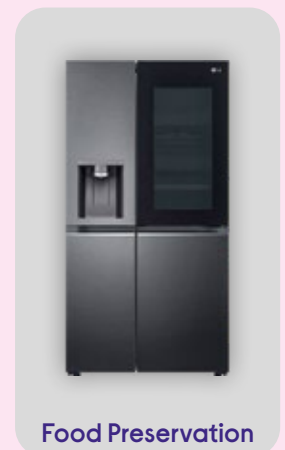
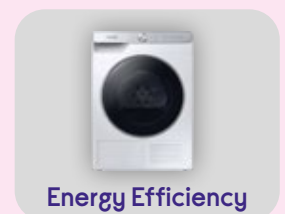
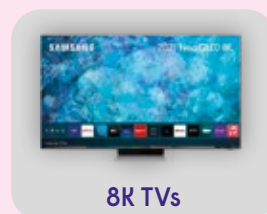
Supplier innovation

7 out of 10 of the top global R&D spend companies are suppliers to us.



We are proud to partner with many of the world's largest and most innovative companies. The developments coming from them are incredibly exciting."

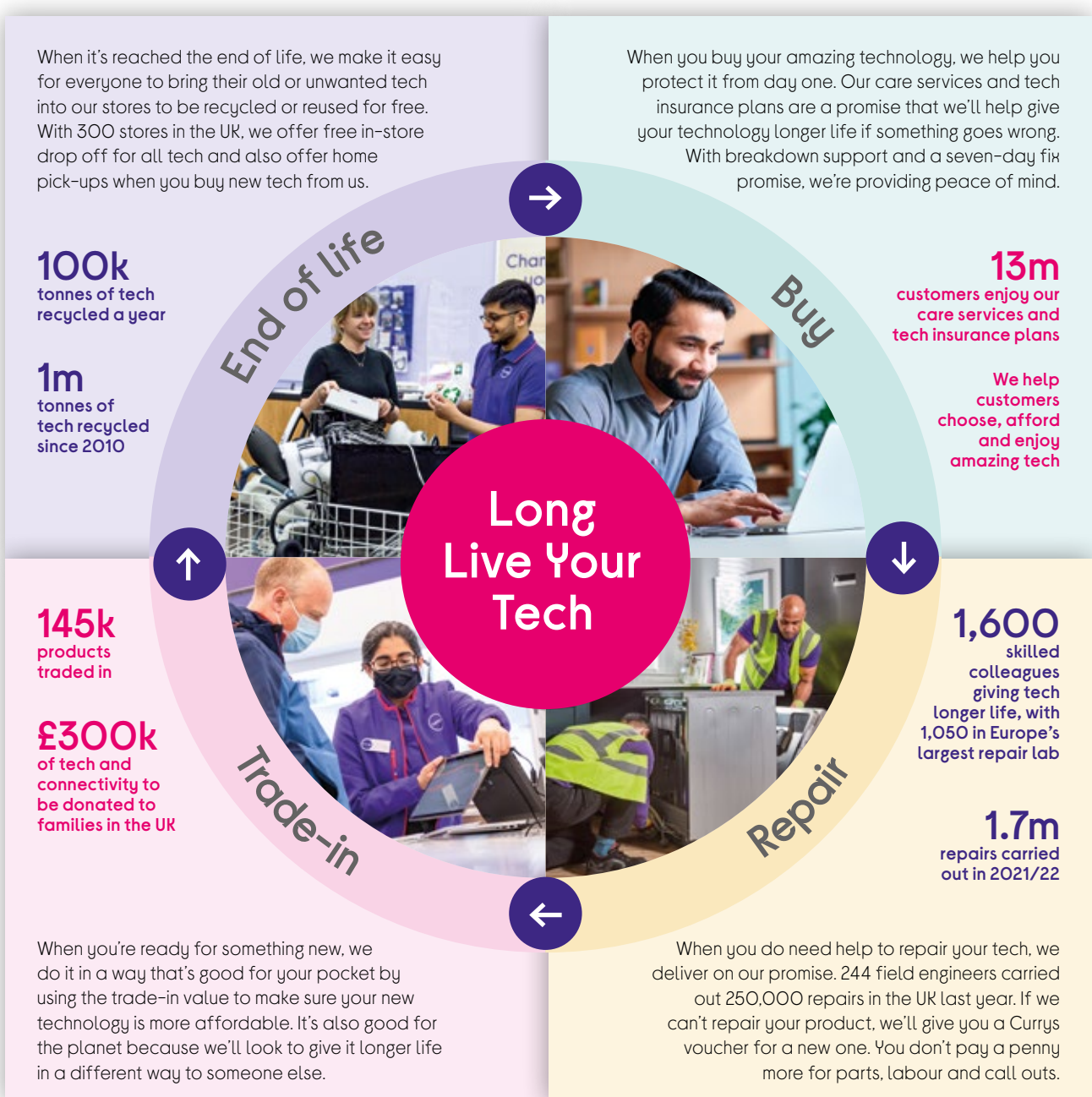
Ed Connolly
Chief Commercial Officer



Overview
Sustainable business

Long Live Your Tech

Our mission is to help everyone enjoy amazing technology. That's why we exist. Technology plays a vital role in every aspect of our lives, whether it's helping you stay connected with friends and family, working from home, or keeping you fed, clean, fit, healthy and entertained.



We all love new technology and want to feel good about buying a new piece of kit. But we also know that electronic waste is the world's fastest growing waste stream and is expected to grow to nearly 75 million tonnes by 2030.

We have to face facts: we can't keep throwing stuff away.

Let's change our relationship with tech. We believe there's a far better way. Instead of throwing your old kit away, we want to give technology longer life. At Currys, we don't just sell amazing technology; we save it too.

It's not just good for the planet, it's also great for your pocket. Our recent UK 'Cash for Trash' campaign encouraged Brits to give Currys their unwanted tech in return for a £5 voucher. In just three weeks, we saved the equivalent of ten double decker buses of e-waste ending up in landfill.

As the #1 tech retailer in all the markets we operate in, we're uniquely placed to lead the way in changing this relationship. 80% of UK households have shopped with us in the past three years, putting us in prime position to make a difference and help our customers extend the life of their tech.

So, here's how we're doing it at every stage of the product's life.

When you buy the amazing technology

Expert face-to-face help is at the heart of why customers shop with us, and our colleagues are passionate about helping customers buy new technology and make decisions that are right for them. And for the planet.

We'll always lead the way with the best new products and the best prices. Our Go-Greener range continues to grow as we all look for ways to reduce our impact on the environment. From energy-efficient washing machines, tumble driers and ovens to water-saving dishwashers, we're working hard with our customers and suppliers to help everyone make better choices.

And when you buy your amazing technology, we help you protect it from Day one so your tech can have longer life. You want to enjoy the technology and that's why, through our care services and tech insurance plans, more than thirteen million of our customers are getting peace of mind and giving their new technology longer life. Our plans are a promise that we'll help you give your technology longer life if something goes wrong.

When you need help to repair it

And we're delivering on that promise. Last year, we made more than 1.7 million repairs across the Currys Group. We have 1,600 skilled colleagues working to giving tech longer life, 1,050 of which work in Europe's largest repair lab. Within the UK, 244 field engineers carried out 250,000 repairs in the UK. 80% of those were completed on the first visit. In the Nordics, we make several million spare parts available to customers via an online platform.

When you're ready for something new

Trade-in is the bridge between your old and your new tech. When you want to upgrade, we do it in a way that's good for your pocket by using the trade-in value to make sure your new technology is more affordable.

We'll also give it longer life in a different form to somebody else. We'll try to refurbish and re-use the tech. We can sell it second hand – and we've done that with more than 255k products in the UK & Ireland this year. Or we'll donate it to those who need it most. In the UK, 32% of young people are at risk of becoming digitally excluded because they're unable to get access to a device when they need it. Through our work with the Digital Poverty Alliance, Pennies and our Tech4Families campaign, we believe we'll raise between £250k and £300k each year to provide a mix of new and refurbished laptops and connectivity to families who would otherwise be excluded from personal access. Through the 'Second Home' programme in our Kotsovolos stores, more than 1,500 refurbished appliances have been distributed to families in need since 2017.

When it's reached the end of life

We want everyone to bring their old or unwanted tech into our stores to be reused or recycled for free – whether they bought it from us or not.

If we can't re-use it, then we can harvest the parts which can be put to good use by our amazing repair colleagues in our repair lab.

Or we can recycle it. We already collect our customers' unwanted electrical equipment and small electrical appliances for recycling when we deliver their new technology. We currently recycle more than 100,000 tonnes of used tech every year across our Group – that's more than the combined weight of 50,000 London black cabs.

Giving technology longer life shows how purpose and profit can – and must – go hand in hand. We're doing the right thing and making a profit – and that means we're in it for the long-run. After all, we've been repairing tech since the 80s and we've recycled more than a million tonnes of tech since 2010. Everyone benefits because it makes commercial sense for us, financial sense for customers and environmental sense for the planet.

We're leading the way in changing everyone's relationship with tech for the better. We've come a long way but we're just getting started.

**Our business
at a glance**

Currys plc is a leading omnichannel retailer of technology products and services, operating online and through 830 stores in 8 countries. We Help Everyone Enjoy Amazing Technology, however they choose to shop with us.

In the UK&I we trade as Currys; in the Nordics under the Elkjøp brand and as Kotsovolos in Greece and Cyprus.

In each of these markets we are the market leader, employing 32,000 capable and committed colleagues. Our full range of services and support makes it easy for our customers to discover, choose, afford and enjoy the right technology for them, throughout their lives. The Group's operations are supported by a sourcing office in Hong Kong, state-of-the-art repair facilities and an extensive distribution network, enabling fast and efficient delivery to stores and homes.

Our vision, we help everyone enjoy amazing technology, has a powerful social purpose at its heart. We believe in the power of technology to improve lives, help people stay connected, productive, healthy, and entertained. We're here to help everyone enjoy those benefits and with our scale and expertise, we are uniquely placed to do so.

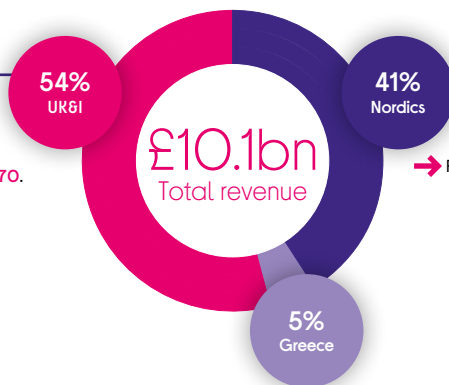
We're a leader in giving technology a longer life through protection, repair, recycling and reuse. We're reducing our impact on the environment in our operations and our wider value chain and we will achieve net zero emissions by 2040. We offer customers products that help them save energy, reduce waste and save water, and we partner with charitable organisations to bring the benefits of amazing technology to those who might otherwise be excluded.

8
Countries
32k
Colleagues
715m
Website visits
830
Stores

UK&I Revenue 2021/22

£5.5bn

→ Read more, our performance review on page 70.

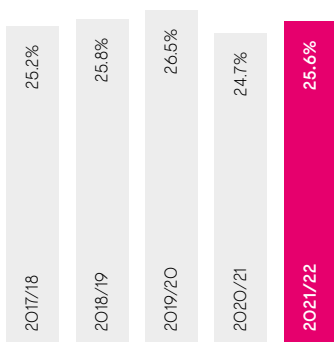


International Revenue 2021/22

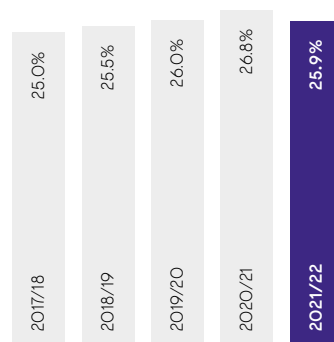
£4.6bn

→ Read more, our performance review on pages 72 and 74.

UK Market share



Nordics Market share



Our Markets at a Glance



Tech Market

29.8m⁽¹⁾ Households

£21.2bn⁽²⁾ Annual spend
(20/21: £22.5bn)

64% Online share
(20/21: 76%)

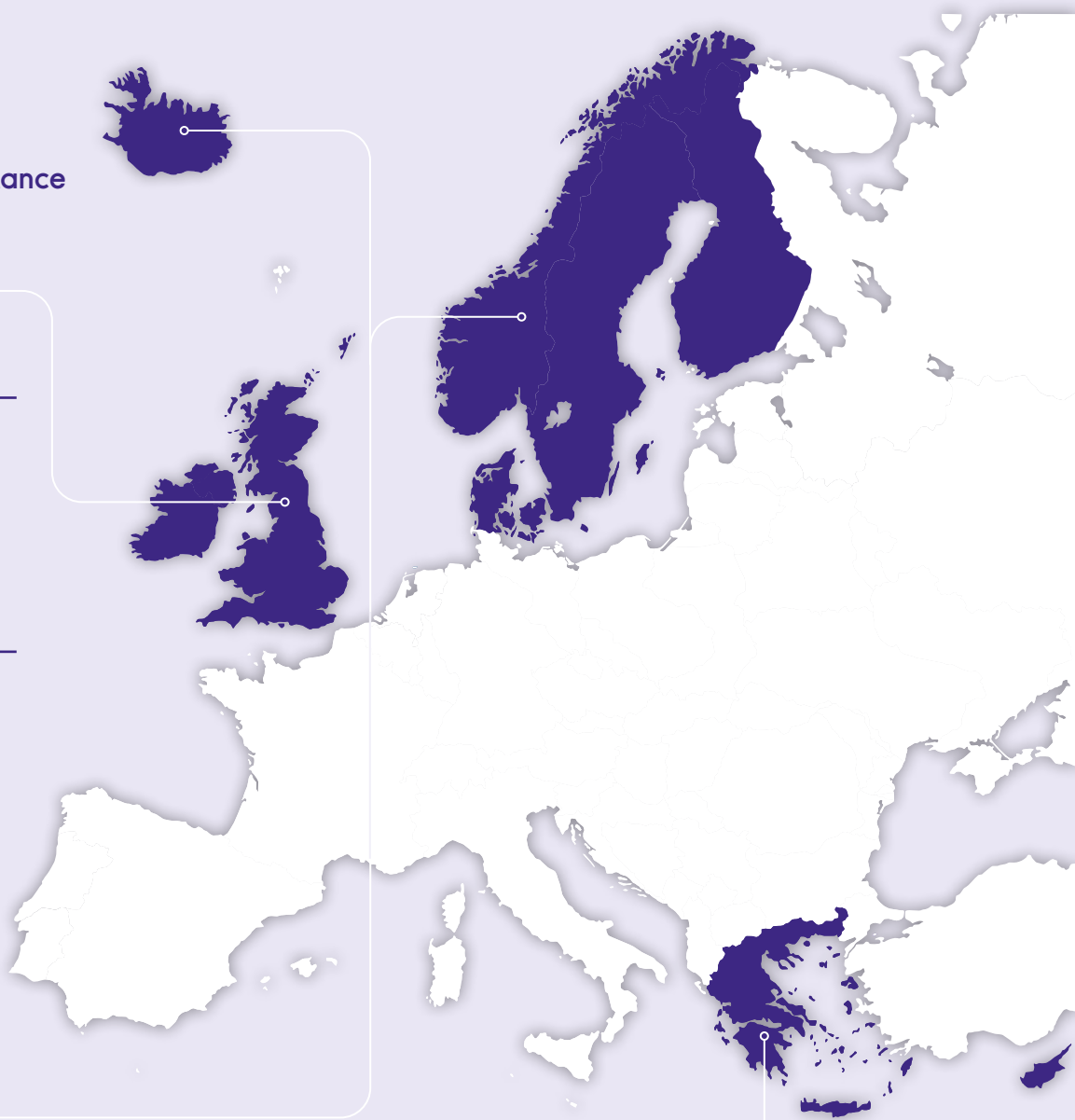
Our footprint

18,067 Colleagues
(20/21: 21,000)

391m Website visits
(20/21: 548m)

309 Stores
(20/21: 314)

5.5m Store area sq ft
(20/21: 5.6m)



Tech Market

13.2m⁽³⁾ Households

£15.9bn⁽²⁾ Annual spend
(20/21: £15.7bn)

32%⁽⁵⁾ Online share
(20/21: 32%)

Our footprint

10,984 Colleagues
(20/21: 11,000)

322m Website visits
(20/21: 369m)

427 Stores
(20/21: 422)

4.8m Store area sq ft
(20/21: 4.8m)



Tech Market

4.1m⁽⁴⁾ Households

£2.2bn⁽²⁾ Annual spend

Our footprint

2,922 Colleagues
(20/21: 3,000)

2m Website visits

94 Stores (20/21: 93)

1.1m Store area sq ft
(20/21: 1m)

(1) Source: UK Office for National Statistics and Central Statistics Office (Ireland)

(2) Source: GfK

(3) Source: National Statistical Offices

(4) Source: Hellenic Statistical Authority

(5) The Group operates Franchise stores in Iceland, Greenland and the Faroe Islands.

Our business model

Our business model is to help everyone to choose, afford and enjoy technology however they want to shop.

Competitive strengths

Customers are at the heart of everything we do. Constant focus on improving customer experience is key to achieving our objectives and delivering value for all stakeholders.

Modern omnichannel network

Our network of 830 stores are well located and well invested to provide an excellent customer experience. Aligned with our online digital channels, we provide a true omnichannel experience.

→ Read more on page 26.

Large and flexible infrastructure

Our extensive infrastructure can be flexed to support sales and provide services in any channel and wherever is most convenient for our customers.

→ Read more on page 28.

Established and well loved brands

Each of our brands has a long history as the customers' preferred brand in all our markets.

Our move to a single brand in the UK&I will make it even easier for customers to see and experience us as number one.

→ Read more on page 9.

Strong supplier relationships

Our strong relationships with suppliers enable us to provide the best range of relevant products at unbeatable prices.

→ Read more on page 39.

Capable and committed colleagues

Our colleagues are our greatest advantage in helping customers choose, afford and enjoy the technology that is right for them.

→ Read more on colleagues and culture on page 18.

Customers

We help customers choose the right technology across a huge range of products, through our stores or online. Our capable and committed colleagues provide expert face-to-face advice to help customers make the right choices.

Right Products

Large and relevant range of products including more sustainable products in every market

Expert Advice

Our 32,000 highly trained, capable and committed colleagues provide expert advice

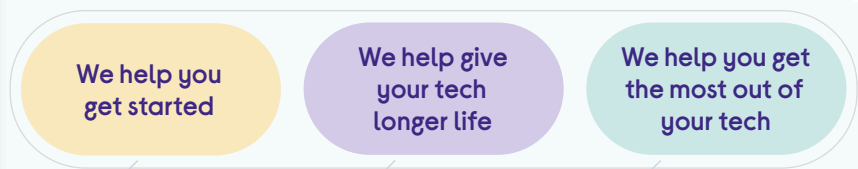
Omnichannel

We help customers choose the right technology, from the best range of products in stores or online

ShopLive UK

Live video shopping service to help customers get face-to-face expert advice from the comfort of their home

We are uniquely positioned to help customers enjoy their tech throughout their life, and by doing so we drive relationships that are long-lasting and more valuable to our customers and to us.



- Delivery
- Installation
- Set up

- Protection
- Repair
- Trade-in
- Refurbish
- Recycle

- Connectivity
- Help and Support
- Tutorials
- Subscriptions

Value creation for stakeholders

Value created during the year



Customers find technology exciting, but confusing and expensive. We help everyone afford the technology they need. We won't be beaten on price and we can spread the cost of tech through the responsible use of credit.

Right Price and Price Match
"We won't be beaten on price"

Credit
Spread the cost of products using credit

Trade-in
Give customers value for used tech

Afford



for life

Satisfying our customers

Customers need the amazing technology we sell to keep connected, healthy, productive and entertained. Helping them choose from the vast range of products and making sure they can get the most out of it is at the heart of what we do.

→ Read more on customers for life on page 30.

Engaging our colleagues

We can only keep our customers happy if we have happy colleagues. Paying colleagues fairly, building skills for life and making all colleagues shareholders are essential to our long term success.

→ Read more on colleague engagement on page 18.

Generating growth for our suppliers

Our scale and our stores provide an omnichannel customer experience that our suppliers can find nowhere else, and because of that we have strong relationships with all the major manufacturers.

→ Read more on our markets at a glance on page 9.

Supporting our environment and communities

We care for the world around us. We are proud to be a leading retail repairer and recycler of tech in all our markets. We will reduce our impact on the globe while investing in our communities and good causes.

→ Read more on our sustainable approach on page 40.

Delivering returns for our shareholders

Our business is cash generative and we ensure sustainability of this cash generation through considered capital deployment.

UK NPS

+2

Nordics HappyOrNot

90%

Group eSat

77

Revenue growth (like-for-like, Yo2Y)

+10%

Tonnes e-waste collected across our group for reuse or recycling

103k tonnes

Reduction in scope 1, 2 & 3 emissions against a 2019/20 baseline

31%

Contributed to charities and communities through key programmes & initiatives

£1.2m

Dividend per Share paid

3.0p

Share buyback commenced

£75m

Chair's statement

Currys exists to help everyone enjoy amazing technology

Overview

As an executive and returning as Chair, this is my 18th year at Currys – it will also be my last. As part of a well-planned succession process, Ian Dyson will be taking over as Chair following the AGM in September.

No year in Currys is dull. It is a dynamic business in a fast-moving environment. Last year was no different as we exited (in fits and starts) from Covid restrictions, saw war in Europe unfolding and dealt with both supply chain disruptions and inflation.

Despite all of this, we finished the year in a stronger shape. Profits grew, shareholders were rewarded with dividend and share buybacks, and both colleague and customer satisfaction continued to grow. This was only possible with a great team led by Alex Baldock and the commitment of our tens of thousands of amazing colleagues. Thank you to all of them.

All of our stakeholders rightly expect a great business striving to be better every year. We think we made pretty good progress last year, but there still remains the opportunity and necessity to do better for all of them.

Colleagues

The role of our colleagues is critical to the continued success of this business. We cannot deliver highly valued advice and service without well trained and motivated colleagues. Investment in tools, training and reward is key and we have continued by investing in areas such as a new UK Colleague Hub, thousands of hours of colleague training and through share awards which saw almost 13,000 colleagues receive shares this year with a further 3,000 granted awards that will vest after three years of employment.

Customers

Our customers are noticing the difference from our better trained more committed colleagues, with better systems and processes to back them up to give the best tech advice and service in the market. Our UK Net Promoter Score continues to grow and the work on removing customer pain points is showing real success.

In the Nordics, our customer club has now grown to 6.8m members. Sharing this great idea across the Group, we launched Currys Perks in the UK in October. Already 11.1m customers have used Perks, enabling us to reward our loyal customers and create more personalised and relevant propositions.

Suppliers

Our suppliers are amongst the largest and most highly regarded companies in the world – of the ten companies that spend the most on R&D each year, seven are suppliers to us. The innovation and technological advances that are being made to enhance people's lives and help them make more sustainable choices are incredible, and we are in a privileged position to be a trusted partner to these companies helping them showcase their amazing technology to our customers.



Communities

We want everyone to be able to enjoy the benefits of technology and are committed to making digital inclusive for everyone. In 2020/21 we became one of the three founding partners of a new Digital Poverty Alliance (DPA). This was supported by an initial £1m donation from Currys which funded the first proof of concept for the charity, by equipping 1,000 teachers and teaching assistants in the country's poorest communities with the technology and support they need to deliver high quality home schooling to their pupils. We are delighted to confirm our ongoing commitment to the DPA and in 2022/23 we will be using Pennies customer donations to support vulnerable families with life changing access to technology. Meanwhile Elkjøp has committed £400k+ to a number of strategic partnerships that will help fight digital exclusion in each of the countries in which it operates.

While we don't have a business in the Ukraine, we have partners there and colleagues nearby, so Currys donated funds and devices to help support those fleeing their homes.

Environment

We are striving to become not only a more sustainable company but also to help our customers in their journey. It is not just because this is what we and our stakeholders think is the right thing to do, but also that providing more energy efficient products and services to help keep tech working longer and to be recycled at the end of its life, is something we are uniquely able to do and can be a key differentiator in our market.

Supported by new initiatives such as "Cash for Trash" in the UK, we collected 103,078 tonnes of waste tech. This effort will feature centrally in our proposition of helping our customers choose and afford amazing technology, helping them get that tech started, giving that tech a longer life and helping them get the most out of the tech.

Our progress in sustainability has been recognised by some of the leading rating agencies with significantly improved scores from S&P Global ratings and Sustainalytics and an "A" score from CDP, which ranked Currys plc amongst the top 2% of 11,000 global companies surveyed.

Shareholders

We continue to enjoy the engagement and support of our shareholders. We have returned this support through paying a 3p dividend during 2021/22 and commencing a £75m buyback, reflecting the substantial improvements in the Group's financial position over the past few years. Due to market concerns on the near-term outlook for European consumer spending, our share price has not improved as we all would have liked, but our strong balance sheet combined with market leadership and quality of operations make us confident that we can deliver long term value to our shareholders.

Board

The Board of Currys plc brings together a diverse range of relevant skills and expertise. Bruce Marsh, our new CFO, has been a welcome addition to the Board in the year. In May, it was announced as part of a well planned succession process that I will be stepping down in September. I will be leaving Currys with sadness as it is a business very close to my heart, but I am delighted to be succeeded by someone of the calibre and experience of Ian Dyson. Ian brings a wealth of experience across consumer facing industries and public company boards. He will be a great support to Alex and the rest of the team.

Looking ahead

My time at Currys has been challenging but hugely enjoyable. Despite a difficult external environment, the business is in really good shape; it has a great management team, strategic clarity, strong finances and a very exciting future ahead of it. Although the immediate future will be challenging, I have no doubt that the business is well positioned to deliver value for all stakeholders, as it has done for almost 140 years. I look forward to watching the continuing progress from the sidelines.



Lord Livingston of Parkhead Chair of the Board

6 July 2022

“

Currys is a business that is very close to my heart but I am leaving with it in great shape and a very exciting future ahead of it.”

Lord Livingston of Parkhead Chair of the Board

Chief executive's statement

A stronger Currys, doing more to help customers

This year saw Currys emerge from the restrictions of Covid-19 lockdowns. It is now clearer than ever that amazing technology plays a vital role in our customers' lives. It keeps them connected to loved ones, fed and clean, fit and healthy, as well as productive and entertained. As evidence of this, during the year the UK tech market was +14% larger than pre-pandemic while Nordics was +19% larger.

The year saw stores bounce back strongly, with a +24% rise in store sales across the Group (UK&I +61%). Our stores are profitable and on flexible lease lengths,

but most importantly, they are truly valued by customers as a destination to see and interact with technology while accessing trusted and expert face-to-face advice. We know that our customers find technology exciting, but they also find it confusing and expensive, and we see it as our role to give them the help they need to choose the latest tech, afford it, get it started, give it longer life, and get the most out of it. As the cost of living rises, we expect the role of stores to become more important as customers will want to make more considered shopping journeys for essential purchases.

After two years of constraints and bottlenecks on supply we are now securing good stock and availability across most categories. Component shortages and manufacturing bottlenecks are still causing stock to be short in a small number of products, but the headwinds from shipping constraints have largely dissipated. We have also made some modest investment in stock to secure supply ahead of expected price rises but overall our stock levels are healthy with good sell-through.



“

Our strong results show the vital role that technology plays in millions of lives, and that more and more customers are turning to Currys to help them enjoy that technology to the full.”

Alex Baldock
Chief Executive

The coming year will also see the full effect of current inflationary headwinds. This touches on our business in three major areas.

- First, the cost of goods rises. On most products we pay in local currency when the goods arrive in our markets, the price increases we are seeing at the moment will be felt by all of our competitors as well. These costs are passed on to consumers, but we seek to proactively mitigate through providing similar, different specification products at alternative price points.
- Second, we see cost inflation in our operating costs. Energy and fuel costs have risen dramatically, and we have continued to invest in tools, training and reward for our colleagues. We planned for cost inflation and have cost saving and efficiency programmes underway to offset much of the headwind but the speed and size of inflation is higher than we expected. We are seeing the benefit of deflation in one of our larger cost areas, with rent falling 41% on UK&I store lease renewals in the last year.
- Finally, inflation is very likely to create a headwind to consumer spending and impact sales, particularly in some of our more discretionary categories. Here we are doubling down on our customer offer and will do all we can to help customers. We won't be beaten on price, we will use our extended ranges to offer products at lower price points and we can help customers spread the cost of technology through responsible credit. We do much more than this; we help customers lower fuel bills with our "Go Greener" range and through Protection, Repairs, Refurbish and Reuse to give tech a longer life and help customers get the best value out of their existing tech. We can do this because we have unique capabilities and scale in this area and our diversification will continue to help us to outperform the market.

Social purpose

These activities are a core part of our business and our social purpose, where we have three strategic priorities:

- Circular economy – we will improve use of our resources and create circular business models
- Climate change – we will achieve net zero⁽¹⁾ by 2040
- Communities – we will help eradicate digital poverty

In all of these areas we have strong credentials and have made significant progress against our objectives in the year. Our scope 1 and 2 carbon emissions fell 40% to 21.3k tonnes during the year, marking an 88% reduction over the last 7 years. These credentials and progress have increasingly been recognised externally with the CDP rating our climate change disclosure as A, and high scores from other external agencies.

Capable and Committed Colleagues

Our Capable and Committed Colleagues provide the magic ingredient in helping our customers discover, choose and enjoy amazing technology. Expert face-to-face help is at the heart of why customers shop with us, and that takes skilled and dedicated colleagues.

We continue to make significant investments in developing and rewarding our colleagues. In October we raised all our UK & Ireland colleagues' pay to at least the level of the Real Living Wage and in August 2022 will raise again so that every colleague is earning an hourly rate of at least £10. We are committed to building skills for life. In the UK & Ireland, our colleagues consumed over three million training modules between May 2021 and the end of April 2022 and we provided over 572,000 hours of combined learning. In Elkjøp Nordics, over 22,000 training hours were completed by our colleagues from e-learnings alone. This continued investment in our colleagues is yielding great results. Our most recent employee engagement survey results show that we're becoming a world leader in engagement as at +77, our score is above the external global retail benchmarks for employee engagement.

Our investment in colleagues is rewarded through increased customer satisfaction, leading to market share gains and higher sales. This in turn supports margin growth as colleagues become ever-better at helping customers enjoy the benefits of all the amazing technology and amazing services that we offer.

Omnichannel

Omnichannel is our strategy to create a seamless shopping journey across all channels. Whether it is online, in our 830 stores or using a combination of both channels, we will provide customers with an easy and connected shopping experience across our full range of products and services. The last 12 months have shown us just how important it is to have stores and online working seamlessly together to provide customers a full experience.

Omnichannel starts with a great online experience. Looking at online alone, we are big. Our websites generated 715m visits, the majority of which is free traffic based on the history and high awareness of our brands. As a standalone business our online operations are comfortably larger than our competitors in any market.

In the year we fully rolled out our Nordics "Next Generation Retail" omnichannel platform. This has already yielded pleasing results in both online and store performance. In the UK&I, our e-commerce platform started the transition to Salesforce. The riskiest part of the process has been completed and the anticipated drop in SEO traffic that is associated with any major replatform was both lower and faster to recover than expected. The more exciting upgrades that will give users more personalised content, recommendations and online promotion, and driver greater benefits for us, will come later this year.

Strategic progress

In the following sections you will find further detail on progress made and intended next steps under the three major pillars of our strategy; Capable & Committed Colleagues, Omnichannel and Customers for Life.

→ Read more on our strategy on page 18.

(1) Refer to the glossary and definitions section set out at the end of this report for further details on definition.

Chief executive's statement continued

Our Group online sales are +31% larger than two-years ago but as expected did decline (29)% in the year with store sales rising +24% (UK&I +61%) year on year as customers returned to our 830 own and franchise stores. It is evidence of customers rediscovering the attraction to the store shopping experience that we saw such strong recovery in sales. Our stores are on average lease lengths of less than five years and almost all are contribution positive. In the UK & Ireland we negotiated leases on 40 stores in the year, with an average rent reduction of 41%, we also closed 5 stores where long term economics did not meet our targets.

More than ever, we're focused on three big customer benefits enabled by our omnichannel strategy: we're "never out of stock", customers can get hold of their tech when they want it, and customers can always access expert face-to-face advice.

- First, for our customers in-store, we're "never out of stock". Our 'Order Online In-Store' sales, where our in-store colleagues sell customers products from the online range, are +18% higher than two years ago in the UK.
- Second, customers can get hold of their technology right now through our Order & Collect service. In the UK order & collect grew +18%, with one-fifth of online orders collected in our stores. Over half these were for same day collection, showing that customers value the immediacy that we can deliver. In the Nordics, 39% of online sales were through Order & Collect, with total sales through this channel growing +49% compared to two years ago.
- Third, customers can now always get the expert face-to-face advice they value, not just in store, but anywhere, 24/7, through ShopLive video shopping. Since stores opened, we continue to see higher customer satisfaction, stronger conversion, and larger average order values than unassisted online.

We created a stronger partnership with GHO this year, simplifying our UK logistics operations by partnering with them for both warehouse and transport logistics – this gives us a faster logistics operation, with more integrated data and reporting as well as GHO's expertise in this field. Looking forward, we have approved

investment into warehousing and the next year will see us move into new warehouse space in the UK and break ground on a new distribution centre in Jönköping, Sweden.

Customers For Life

As the leading technology retailer in all our markets, with the ability to serve customers across both channels, we have a significant opportunity to increase our share of customers' tech spend.

This starts by using data to fuel CRM and personalisation. Our Nordic customer club members grew +26% YoY to 6.8m members. We continue to see strong loyalty from these customers as they shop 72% more frequently than non-club members delivering +58% higher revenue and +76% higher gross profit. In total, identified club members represented 46% of Nordics revenue, up +13pts year-on-year. There is plenty of opportunity to keep growing our club members and our new omnichannel platform has helped us identify more transactions. We have set up a new team to start monetising the data we are collecting. In the UK, Perks, our upgraded and rebranded CRM tool, was launched in the year, which has helped us grow our UK customer base to 11.1m, +16% year-on-year and during the year we added SMS marketing and have 3m permissions already. Our new website will allow us to link Perks to identifiable individual customers, creating opportunities for enhanced personalisation.

We are uniquely positioned to help customers enjoy technology for life – no other retailer or service provider can help customers choose, afford and enjoy technology as we can.

Responsible credit helps customers afford the tech they need when they need it. UK credit customers increased +22% to 1.7m, and credit sales were +21% higher, driven by growth from both new and existing customers. The adoption rate of credit climbed +2.5%pts to 13.3% with online adoption nearly matching that of stores. Credit is now making a meaningful contribution to profits and we're confident that we will reach our 16% targeted adoption rate by 2023/24, particularly as we have seen adoption rate of over 18% in recent weeks.

In Nordics the credit adoption rate climbed to 9.5% (2020/21: 8.3%) of sales while Greece continues to lead credit adoption with over 25% of sales on credit.

We all love new technology and want to feel good about buying a new piece of kit. But we also know that electronic waste is the world's fastest growing waste stream and is expected to grow to nearly 75 million tonnes by 2030. At Currys, we intend to be as famous for helping give customers' tech longer life as we are for helping them choose new tech. Longer life through protection, repair, trade-in and recycling is more important now than ever, when customers are facing into spending headwinds.

We help customers protect products from day one. Across the Group there were 13m protection plans active at the end of the year. We sell these because customers want the peace of mind of protection, and we are able to offer plans at better value than competitors as we run our own repair practices. We can also do standalone repair and our repair centre and in-home teams fixed 1.7m pieces of tech last year. If customers want to replace existing tech, we offer trade-in as a bridge between old and new tech. During the year, our UK business trade-in volumes grew +90%. This is a small area of the business that we intend to focus more of our efforts on. At the end of life we can collect products for recycling, and over 100,000 tonnes of WEEE was collected during the year.

Finally, connectivity is important for helping customers get the most out of tech and driving lifetime relationships. Our UK & Ireland mobile category has been through a significant transformation over the last three years. We have ended legacy volume contracts and closed our standalone Carphone Warehouse stores in UK & Ireland. We offer a wide range of handsets and connectivity through our agreement with Vodafone and on our own MVNO, ID Mobile, which is backed by Three. Our mobile category is now a lot smaller than it was, but it is profitable and all material restructuring costs are behind us. In January we launched our new credit-based mobile offer. Unfortunately, this didn't hit the mark with consumers and fell below the hurdle rates we required

for continued investment. We have made the sensible decision to cease the credit-based offer. At the same time, the post-pay market has stabilised and we have proven it can be run profitably as part of our overall tech offer. We will therefore continue putting our weight behind post-pay and look to build market share, which has stabilised over the last six months.

Cost inflation and saving initiatives

During the year, inflation in UK&I alone raised non-product costs by more than £50m. This was driven by about £22m each for wages and shipping with a further £8m in energy costs.

Against this inflationary headwind we have a target of saving a cumulative £300m of annual costs in the UK&I in the three years of 2021/22 to 2023/24. In the first year of this programme we delivered sustainable in-year savings of £69m, which was slightly ahead of our plans. This included £12m of supply chain savings due to focus on driving improved and more efficient processes across a full range of initiatives. We made £30m savings in IT and central costs from reorganisation and removal of duplication and reductions in GNFR totalling £19m. Finally, savings in stores were £8m as we continue to make improvements to our operating model.

In the year ahead we will realise the full year benefit of savings already made and deliver further savings across goods-not-for-resale, supply chain and store operations, and IT costs.



Alex Baldock
Chief Executive

6 July 2022



“

Our scale as an international market leader, our grip on costs and our strong relationships with suppliers will allow us to manage inflationary headwinds and keep amazing technology within reach of everyone, even now. That's what Curry's exists to do, and it's never mattered more.”

Strategy in action
Colleagues

Our capable and committed colleagues – our greatest advantage



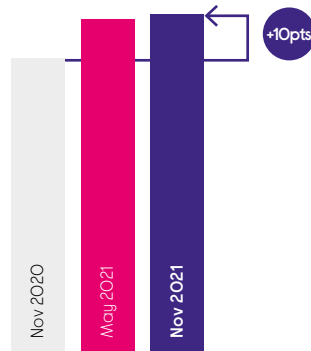
Colleagues

Our vision is to *help* everyone enjoy amazing technology. We know that our customers find technology exciting, but they also find it confusing and expensive. Our capable and committed colleagues provide the magic ingredient in helping our customers discover, choose and enjoy amazing technology.

That’s why we’re investing in excess of £25m between 2021 and 2023 in skills, wellbeing and reward programmes for colleagues. Happy colleagues make for happy customers. Expert face-to-face help is at the heart of why customers shop with us, and that takes skilled and dedicated colleagues. Our investment in colleagues is rewarded through increased customer satisfaction, leading to market share gains and higher sales. This in turn supports margin growth as colleagues become ever-better at helping customers enjoy the benefits of all the amazing technology and amazing services that we offer.

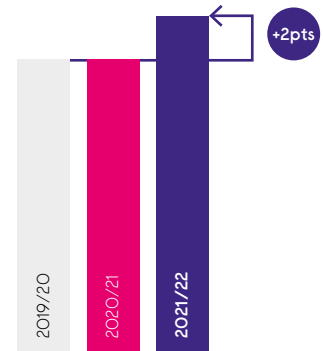
Happy colleagues...

Currys UK&I Employee Satisfaction



...create happy customers

Total UK&I NPS



And the results speak for themselves. Our most recent employee engagement survey results shows that we’re becoming a world leader in engagement. We’re now ahead of the external global and retail benchmarks.

These are encouraging results, particularly as they were achieved during a year of significant change, uncertainty and disruption.

80%
 of UK&I customers
 say our colleagues
 are the main reason
 for a ‘great experience’





Happy colleagues make for happy customers and happy shareholders. Our people are at the centre of who we are because it makes us what we are.”

Paula Coughlan

Chief People, Communications and Sustainability Officer

Covid-19 – keeping colleagues and customers safe

We have continued to create Covid-19 safe environments for our colleagues and customers throughout the Group.

Within the UK & Ireland business (UK&I), our safety measures have proved very successful and ensured that the infection rate across our business remained below that of the general population. For example, we have conducted over 32,000 colleague tests to make sure our colleagues can safely continue selling and delivering amazing technology to customers.

In Greece and the Nordics, we have also continued our pandemic safety measures, including rapid testing, plexi-glass to protect colleagues and customers, hand sanitisers, masks and on-demand disinfection for our physical locations.

We have remained mindful of colleague sentiment and have communicated and consulted throughout this challenging period. Our phased approach to the gradual easing of our internal restrictions has been well received and supported.

Looking ahead

We are not immune to the economic and political uncertainty which is fuelling high inflation and the rising cost of living for households. This volatility is leading to predictions of pay inflation and a new battle for talent. Within the UK specifically, data points to a smaller workforce. Recent studies have suggested that over a million people born overseas may have left the UK during the Covid-19 pandemic.

The impact of the pandemic has also accelerated trends that are reshaping the workplace. These include the move towards flexible working and the importance of wellbeing for colleagues.

How we're responding – Our People Plan

There are three pillars to our People Plan:

1. **Ready for the Future:** To be a modern retailer that's responding to changing customer demands and expectations through a workforce that's flexible, skilled and financially sustainable.
2. **Home for the Best Talent:** To be a destination for talent with a compelling brand proposition. We want people to aspire to work at Currys and feel they can grow their career with us.
3. **Great Place to Work:** To be an organisation that brings our vision and values to life through highly engaged colleagues that are proud to work for Currys and feel like they belong.

Strategy in action

Colleagues continued

Ready for the future

Progress in 2021/22

Building skills for life

In Retail, customer demands are changing fast, as are their expectations around how they want to shop. As we develop the workforce of the future for our omnichannel colleagues, we're committed to responding to these changes and building skills for life. As an example, we've spent in excess of £1.9m in technical skills-based training for our colleagues in Supply Chain and Service Operations, and around £2.5m in the Nordics through a comprehensive range of programmes designed to increase colleague capability and contribute to the experience and satisfaction of our customers.

Our three new Technical Training Centres for Supply Chain and Service Operations are now fully operational. We induct our Driver Installer and Technicians in these centres, with a full range of products and categories available to be trained in.

A recent example of how we're building skills for life is our 'Unleashing Colleagues' programme in the UK & Ireland. Customers tell us that it's our expert advice they value most. So, we want our store colleagues to work in new, more flexible ways so that they have more time to sell, and better serve and support our customers. We've asked all of our store colleagues to adopt a broader, multiskilled role while maintaining their specialism. They will now flex to sell, serve and support customers. For some Support colleagues who have limited customer facing experience, we'll help them to get the skills they need to flourish.

In Elkjøp Nordics, we've also created 'learning tracks' for all our store colleagues, which equips them with the skills they need to succeed in their roles. The track, which covers all essentials within customer care, begins as soon as they join and builds their skills over a structured period of time.

Flexible Working

We're committed to leading the way in making Currys a world-class place to work for colleagues, one that keeps and attracts top talent.

New model

In March 2022, we introduced a refreshed hybrid working model for all corporate and commercial colleagues in the UK, which reinforces our commitment to hybrid working and the importance of face-to-face collaboration. Our model includes clear guiding principles:

- **Be Connected**
- **Be Intentional**
- **Be Inclusive**
- **Be Flexible**

New Currys London Campus

As part of our new model, we announced a partnership with the world's leading co-working company, WeWork, to create our New Currys London Campus at Waterloo.

Our teams will be able to use WeWork locations across the UK. In a further step to ensure this new collaborative approach extends throughout the UK, we're also refurbishing several spaces in stores, Customer Service Centres and our Learning Academy at Fort Dunlop too, giving colleagues even more flexibility about where they work.



“

Just as the future of shopping is hybrid, so is the future of work. We're all preparing for a mix of remote working and face-to-face collaboration. We like digital... But we're still human.”

Alex Baldock
CEO

Flexibility in customer-facing roles

Elsewhere in Currys, across our UK Customer Management Centres (CMCs), over 200 colleagues are able to work flexibly from home.

We've also introduced technology to enable colleagues to work flexibly when selling and serving customers face-to-face or through video channels. One example is ShopLive UK, our 24/7 live video shopping service in the UK which brings amazing instore expertise to customers online. Nearly 40 colleagues currently work flexibly to provide this service around the clock.

Our commitment to flexible working is helping us to attract new talent and increase colleague engagement. Colleagues value the work/life balance that it brings, as well as the financial benefits such as reduced travelling costs.



Strategy in action

Colleagues continued

Home for the best talent

Progress in 2021/22

The battle for talent – attracting talent

We recognise the challenging labour market and battle for talent, but we've continued to attract talent across the Group. In the UK & Ireland, we received over 44,000 applications and hired nearly 2,500 colleagues on Fixed Term Contracts to support Peak 2021. We went on to retain over 900 of these colleagues with permanent contracts. In addition, we leveraged our partnerships with DHL and GHO, using our combined scale, to bring in colleagues to support our Warehouse and Transport logistics teams for Peak. Internationally, over 3,500 colleagues joined our Nordics business in the last year, and nearly 1,000 joined our ranks in Greece.

We remain committed to emerging talent, supporting people into employment and creating skills for life. In the UK & Ireland, 173 new apprentices started on various programmes such as LGV driving, gas engineering and white good engineering with 288 on programme currently. Elsewhere, Elkjøp Nordics has introduced a 12-week long 'try-and-hire' programme for junior developers in our Nordic IT department.

We've also continued to develop our internal and external Careers site with a complete brand refresh in line with our Currys launch. In the Nordics, we've built a bespoke onboarding solution – called 'All on Board' – to support new hires.

Pay inflation – Rewarding our colleagues

Real Living Wage. From 1st August 2022, we plan to pay a minimum base hourly rate of £10 to all hourly paid UK colleagues. This is above the Real Living Wage (RLW) for colleagues outside London. The new London rate will continue to align to the RLW rate of £11.05 per hour. This will result in an average increase of 5.2%. Almost 12,000 hourly paid frontline colleagues will benefit from the increase. This builds on the average increase of 9% the same colleagues received in October 2021, meaning that UK colleagues will receive on average a 14.2% increase in pay over these two financial years.

Drivers and warehouse colleagues.

We also responded to the national shortage of drivers and warehouse colleagues by investing over £9m to make sure we were competitive in attracting and retaining talent for critical roles. We put in place additional pay initiatives including sign on and retention awards, additional overtime and hourly pay rates and an enhanced referral scheme.

Bonus. In May 2021, we also introduced our new quarterly Supply Chain and Service Operations (SC&SO) bonus plan for over 3,000 colleagues to better align performance with the strategy and day to day activities within SC&SO and drive the team and individual behaviours necessary to deliver on the new strategy.

We're also pleased to confirm that the annual performance bonus will pay out again this year to over 2,000 of our UK & Ireland corporate colleagues, with performance outcomes ranging between 86.4% to 90.6% of maximum.

Within our UK&I stores, we have linked the delivery of key metrics (including sales, margin, credit, services adoption and customer satisfaction) to colleague bonus for over 7,600 sales and support colleagues. As a result, our colleagues received an average increase of between £0.60 and £2.60 above their hourly rate during Peak, with our top 500 sales colleagues receiving the higher amount. This positions us well in a competitive market.

Share ownership. Our award-winning Colleague Shareholder Scheme was launched in February 2019, and the first award vested in February 2022 with over 12,600 current colleagues in 11 countries receiving their shares. We have also continued to grant awards to new participants throughout 2021/22, granting awards to nearly 3,000 colleagues globally.

We also continue to offer our UK colleagues the opportunity to build a personal stake in the business through our Sharesave Scheme, with currently 2,685 active participants.

Around 250 senior leaders from across the Group are also a part of our Long Term Incentive Plan (LTIP) which is designed to link reward with the long term success and growth of our business.

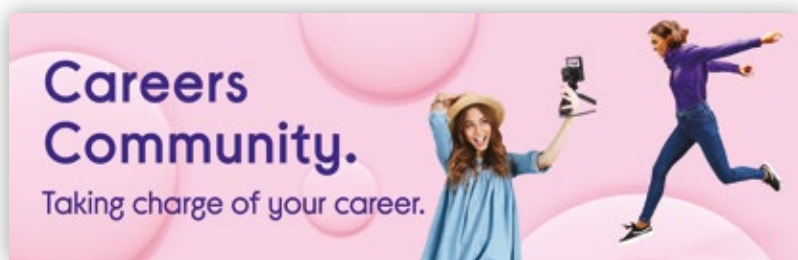
Pension and Flexible Benefits. All UK and Ireland colleagues have access to a defined contribution workplace pension. We also provide a wide range of benefits to all colleagues throughout the Group. In the UK, for example, colleagues can benefit from Life Assurance; Employee Assistance Programme; Digital GP; Thrive; Mental Wellbeing app; and the Aviva Wellbeing app.

12,600

Colleagues received shares across the Group

UK & Ireland total learning hours

572k



Careers – Developing our talent

Expert face-to-face help is at the heart of why customers shop with us, and that takes skilled and dedicated colleagues. Colleagues have embraced our culture of learning.

UK & Ireland. In the UK&I, they consumed over three million modules/resources between May 2021 and the end of April 2022. We've provided over:

- 188,000 hours of classroom learning
- 384,000 hours of online learning
- 572,000 hours of combined learning

International

- **Elkjøp Nordics:** over 550 training programmes were offered through more than 100 suppliers and in-house training programs. In total, over 22,200 training hours have been completed from e-learning alone and 97% of training was rated four stars or above by colleagues on a 5-point rating scale.
- **Kotsovolos:** nearly 1,100 store and call centre employees have taken part in product and services training, totalling over 13,000 training hours.

Some examples of development throughout the Group include:

- Connect Conversations between Colleagues and Managers (which are part of PEAK Performance across UK & Ireland) have been introduced to the entire organisation and provide a platform to discuss performance, career aspirations and development planning.
- A comprehensive onboarding programme of training in the Nordics. Modules were delivered face-to-face or online through 'Academy', our internal training platform.

- Launch of the 'UK aKademy' in Kotsovolos, designed to build User Experience (UX) capability, and the 'CH aKademy', designed to build a customer experience culture and develop capabilities in areas such as customer journeys and design thinking.
- A comprehensive suite of learning for our CCO (Commercial) Colleagues, covering intermediate and advanced negotiation, programme management, financial performance and commercial decision-making.

Developing our leaders

Developing our leadership capability is essential for growth – for the colleague, the team and the Group. We're doing this in many ways, such as:

- **UK & Ireland:** Launch of 'Amazing Managers', a programme to build people manager capability across Retail and Supply Chain and Service Operations:
 - Nearly 300 General Managers and Regional Managers went through the programme.
 - Over 200 First Line Managers and Site & Operations Managers went through the programme.

International:

- **Elkjøp Nordics:** A comprehensive suite of Leadership programmes in the Nordics designed for colleagues at all stages in their leadership journey, from 'Emerging Leaders', to 'Leading Others', 'Leading Leaders' and a specific programme for 'Leading Functions'. Nearly 170 colleagues participated across all four programmes.
- **Kotsovolos:** A new 'Supercharging Virtual Leaders' programme for leaders in Kotsovolos designed to build the skills to lead in a hybrid world. Over 90 leaders have taken part so far. They have also launched 'U-Lead', a new programme for first time non-front-line managers to build core fundamental leadership skills. This is in addition to existing leadership programmes, from 'Stepping into Management' for new people managers, to 'Up-Lead' for all store and call centre managers.



Strategy in action

Colleagues continued

Great place to work

Progress in 2021/22



Creating a culture of communications and engagement

We have run a comprehensive programme of engagement events at all levels of the organisation. Some highlights include:

On The Pulse colleague engagement

We conducted two On the Pulse Surveys during 2021. Results from our May survey demonstrated our commitment to engaging colleagues which saw 20 questions increase in score and a significant (8 point) increase in colleague engagement and double-digit improvements across two of our three focus areas.

In October, these positive results continued:

- We continued to enjoy high engagement, with a 78% response rate, with colleagues leaving over 23,000 comments.
- We're now above the external global and retail benchmarks.
- We're now seeing consistently high engagement scores throughout Currys with scores on 14 questions above the global benchmark. Our eSat employee satisfaction score for the Group ('I am happy working at Currys') is once again 77, equalling our May score.
- Our colleagues in the UK & Ireland increased their eSat score by one point to 78. This puts them in the top 25% of

companies that are part of the global benchmark.

In April 2022, the Nordics joined the Currys On the Pulse survey and move to more active listening. All business units are included in the survey and approximately 13,000 colleagues were invited. Kotsovolos already take part in the surveys.

Values Refresh

The three values – We Put Our Customers First, We Win Together, We Own It – were launched in October 2019 with the input of over 7,000 colleagues. Since then, we've:

- continued to embed the values. Our most recent colleague engagement survey reported a score of 74 on the question 'People at Currys Live our Values' (above global benchmark).
- recognised individuals and teams who are living our values through events such as the annual Chairman's Shield.
- engaged all colleagues in a 'Values refresh' which was launched as part of the Currys Brand launch in October 2021. Using a 'values bot', 2,350 colleagues took part online.

Currys Brand Launch

An engagement programme was developed to build excitement around the launch of the new Currys brand in

October 2021. There was huge colleague engagement on our internal channel ('Workplace') with thousands of posts celebrating store rebranding, new uniforms etc. Video content, microsites, Day one colleague guides were also developed to support the launch.

Virtual Peak 2.0

We held our second Virtual Peak event in October 2021 which was open to all UK&I colleagues. Highlights included:

- Over 3,000 colleagues tuned in live to the launch of Virtual Peak 2.0.
- More than 10 hours of on demand content.
- A Currys Café, which had over 5,500 visits from colleagues exploring the best of our new brand.
- Our Amazing Technology exhibition, which had over 33,500 interactions between colleagues and 35 suppliers.
- The Chairman's Shield awards, with over 1,500 colleagues watching live.

In Elkjøp Nordics, the annual 'Campus' event is a highlight of the year which sees over 150 suppliers come together with over 5,000 colleagues over one month to build skills and knowledge of new technology and products. Building this capability is at the heart of why our colleagues are seen as trusted advisors by our customers.

Creating a culture of well-being

UK & Ireland. We're proud of our continued progress to place well-being at the heart of our business. We've:

- seen a 13-point increase in well-being through our colleague engagement survey.
- up-skilled over 1,200 people managers as mental health champions.
- continued to develop our 'well-being Corner', which has been accessed by 20,000 colleagues.
- shared over 100 online weekly well-being webinar sessions in collaboration with our current partners.
- Integrated well-being into our review process to ensure managers have meaningful connections with their teams throughout the year.

International

- **Elkjøp Nordics:** health insurance is available for all colleagues who work more than 80% of the time, covering benefits such as specialist appointments, diagnostics and treatments. The business also organised for psychologists to run online sessions for colleagues, providing advice on how to cope with stress, loneliness and other challenges.
- **Kotsovolos:** a comprehensive well-being programme called 'Better Me Better Teams' which focuses on physical, mental and financial fitness. The programme provides practical support in areas such as exercise, healthy eating, mindfulness and financial support.

Creating a culture of Diversity and Inclusion

We're at our strongest when we embrace the full spectrum of society, regardless of what we look like, where we come from, or who we love. We're proud of the steps we are taking to make Currys an even more inclusive place to work.

UK & Ireland.

- conducted our first ever inclusion survey with 6,000 responses helping shape our ongoing inclusion action plans.
- listened and responded to colleague feedback that inspired the creation of a new Equality, Inclusion & Diversity Dignity at Work Policy.
- designed new learning modules to help managers create a more inclusive environment.
- worked even more closely with our existing partners such as 'Everywoman' and 'Business in The Community'.
- became a founding member of 'Diversity In Retail' and are currently investing in our internal talent pipelines through participation in their Board Readiness, Ethnic Future Leaders and Senior Women Leadership programmes.
- continued to work closely with our Pride at Currys LGBTQ+ colleague network to celebrate equality.

International

- **Elkjøp Nordics:** Introduced a Diversity, Equality & Inclusion policy for the entire Elkjøp Group. Also signed a partnership and collaboration agreement with EqualityCheck, a Norwegian/Nordic based organisation, built to help companies create more equal workplaces for all by combining data-driven technology with third-party domain expertise into a single solution.
- **Kotsovolos:** Signed the Diversity Charter for Greek companies in May 2021.



Forums. We remain committed to ensuring our colleagues have a voice. In UK&I, we have 11 colleague forums representing colleagues from across the organisation and have played a key role across a number of business priorities throughout the year. A central International Colleague Forum brings the existing country forums into a single listening and engagement forum for all colleagues.

Gender Pay. On 4 April 2022, we published our annual Gender Pay Report. Our combined Group data showed that our comparative median hourly Gender Pay Gap continues to track below the ONS national average (15.4%) at 8.2%. Similarly, year on year the median Gender Bonus Gap decreased from 22.9% to 20.1%. You can read our report here https://www.currysplc.com/media/og4enx1y/d2996_currys_gender_pay_gap_2_022_a4_v27.pdf

Number of employees as at 30/4/2022

	Total	Female		Male	
PLC Board	8	3	37.5%	5	62.5%
Executive Committee	8	2	25%	6	75%
Direct Reports of Executive Committee	65	22	34%	43	66%
All Employees	31,717	9,846	31%	21,871	69%

Strategy in action

Omnichannel

Omnichannel is our way of bringing the strengths of stores and online to all our customers, however they may be shopping



Omnichannel

Omnichannel is our strategy to create seamless journeys across all channels, whether that is online, in our 830 stores or using a combination of both channels, we will provide customers an easy and connected shopping experience across the full range of our products and services.

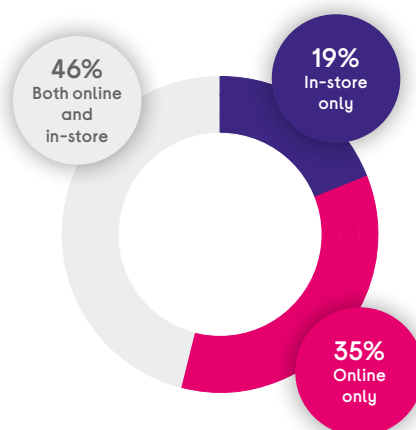
Our online business offers customers a 24/7 shopping experience across our full range of products with the convenience of delivery. Stores are places of discovery and allow customers to see, touch and feel amazing technology while getting trusted face-to-face advice from our expert colleagues.

Omnichannel is the best of both worlds; customers in-store can access our full range of products and have them delivered to home meaning we are never out-of-stock for these customers, our online customers can pick up products in-store shortly after ordering, providing an immediacy that online retailers cannot match, while ShopLive UK (our 24/7 service in the UK) allows our customers to get the trusted face-to-face advice of our expert colleagues from the comfort of their own homes.

The flexibility omnichannel provides is also what customers prefer. Even through the pandemic, almost half of UK customers used both stores and online during their shopping journey for tech.

Improving the ease of shopping in both channels will help us grow market share, while delivering the best of both worlds will help us grow sales and improve gross margins.

Customers prefer omnichannel



December UK&I 2021 Survey⁽¹⁾

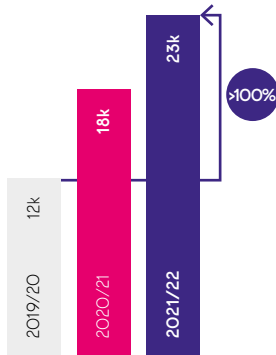
Store customers cite the ability to see, touch and feel products before buying and the expert advice as main reasons to shop in-store. Online customers cite convenience and availability as main reasons for using that channel. Providing both allows us to serve all customers across our markets.

(1) Source: Company information – Customer survey of 1,290 UK&I customers in March 2022. Question: Which of the following best describes how you have browsed/shopped for electricals in the last 12 months?

Omnichannel starts with better retail basics

Larger range

UK&I more than doubled in two years



UK&I Product Range

Lots of headroom; Nordics at 64k-95k SKUs

Investing in price

Clear price promise

“You won’t find it cheaper”

currys

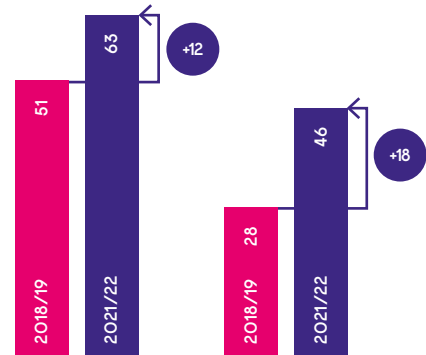


ELKJØP

PRISMATCH

Easier experience

Improved delivery and collection experience



UK Delivery CSAT

UK Collection CSAT

In the Nordics, customer satisfaction was very high (Happy or Not at 90%)

Easier experience

Regardless of channel, good retail starts with getting the basics right. That includes making sure we have a large and relevant range of products, have a clear price promise and are delivering an easy customer experience.

Online we are big...even without stores we would be clear market leader

UK&I online compared to closest competitor



2021/22 Revenue (in £bn)

Nordics online compared to closest competitors



2021/22 Revenue (in £bn)

Notes:
UK&I
Currys UK&I online retail sales, include UK Order & Collect.
Total UK sales for Competitor 1, estimated for financial year ending March 2022

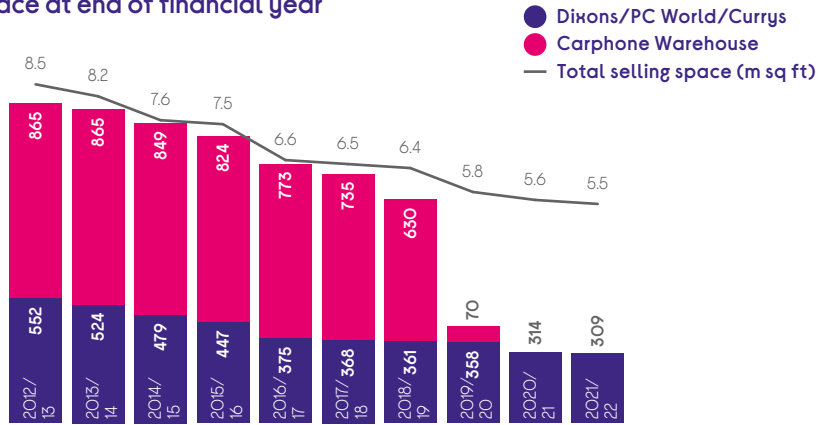
Nordics
Elkjop Nordic online retail sales, include Order & Collect.
Total sales for Competitor 1, Competitor 2 and Competitor 3. Significant part of Competitor 3 business is not online sales and including other categories than electronics, but they don't disclose the breakdown. Competitor 1 sales including stores and distribution business. Competitor 1 and Competitor 3 use calendar years.

CSAT results are provided year-on-three-year, representing the closest period undisrupted by government enforced store closures in order to provide users an accurate representation of customer satisfaction on a comparative basis

Strategy in action Omnichannel continued

Our UK&I store estate is now rightsized under one brand

Number of stores and total selling space at end of financial year



Omnichannel: Giving customers the best of both worlds

Never out of stock

UK&I online-in-store sales

Get your product right now

Order & Collect sales

UK&I

Nordics

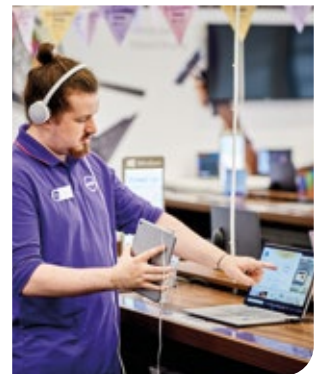
Help 24/7

ShopLive UK

4.4/5
Customer rating vs unassisted online

~5x
Conversion

>30%
AOV

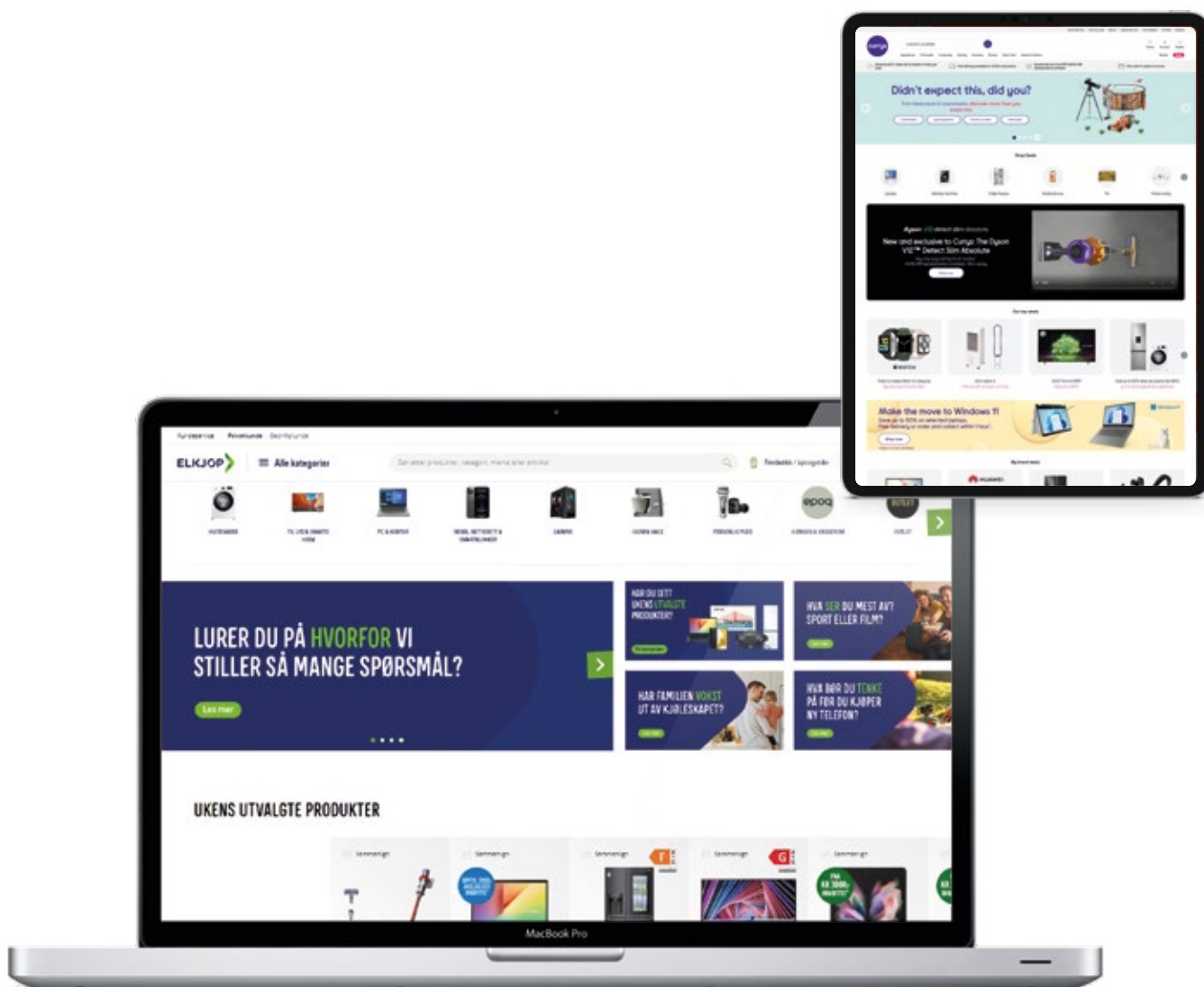


What we did this year

- Brand new currys.co.uk website launched and moved onto the new Salesforce platform. Benefits include 3.5x faster site speed, improved recommendation engine, intuitive cross-sell and trade up, and enhanced funnel analytics.
- Next Generation Retail, our Nordic omnichannel platform went live in all markets. This is a new online B2C and B2B platform and includes the back-office connectivity of store sales, store operations, call centre systems and direct distribution.
- Launch of new Colleague Hub in the UK&I to give access to to-do lists, calendars, communications and reports.
- Our first store ranging trial using customer data to tailor the range in two stores has demonstrated a strong uplift in store sales with a halo impact on our online sales.
- In the UK, we created a stronger partnership with GHO this year, simplifying our logistics operations by partnering with them for both warehouse and transport logistics. This gives us a simpler, clearer and faster logistics operation, with more integrated data and reporting as well as GHO's expertise in this field.

What we will do next

- Upgrade currys.co.uk to include more personalisation and a seamless end-to-end journey and adding account history for each customer.
- Expand the Colleague Hub to increasingly guide and personalise each customer's in-store experience, making it easier for the colleague to make the most out of everything we know about that customer.
- Continue to focus on customer pain points and focus on improving customer satisfaction at every stage of customer journey.
- Add new warehouse space in Doncaster (UK).
- Build a new distribution centre in Jönköping (Sweden), this will initially be a manual system, but will move to semi-automated over time.



Strategy in action
Customers for life

We're changing from a business that just 'sells boxes' to anonymous customers, to one that has deep customer relationships



Customers for life

As the leading technology retailer in all our markets, with the ability to serve customers across both channels, we have a significant opportunity to increase our share of wallet.

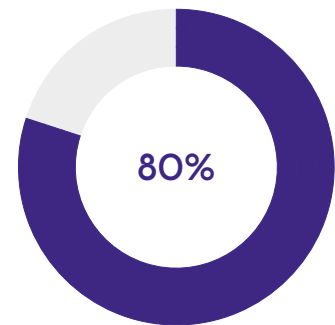
This starts by using data to fuel CRM and personalisation. We are building our customer data in two ways; first through our Customer Club in the Nordics and Currys Perks in UK, we are building a large data set on customers. Second, we are starting the process of joining together disparate customer bases to create a single view of our customers. The combined insight from this will allow us to personalise experiences for all customers and develop propositions that customers value.

The propositions that customers value revolve around our Services. We are uniquely positioned within tech retail to help customers afford tech through credit, help them get started with delivery, installation and set-up, help give tech a longer life through protection, repair, trade-in and recycling, and get the most out of tech through connectivity, subscriptions and tutorials. These Services are profitable on their own, but more importantly they help customers make more sustainable choices and they drive increased customer loyalty. We will evolve our Service propositions to give us more chances to speak to more of our customers more often and therefore increase loyalty and share of wallet.

Over the medium term, growing our share of wallet drives a higher margin as it lowers our net spend on acquiring and retaining customers.

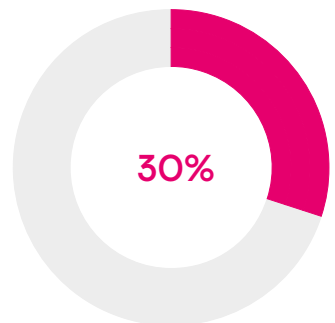
We have a high share of customers but a low share of wallet

~80% of UK households shop for electricals with us ⁽¹⁾



We don't need to invest lots in acquiring new customers...

But we only get a ~30% share of their wallet



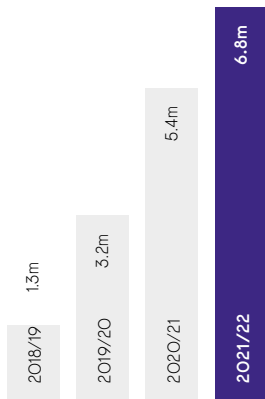
...and significant headroom remains to grow share of wallet with our existing customers

(1) Unique identifiable households who have shopped for electricals with Currys in the past three years.



In the Nordics we have built a successful loyalty program

Successful rollout in the Nordics # of customer club members

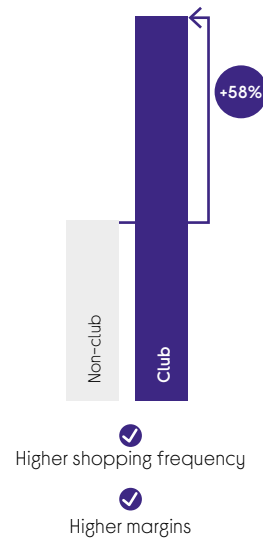


Equivalent to more than 50% of Nordic households being club member

Clear customer benefits

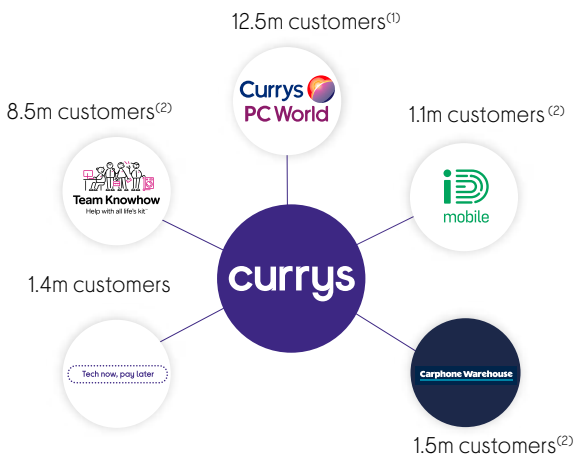
- Always discount on specific product categories
- VIP shopping
- Club deals every month
- Extended Buy & Try
- Collaboration with streaming services

Higher engagement Revenue per customer 21/22

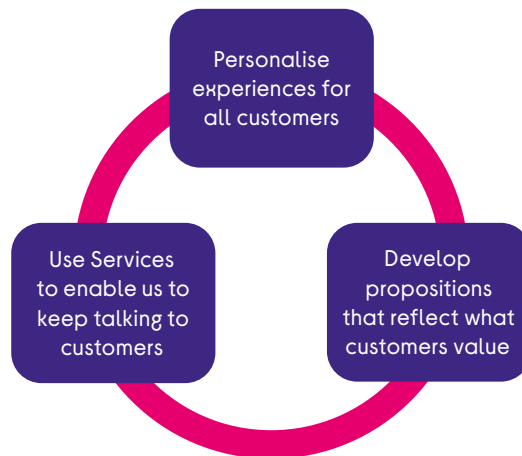


In the UK, we have taken the first steps to bringing together our disparate data sets

We are bringing our disparate customer bases together to create a single view of our customers



With this combined insight we can:



(1) Unique customer households who have purchased electricals within the last 12 months.
 (2) Unique customers with whom we have an ongoing contractual relationship.

Strategy in action

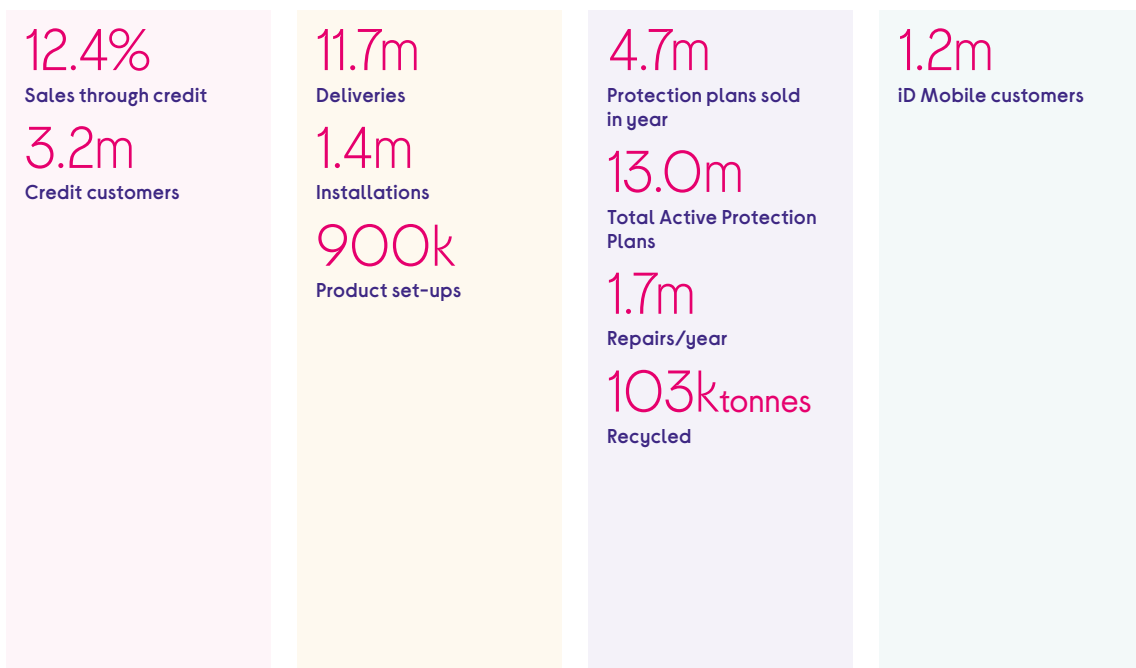
Customers for life continued

We're building on strengths across all stages of Services

Our Services help everyone enjoy amazing technology. We are in a unique position to be able to help customers get technology products started, give them a longer life and get the most out of their technology.



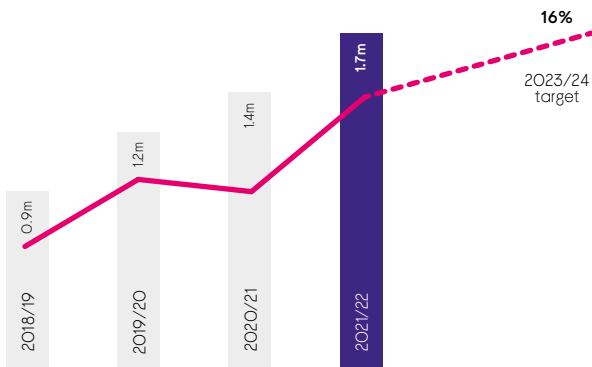
2021/22 – Group



Credit helps customers afford the technology they want and drives loyalty

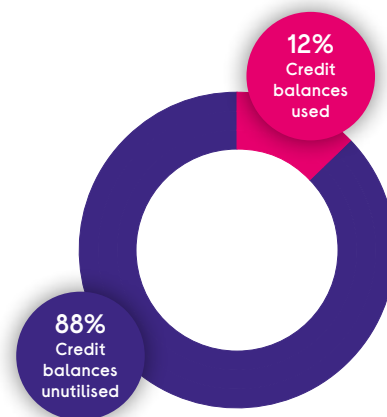
Customers for Life – Credit

Active credit accounts in UK



Accounts (m) – Pink Line = Credit Adoption Rate (%)

Active credit accounts in UK



Credit is a driver of loyalty – credit customers are 70% more likely to return than non-credit customers

What we did this year

- Grew Nordics customer club to 6.8m members, +26% year-on-year and representing 52% of Nordic households.
- Launched Currys Perks, our upgraded and rebranded CRM tool, in the UK. At the end of the year, we had 11m customers.
- In the UK, a new data platform was set up, this will become centre of our data ecosystem.
- Used Loyalty segmentation with our CRM to enable our first personalisation trials.
- Trialled RepairLive which enables customers to get real-time fixes for their laptop, book in a repair, or even arrange a return for their tech over a live video call. They'll get the same expert advice as in store, making it easier and quicker to get kit back up and running again.

What we will do next

- Build further enhanced credit propositions.
- Introduce more options on trade-in and recycling.
- Build on customer data platforms to increase personalisation.



Our stakeholders

This report sets out the Company's approach to stakeholder management

Section 172(1) statement

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

Likely consequences of any decisions in the long term.



What this means

The Board challenges what impacts any decision will have on the Company's stakeholder groups and ensures that both the immediate implications and possible cumulative outcomes are considered.

Interests of the company's employees.



What this means

Capable and committed colleagues are the interface between the Company and our customers and are critical to the long-term success of the Company. The Board considers the needs of colleagues and how any decision will impact them.

Need to foster the company's business relationships with suppliers, customers and others.



What this means

The Board ensures that any decision is made in the context of the need to be a responsible partner, to collaborate effectively with suppliers and to maintain successful relationships with customers. The Board seeks to ensure that the Company has strong relationships with external stakeholders including its regulators, banks and the external Auditor.

Impact of the company's operations on the community and environment.



What this means

The Board considers how any decision will affect the communities in which the Group operates together with any environmental implications.

Desirability of the company maintaining a reputation for high standards of business conduct.



What this means

The Board challenges whether any decision made is the 'right thing to do' to ensure a fair outcome for all stakeholders.

Need to act fairly as between members of the company.



What this means

The Company's shareholders include institutional investors and retail shareholders. In considering the impact decisions have on shareholders, the Board takes this into account and ensures that all shareholders have equal access to information and engagement opportunities.

This statement explains how the Board has embedded stakeholder considerations across decision-making and, in particular, how directors have had regard to the factors included in section 172(1) in addition to other factors relevant to any decision being made.

Our approach to stakeholder management

There are different processes across the business to ensure stakeholder considerations are embedded into the Group's decision-making. A clear corporate governance structure is in place which, together with the Group's Delegated Authority Policy, ensures that business decisions are made by the appropriate people and in the appropriate forum (in accordance with the terms of reference of that forum). The supporting documentation for each Board and committee meeting includes, for reference, a summary of section 172(1) responsibilities immediately after the meeting agenda. To ensure that the impact on stakeholders is duly considered, Board and committee decision paper templates include mandatory fields for papers' authors to include an impact assessment on each stakeholder group.

The Board acknowledges that decisions made will not necessarily result in a positive outcome for every stakeholder group. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Board does, however, aim to make sure that all decisions are considered and made following reflection across a broader view of stakeholder considerations.

This report includes examples, for each of the Company's key stakeholder groups, of the matters that the Board considered during the year, including how decisions were reached and stakeholder considerations that were central to discussions and outcomes.



Our stakeholders

Stakeholder management

CASE STUDY:

Environment, Social and Governance ('ESG') strategy

During the year the Board discussed and challenged the ESG strategy and the extent to which it remained fit for purpose.

The Board considered the function that the Group performs for **Our Customers**, in providing technology that helps people stay connected, productive, healthy, and entertained. The Board agreed that the ESG strategy had to reflect that sustainability considerations are increasingly important to customers. The Board considered the opportunities that the Group has to support customers in making more sustainable choices by clearly communicating the 'Green' credentials of products (such as energy efficiency and water use) and helping them give their technology a longer life through trade-in, protection, repair and recycling.

The Group holds an annual 'Peak' event for **Our Colleagues** prior to the busy Christmas trading period. This event is used to update colleagues on the product proposition and the strategic priorities for the business. The Peak event held in October 2021 was held virtually, enabling the attendance of colleagues from across the Group. The event included updates on environmental and charitable initiatives in the Group to

engage colleagues and to inspire them to think of additional ways in which they can support these goals. The Board discussed the need to empower colleagues to deliver improvements and the impact of the social purpose of the business on colleague engagement. During the year the Remuneration Committee approved the addition of environment metrics into the 2021/22 bonus plan. ESG metrics now make up a significant proportion of the Company bonus scorecard to ensure that colleague remuneration is aligned to 'doing the right thing'.

The Board considered the appropriate ESG strategy in context of **Our Communities and Environment**. This included the social purpose that underpins the Group vision: We Help Everyone Enjoy Amazing Technology, and the role the Group can play using its scale and innovation to contribute to key societal issues. The Board agreed that the ESG strategy needed to include specific plans to reduce the impact of the Group on the environment in both our operations and our wider value chain. The Group has committed to achieve net zero⁽¹⁾ emissions by 2040. The Board agreed that the ESG strategy should accelerate the Group providing products that help customers save energy, reduce waste, and save water. The Board considered the wider community as part of an evaluation of the

Group's charitable partnerships to assess how the Group can most effectively make a charitable contribution including to bring the benefits of amazing technology to those who might otherwise be excluded.

Collaboration with **Our Suppliers** is critical to reduce the environmental impact of products sold within the Group. The Board agreed that the ESG strategy had to include a programme of activities involving suppliers, partners, manufacturers, and colleagues working towards a common goal to offer more sustainable products and ensure responsible sourcing and ethical standards across the Group's supply chain.

The Board recognised that there has been increased interest from **Our Shareholders** on the detailed plans supporting ESG initiatives. The Board agreed that the Group would need to enhance current ESG disclosures and reporting and share more information on existing recycling and other ESG initiatives in the business. There was a presentation on ESG at the Capital Markets Day held in November 2021 and this was supported by ESG investor roadshows. During the year the Group has been recognised externally by various organisations in relation to the ESG approach. The Board agreed that helping customers give their technology a longer life through trade-in, protection, repair, and recycling is a proposition the Group is uniquely positioned to offer. It will be both attractive to customers and position the Group as a long-term sustainable business.

Further information on the ESG strategy is available in the Sustainable business report on page 40.

(1) Net zero is defined in the Glossary and definitions section on page 245.



CASE STUDY:

Board decision on UK logistics operations

During the year the Board considered the interests of the Company's stakeholders during a review of the logistics operations in UK.

The Board considered whether an enhanced in-house model or an outsourced model for warehouse and transport operations could best deliver a clearer, simpler, faster Supply Chain and Services Operation in the UK that would benefit the Company's key stakeholder groups.

The Board considered the needs and expectations of **Our Customers** and the ability of each model to deliver greater customer choice, availability and fulfilment options, and meet customer promises. The Board agreed that increasing functionality in respect of speed, choice and convenience would be critical to meet customer expectations.

The Board agreed that the use of technology and innovation to continuously improve the working environment for **Our Colleagues** would be beneficial for colleague engagement and well-being in addition to increasing the time colleagues have to offer a customer-centric service.

The risks of each proposal were considered together with the impact on **Our Communities and Environment**. The accountable Executive Committee member for the logistics operations is the Chief Operating Officer who attended ESG Committee meetings during the year and monitors the Group's progress against emissions and e-waste targets and other ESG metrics.

The Board considered the needs of **Our Suppliers and Partners** relevant to the logistics operations and assessed the proposals in terms of the efficiency improvements including improved stock management, forecasting and capacity and supplier management.

The customer, colleague and financial benefits of the proposals were considered together with costs to evaluate the option that would provide the best overall value for **Our Shareholders** and support the long-term sustainable success of the business.

Following consideration of the proposal, including the impact on the Company's key stakeholder groups, the Board approved that the business enter into an agreement with GHO logistics to run the Company's key warehouses and distribution centres and transport operations.

Our Customers

How we engage

- In-store.
- Online.
- ShopLive UK.
- Customer app.
- Customer care centres.
- Email.
- Post-sales survey.
- Media including social media.

Stakeholder focus

- Product availability.
- Product range.
- Product value and affordability.
- Product sustainability and ethical sourcing.
- Customer journey experience.
- Services and Credit.
- Advice and support.
- Choice of how to purchase; online or in-store.
- Seamless delivery experience.

Our approach to engagement and how the Board is kept informed

- The Board receives an update on customer satisfaction metrics each week. Root cause analysis is carried out to understand and resolve any concerning trends. A Voice of the Customer dashboard is in place for UK & Ireland and the Nordics region has a separate 'HappyOrNot' satisfaction measure. In June 2021 the Board received a more detailed UK & Ireland customer satisfaction scores update including customer experience highlights for 2020/21 and an update on how key customer 'pain points' had been identified and addressed. A deep dive on Nordics in April 2022 included an update on customers.
- Verbatim customer feedback is captured from thousands of customers each week to gain insights and help the business better understand customer expectations and concerns. Machine learning and AI solutions are used to quantify the sentiment of the comments. This information is reviewed internally and used to generate improvements to the customer experience. The Board continued to receive a synopsis of the results of this feedback during the year and these insights into the customer experience are considered by directors as part of Board decision-making.
- ShopLive UK provides customers in the Nordics and UK & Ireland with an in-store experience from their own homes via video link with sales colleagues. This functionality enables customers to receive advice on laptops, TVs, washing machines and refrigeration products to ensure that customers, including the most vulnerable, can benefit from store colleagues' expertise remotely. The Board receives regular updates on the performance of ShopLive UK.
- During the year, the Board considered customer feedback as part of the decision to approve proposals to enhance the customer experience including a three-year transformation plan for UK & Ireland Customer Management Centre and the establishment of a new Nordic distribution centre that would substantially reduce the CO₂ impact of distribution.

Our stakeholders

Stakeholder management continued

Our Colleagues

How we engage

- Internal communications – Executive Committee member updates, workplace intranet, emails, 'Ask Alex' Group Chief Executive interactive videocalls, interactive calls hosted by Executive Committee members, team meetings, individual meetings with line managers.
- Colleague surveys – engagement and for feedback on specific topics such as hybrid working.
- Events – annual Peak event – (online during 2021), campus event for Nordics region, training at The Academy@Fort Dunlop.
- Colleague listening forums.
- Inclusion and Diversity Forum.

Stakeholder focus

- Company culture and values.
- Well-being.
- Reward.
- Benefits.
- Flexible working.
- Health and safety.
- Training and development.
- Inclusion and diversity.
- Company social purpose and sustainability.

Our approach to engagement and how the Board is kept informed

- New store-based colleagues that join the business in the UK attend a training event at The Academy@Fort Dunlop before they start work serving customers in stores. Similar training is also provided in the Nordics and Greece. A separate induction programme is in place for corporate colleagues.
- A central 'People Place' intranet site is available to UK & Ireland colleagues and provides access to all HR policies and guidance and allows colleagues to log any issues or questions and a 'well-being corner' Intranet site is available to support colleagues.
- A central International Colleague Forum is in place to unify the long-term existing country forums into a single listening and engagement forum for all colleagues. Tony DeNunzio, the Deputy Chair and Senior Independent Director, attends these forum meetings with the Chief People, Communications and Sustainability Officer, Paula Coughlan. Andrea Gisle Joosen, our Sweden based Non-Executive Director, attends the Nordics Colleague Forum meetings. The Board received an update on colleague listening at a Board meeting in April 2022.
- The annual Peak event was held virtually during November 2021 to provide colleagues with strategic updates from the Executive Committee members and to provide colleagues with information and training. Topics included strategic plans, ESG updates and the Company values.
- Regular colleague surveys are used to seek feedback which is then shared with the Board and used in decision-making. Surveys seek feedback on engagement and include ESG questions and specific surveys have been used during the year to assess colleagues' views on hybrid working and office facilities to support the design of a new hybrid model of working.
- Directors visit stores and meet colleagues in person. Whilst these visits were less frequent than previously due to Covid, the Board visited the UK & Ireland distribution centre in Newark during March 2022. This visit included meeting many colleagues from Supply Chain and Services Operations, receiving updates on current priorities for the team as well as new areas of innovation.
- A Colleague Shareholder Award scheme is in place to allow colleagues to share in the success of the business. Further details of this scheme are available in the Remuneration Report on pages 114 to 147.
- Board and committee paper authors include their contact details on papers submitted to the directors and directors frequently contact them directly when they have queries on papers or are interested to receive more detail.

Our Communities and Environment

How we engage

- Surveys and forums.
- Website, reports and media including social media.
- Engagement meetings and events.
- Charity and supplier partnerships.
- Multi-stakeholder collaborations.

Stakeholder focus

- We Help Everyone Enjoy Amazing Technology.
- Being a responsible contributor to society.
- Being a good employer.
- Having sustainable business practices and minimising impact to the environment and addressing climate change.

Our approach to engagement and how the Board is kept informed

- An Environment, Social and Governance ('ESG') Committee is in place to oversee all charitable and ESG activities carried out across the Group. Representatives from all countries attend this forum and provide updates. The ESG Committee is attended by a non-executive director of the Board, Andrea Gisle Joosen, is chaired by the General Counsel and Company Secretary and reports into the Executive Committee. More information is available on page 113.
- The Company has a Sustainable Business team that leads the management of the Group's charitable partnerships and environment initiatives.
- The Company was awarded the highest available rating, an A, by global environmental non-profit CDP, for its leadership in corporate sustainability in tackling climate change, putting it in the top 1.5% of 13,000 companies for climate change disclosure.
- Through design, repair, recycling and reuse the Company is working to improve its use of resources and create circular business models. The Company will use its scale and expertise to help drive industry action and in November 2021 joined the Circular Electronic Partnership (CEP), who maximise the value of components, products and materials throughout their lifecycle.
- The Company seeks to help accelerate industry change by working with other retailers and suppliers to share best practice and reduce the industry's reliance on plastic packaging. For example, unrestricted access has been given to Product Packaging Guidance to share best practice with the wider industry. This guide outlines to suppliers and other retailers preferred materials to use and which materials to avoid based on data sources and engagement with a number of specialist organisations and experts.
- Through a £1m donation to found the Digital Poverty Alliance, the Company has equipped 1,000 teachers and teaching assistants in the UK's poorest communities with the technology and support they need to deliver high-quality teaching. These teachers are in turn forming a community of ideas and best practice to help create digital inclusion for everyone.
- The Board received comprehensive ESG updates in September and December 2021 and regular reporting on sustainability and charitable activities is included within the CEO report at Board meetings. The Board agreed an approach for a new ESG strategy during the year and this included consideration of the needs of key stakeholder groups.

Our Suppliers and Partners

How we engage

- Formal engagement strategy including regular visits and meetings.
- Supplier relationship management team.
- Supplier questionnaires.
- Due diligence process for new suppliers.

Stakeholder focus

- Strong customer demand.
- Good collaboration.
- Reliability.
- Value.
- Health and safety.
- Compliance.
- Effective communications.
- Sustainability and ethical sourcing.

Our approach to engagement and how the Board is kept informed

- The Board receives regular feedback on substantive supplier matters via the Group Chief Executive and the Chief Commercial Officer.
- The Group Chief Executive participates in regular meetings with the Group's largest suppliers and receives regular updates on all suppliers from the Chief Commercial Officer.
- The Commercial team put in place a formal engagement strategy with each large supplier. This strategy is customised in each case but includes regular meetings and calls between the Group Chief Executive and their counterpart at the supplier company and between the Chief Commercial Officer and their counterpart. This is supported by a team of colleagues engaging regularly to assess progress against agreed business plans.
- A suite of policies and standards are in place to ensure that suppliers and partners adhere to high ethical standards including prevention of modern slavery and anti-bribery. More information on this is available in the Sustainable business report on page 56.

Our Shareholders

How we engage

- Results announcements and presentations.
- Annual report and accounts.
- Annual general meeting.
- Investor roadshows.
- Shareholder meetings.
- Company website.
- Registrar contact.
- Consultation with major shareholders on key topics.
- Capital Markets Day.

Stakeholder focus

- Ensuring the long-term sustainable future of the business.
- Financial and share price performance.
- Dividend policy.
- Current trading.
- Business strategy and vision.
- Director remuneration.
- Shareholder communications and engagement.
- ESG issues.

Our approach to engagement and how the Board is kept informed

- The Board receives updates from the Investor Relations team at every Board meeting. These include updates on any material changes to the composition of the shareholder register, a summary of investor interactions that have taken place during the period as well as upcoming interactions and a summary of investor questions received, and topics discussed.
- The Investor Relations team manages a programme of meetings with the top 30 shareholders and most of these meetings are also attended by at least one Board director. For other shareholders, the primary point of contact is the Company's registrar, although any matters can be escalated to either the Investor Relations or Company Secretariat teams as appropriate.
- A Capital Markets Day was held in November 2021 to provide shareholders with an update on the Group transformation and strategy. The event was attended by most of the Company's largest shareholders and the presentations are available on our website at www.currysplc.com. This included a presentation on ESG and was supported by ESG investor roadshows.
- The Chair of the Board requests an engagement meeting with each of the top 30 shareholders of the Company on at least an annual basis to discuss any topics of interest to the shareholder.
- The Chair of the Remuneration Committee also contacted the Company's largest shareholders during the year to consult with them in advance of the Remuneration Policy being submitted to shareholders for approval at the Company's Annual General Meeting in 2022.




Sustainable business

Our approach

Our vision, to help everyone enjoy amazing technology, has a powerful social purpose at its heart. We believe in the power of technology to improve lives, help people stay connected, productive, healthy and entertained. We're here to help everyone enjoy those benefits and with our scale and expertise we are uniquely placed to do so.

We are committed to operating a responsible business by understanding stakeholder expectations and best practice. During the year, we reviewed our Sustainability and Social Impact strategy to ensure this continued to reflect those issues that are most important for our business, our stakeholders and our value chain. We identified three material issues that we are now focused on and will drive meaningful difference on through long-term objectives. We report our progress against these three material issues alongside updates on how our work is underpinned by a strong foundation of responsible sourcing, corporate governance and being a good employer.

An Environment, Social and Governance ('ESG') Committee is in place to oversee all ESG activities carried out across the Group. Read the report from our ESG Committee on page 113.

Our material issues	What we do	Link to UN Sustainable Development Goals
<p>Circular economy</p> <p>Objective: We will improve our use of resources and create circular business models.</p> <p>→ Read about our focus on circular economy on pages 42-45.</p>	<ul style="list-style-type: none"> We are a leader in extending the life of technology through repair, recycling and reuse. We work together with manufacturers and suppliers to offer customers more sustainable products. 	
<p>Climate change</p> <p>Objective: We will achieve net zero⁽¹⁾ by 2040.</p> <p>→ Read about our focus on climate change on pages 46-51.</p>	<ul style="list-style-type: none"> We are reducing our impact on the environment not only through the energy and resources used by our operations, but also in our wider value chain. We report our energy and greenhouse gas ('GHG') emissions publicly, respond to the CDP questionnaire on Climate Change and support the Task Force on Climate-related Financial Disclosures ('TCFD') and its recommendations. 	
<p>Our communities</p> <p>Objective: We will help eradicate digital poverty.</p> <p>→ Read about our communities on pages 52-55.</p>	<ul style="list-style-type: none"> We bring technology to everyone everyday. We partner with charitable organisations to bring the benefits of amazing technology to those who might otherwise be excluded. 	

(1) Net zero is defined in the Glossary and definitions section on page 245.

Engagement

→ Read about our **engagement** with key stakeholder groups on pages 34-39.

Risks

→ Information on our **Group Principal Risks**, which includes ESG, on pages 58-64.



UN Sustainable Development Goals

→ Read more about the 17 UN Sustainable Development Goals at: <https://sdgs.un.org/goals>

Colleague

→ Read about our focus on **colleague engagement** to create a happier, healthier and more productive workforce, united through our **values** and **culture** on pages 18-25.



→ Information on our activities is also available on our website. www.currysplc.com/sustainable-business

What we did this year

- Joined the Circular Electronics Partnership ('CEP') which brings together experts, business leaders and global organisations to set a vision and roadmap to a circular economy for electronics by 2030.
- Launched our new UK & Ireland Services strategy – Giving Tech Longer Life – and ran our first ever financial recycling incentive 'Cash for Trash' for customer e-waste in the UK.
- Elkjøp took part on the Board of the industry's joint effort Ombrukt (Re-used) through the industry association Elektronikkbransjen.
- Kotsovolos increased the collection of e-waste for recycling and reuse by 25%.

Achievements

103k
tonnes e-waste collected across our Group for reuse or recycling

1.7m
repairs across our Group to keep tech working

13m
active care services and tech insurance plans across the Group

What we will do next

- Utilise our scale with brands to develop, scale up and promote circular economy opportunities for our products and make it more affordable for customers to upgrade their technology.
- Launch proof of concept projects as part of our UK & Ireland Services strategy.
- Improve our pre-loved offering.
- Continue to expand our e-waste collection services.
- Widen our product trade-in capabilities.
- Continue to work with the CEP and its members to help move the electronics sector towards a more circular economy by 2030.

- Achieved an 'A' rating for CDP.
- Assessed the impact of key climate risks and opportunities for our operations.
- Increased the procurement of renewable electricity across the Group.
- Met and exceeded our colleague bonus scorecard target on Scope 1 and 2 emissions reduction.
- Increased our focus on environmental messages in our customer and product messaging.

A
Currys' score for climate change in CDP

31%
reduction in Scope 1, 2 and 3 emissions against a 2019/20 baseline

- Continue to take steps to reduce emissions, including trialling electric and low-carbon alternative fuelled vehicles.
- Continue to increase our disclosure and publish a net zero roadmap.
- Share best practice on climate – related risk management and monitoring across the Group.
- Assess the impact of key climate risks and opportunities of our supply chains.

- Supported the Digital Poverty Alliance ('DPA') to set out its strategy for the next two years to convene, compel and inspire collaboration within the UK community to lead sustainable action against digital poverty.
- Supported Age UK to develop and launch 21 Digital Support Guides on topics older people identified as being in most need of to help them access and enjoy technology.
- Continued to support people to enjoy amazing technology through our Kotsovolos Second Home programme and the work of The Elkjøp Foundation.
- Provided humanitarian aid through the Red Cross and supported refugees in our local communities.

£350k+
raised for our two year partnership with Age UK

£400k+
committed by Elkjøp to number of long-term strategic partnerships to strengthen the ability to fight digital exclusion

1,000+
Kotsovolos colleagues from stores, offices, warehouses and distribution centres participated in Good Deed Day activities

- Work with Age UK to support the successful delivery of a tablet loan scheme, one-to-one support and awareness raising sessions for four local Age UKs to help enable older people to get and stay connected to their loved ones through tech.
- Work with the DPA to launch a Tech4Families project to support vulnerable families in need with life changing access to technology.
- Continue to support people to enjoy amazing technology through our Good Deed Day, relaunching our Kotsovolos Second Home programme and The Elkjøp Foundation.
- Establish Group principles and policies for Social Impact, and share best practice.

Sustainable business

Circular economy

We will improve our use of resources and create circular business models

Our relationship with tech needs to change and as the #1 tech retailer in all the markets we operate in, we're uniquely placed to lead the way in changing this relationship. At Currys we don't just sell amazing technology; we save it too. We believe there's a far better way – better for you, better for us, better for communities and better for the planet. And that better way is to give technology a longer life.

Amazing technology

We know our customers are looking to reduce their impact on the environment, and it's our job to make that easier while also ensuring we reflect guidelines from consumer authorities who are intensifying their work to stop greenwashing – where something is deemed to have been conveyed as more sustainable than it really is.

We help customers make more sustainable buying decisions: our in-store and online 'Go Greener' events promote the attributes of the products and services we sell in the UK & Ireland that save energy, reduce waste and save water.

In 2021/22 Elkjøp launched several campaigns aimed at helping consumers take care of their products. With Electrolux the campaign 'Make it Last' encouraged consumers to take better care of their clothing in washing so they may last longer and with BSH the message was how to avoid food waste. Elkjøp also offer products with strong credentials such as Fairphone – known as the most sustainable alternative for mobile phones – and the Acer Vero PC with a lot of extraordinary sustainability features, such as easiness to dismantle and high content of recycled plastic.

Care & Repair

There's no feeling quite like helping a customer find some new tech that suits their needs. But keeping their tech working is important too, and it's an area of focus we're really proud of. We offer a range of services to enable a longer life of tech.

In the UK & Ireland our 1,300-person repair team processes and repairs over 800,000 products a year. Elkjøp also repair over 800,000 products each year, and lead the way on electronic repairs in Norway.

Through extended warranties, technical support and online tips and tricks we help our customers take care of their tech.

Trade-in

We help customers make the most of their tech, but when they are finished with it our customers can trade-in their unneeded products so that they can have a longer life.

We offer trade-in for key tech items and we're increasing our focus on trade-in, where we offer money for old devices that are then given new life elsewhere. Devices can be sold as pre-loved, broken down for reusable parts or provided to those without access to their own.

Key facts

1.7m
repairs completed across our Group, ensuring customers can continue to enjoy their amazing technology

103k*
tonnes of e-waste collected for reuse and recycling

£3m
saved from our parts harvesting operation in our UK and Ireland Customer Repair Centre, reducing the demand for new parts and lead time on repairs

12k
items provided for reuse

As part of the Currys rebrand we enabled old uniforms to be repurposed

Our recycling partner shredded and de-branded items which were then made into 2,000 cushions to be sold via our charity partner Age UK and 500 sleeper suits which we donated to charities to distribute to homeless people. Anything not able to be used in one of these ways was sent to an energy recovery plant, avoiding landfill.



* We engaged KPMG LLP to undertake independent limited assurance under ISAE (UK) 3000 and ISAE 3410 for selected energy consumption, e-waste and GHG emissions which have been highlighted with an *. For more details of the scope of their work, please refer to their assurance opinion on www.currysplc.com.

Product packaging

We're working to reduce product packaging, and we've committed to making all our own label and licensed brand packaging reusable or recyclable by 2023.

At the end of 2021/22, 99% was recyclable, with 76% recyclable at kerbside. We remain committed to finding solutions that reduce environmental impact whilst also protecting the product from damage.

We encourage suppliers to eliminate unnecessary plastics and packaging and proactively work with suppliers of own label and licensed brand products to reduce packaging. Recent initiatives have included trials that have reduced the amount of plastic packaging on refrigeration products by up to 90% and on an own label microwave by 90% and feedback has been encouraging. We have also rolled out changes such as swapping polyethylene terephthalate (PET) plastic blister trays for paper trays and removing single use items such as cable ties and plug pin covers.

As a result in 2021/22 we removed 2.23m items of plastic packaging from own label and licensed brand products, almost 40 tonnes. Since the start of the initiative in 2019 we have removed over 4m pieces equivalent to over 80 tonnes.

Collaborating with others

To increase our impact, we are helping to accelerate industry change by working with other retailers and suppliers to share best practice and reduce the industry's reliance on plastic packaging.

For example, we have given unrestricted access to our Product Packaging Guidance to share best practice with the wider industry. This guide outlines to suppliers and other retailers preferred materials to use and which materials to avoid based on data sources and engagement with a number of specialist organisations and experts.

➔ Read our **Packaging Guidance** on our website at www.currysplc.com

Help our customers recycle packaging

In the UK & Ireland, we also offer our customers a free packaging recycling service when we deliver and unbox large household appliances.

It's resulted in over 10,000 tonnes of packaging being retrieved. In fact, we're one of the largest recyclers of polystyrene in the UK, recycling 14.5% of all post-consumer polystyrene recycled across the country. This market-leading approach to recycling polystyrene led us to launch the first polystyrene recycling

services in our UK stores for customers who purchase a TV from store. It allows a customer to return all the packaging from their new purchase to any Currys store. This allows the polystyrene, which currently isn't collected at kerbside for recycling, to be recovered and processed into something new.

Looking ahead

In 2022/23 we will carry out further trials on large white goods and work with suppliers to investigate options to get used packaging and other raw materials back to them for circular production.



We give tech a longer life

Choose, afford, enjoy

Discover and Choose
Afford
Delivery and Installation
Set up and connectivity
Protect
Maintain

Repair

1.7m product lifespans extended through repair
1,654 people in our repair team across the Group

Trade-in and resale

145k customer products collected through trade-in
255k used and refurbished products sold in the UK & Ireland

New products

Recycled components used to build new products

Reuse and recycling

#1 retail recycler of tech in UK
103k tonnes of electrical reuse and recycling
>12k products provided for reuse

Sustainable business

Circular economy continued

E-waste is among the fastest growing environmental problems in the world

At Currys we don't just sell amazing technology, we save it too. We help repair, recycle, refurbish and donate unwanted tech. It's all part of changing our relationship with tech and giving it a longer life.

Collecting used tech

We help customers make the most of their tech, but when they are finished with it, our customers can trade-in or hand over their unneeded products so that they can have a longer life.

Currys have worked on responsible recycling for many years. To maintain our focus, the collection of e-waste for recycling and reuse is one of two environmental metrics introduced into our annual bonus scorecard in 2021/22.

We offer trade-in for key tech items. Elkjøp and Currys are increasing their focus on trade-in, where we offer gift cards or money for old devices that are then given new life elsewhere, or recycled.

We offer recycling collection services of redundant products when a new one is delivered, as well as free in-store drop off for products across the Group. In 2021/22 we collected 103k tonnes of e-waste from customers. The waste is collected by local recycling partners, handled properly, and recycled or reused to help tech live on and on.

While larger electronic products such as washing machines and TVs are commonly collected, there is a challenge to collect smaller electronic devices such as cables, small appliances and computing accessories for reuse and recycling. Mobile phones, tablets and other devices with stored data often remain with customers due to a lack of awareness on how data is handled before recycling.

Our aim is to make it easy and normal for all electronics to be recycled. For example, in the UK Currys promoted recycling through its 'Cash for Trash' month-long promotion. This resulted in an increase of 98 tonnes of small electricals being recycled and an uplift in our trade-in service as the promotion launched. By raising awareness, encouraging consumers to recycle electricals that are outdated or not in use, we help give tech a longer life.

Focus on services such as trade-in and subscription-based consumption models will continue in 2022/23.

Giving tech a longer life

When technology is at the end of its useful life for a customer, their used technology can go on to have benefits for many other people, helping them in turn to enjoy amazing technology.

We screen products that are returned to us, repair if relevant and have mechanisms in place to sell these through store or online outlets to give these products a chance of a second life. We also use these items to help train new repair or installation engineers or to harvest parts for use in our repair services.

Elkjøp takes part on the Board of the industry's joint effort Ombrukt (Re-used) through the industry association Elektronikkbransjen. The project aims at taking products out of waste streams, and by providing third-party certification, enabling safe reuse with a two-year warranty.

When we can, we repair and refurbish them to support local causes and low-income families.

Key facts

88

old mobile phones contain enough gold to make a wedding ring yet in the Nordics, each person has an average of 2.3 mobile phones lying around in a drawer or in the attic unused

96

different elements can be found in electronic products – the world is running out of materials like magnesium, cobalt, tungsten and rare minerals

75m

Number of tonnes e-waste is expected to grow to globally by 2030



In the UK & Ireland we provided thousands of products for reuse last year. This was achieved through our partnership with the Reuse Network and the 150+ charities they support across the UK which helped 7,024 low-income households save £1.3m in 2021/22. And through our work with the UK's largest independent recycler of e-waste and provider of reuse, Environcom, we have supported major UK charities with 4,056 refurbished white goods. We also donated refurbished items to specific causes, including 200 devices to Humans in Need in April 2022 to support their work in assisting refugees from the Ukraine.

It's not just in the UK & Ireland that we're making a difference, either. Through the 'Second Home' programme in our Kotsovolos stores, more than 1,000 refurbished appliances have been distributed to families in need since 2017.

This means our customers can enjoy our amazing technology even more, in the knowledge that they are using a product that is good for their pocket and better for the planet, and that can be enjoyed again by others.

Reused tech helped
low-income households save

£1.3m

Number of tech items
provided to charities for reuse

12k+

Sustainable business

Climate change

We will achieve net zero⁽¹⁾ by 2040

The climate crisis remains one of the greatest threats to our planet and we recognise the impact this has on business and supply chains, including our own. Addressing our climate risks and opportunities is a part of our Sustainability and Social Impact strategy.

Climate change strategy

Our purpose, to help everyone enjoy amazing technology, goes beyond ensuring customers can choose, afford and enjoy the right technology.

We recognise our responsibility in ensuring that our corporate purpose is one which is sustainable and responds to our climate risks and opportunities. This is why we embed this thinking within our Sustainability and Social Impact strategy.

We recognise that the impacts of climate change are hard to predict with accuracy and that they will impact businesses in many different ways, at different times and these impacts may also be compounded by one another. We support the Task Force on Climate-related Financial Disclosures ('TCFD') and its recommendations. Understanding the impacts of climate change on our business provides us with the opportunity to develop a strategic response to mitigate the risks, whilst building on the opportunities this presents for Currys. We have carried out this work and are disclosing our progress in line with the recommendations of the TCFD. We have made significant progress this year with the completion of quantitative scenario analysis to further strengthen our strategy and enable us to build a roadmap to increased climate resilience.

We have responded to the CDP questionnaire on climate change since 2016, scoring an 'A' in the latest 2021 disclosure, and as part of this report we included the material climate-related risks and opportunities we identified through climate risk and opportunity identification workshops which we ran in 2021/22. These workshops identified short, medium and long-term physical and transitional climate-related risks which have been reflected in our ESG Risk Register. Our ESG Risk Register is monitored by our ESG Committee.

We recognise that climate-related risks and opportunities cannot be assessed through traditional risk management processes only. As such, we have undertaken a pilot scenario analysis exercise in this reporting year.

We applied scenario analysis to the two most material climate-related risks for our operations, identified through internal workshops:

- Policy driven changes to energy costs, and their impacts on the cost of running our stores, distribution centres and vehicles.
- Increasing severity and frequency of extreme weather events, and their impacts on damage to facilities, stock and operational disruption.

The analysis considered each risk independently of the other, except for energy costs where we included the additional cost of cooling our facilities because of increasing average external temperatures. In each analysis we used consistent time horizons of 2025 (short-term), 2030 (medium-term) and 2040 (long-term) to align with our current risk management time horizons and extending out to the target years of our climate goals. Analysis was based on the latest climate models and scientific understanding. We used the three climate scenario models developed by the IPCC (RCP 4.5 Low, RCP 4.5 High and RCP 8.5) using NEX-GDDP and EnerData datasets, across three different time horizons.

Following this work, we will now seek to improve our existing measures to adapt to and mitigate climate change with a strategy which is informed by scenario analysis. We continue to invest in measures to mitigate our climate change impact, and as part of this we have near-term emissions targets approved by the Science Based Target initiative ('SBTi') with a net zero target by 2040.

This pilot exercise also highlighted areas where data can be improved to enhance the robustness of model outcomes.

We recognise the importance of collaborative action; we have committed our support to EV100 and the British Retail Consortium Climate Action Roadmap. We have actively supported business commitments to climate action, including being signatories to the Business Ambition for 1.5°C and the We Mean Business Coalition G20 open letter. We also proactively support policy changes and recommendation through our memberships of EV100 and the UK Electric Fleets Coalition.

More information on our Sustainability and Social Impact strategy and material issues is on pages 40-41.

Climate governance

Our management and response to climate-related risks is led by our ESG Committee, chaired by General Counsel and Company Secretary, Nigel Paterson. The Committee considers, monitors and reviews climate change related issues in their meetings to ensure that the appropriate strategy, programmes and investments are in place to build robust and effective risk management. They submit progress to the Group Risk & Compliance Committee, Executive Committee and Board. The ESG Committee has four scheduled meetings a year with representation from all business regions including two Board members and one Executive Committee member.

CDP score for
climate change
in 2021

A

(1) Net zero is defined in the Glossary and definitions section on page 245.

The ESG Committee has a clear communication line to the Board with regards to climate-related matters; reporting to the Executive Committee which in turn reports to the Board. Further, the Regulatory Compliance Committee reports up to the main operating subsidiaries which report to the Board and our Group Risk & Compliance Committee also reports to the Executive Committee and in turn reports to the Board. A diagram of our governance structure is included on page 88 and a report from the ESG Committee is available on page 113.

During the year the Board discussed and challenged the ESG strategy and the extent to which it remained fit for purpose.

In day-to-day operations, we have assigned management level responsibility for different climate-related issues in the business and climate-related risks and opportunities are incorporated into the ESG Risk Register. These risks and opportunities are included in Board agendas both through ESG update papers and Group Risk & Compliance Committee papers, both of which are provided twice a year. Progress against climate targets are reported to the Executive Committee quarterly. The Board received comprehensive ESG updates in September and December 2021 and regular reporting on progress against our climate targets is included within the CEO report at Board meetings.

The Board is continuously seeking to increase their knowledge on climate-related risks and opportunities. For example, a climate-related risks and opportunities workshop was held for members of our Board and Executive Committee in May 2022. This included information and discussion on why net zero is so important, the impacts of climate change on businesses and the key learnings from pilot scenario analysis exercise. The majority of the Board and Executive Committee attended and those that we unable to attend were provided with a recording of the session.

The Board fully support Currys' science-based targets and commitment to net zero by 2040 across our Scope 1, 2 and 3 emissions, with a specific budget approved in 2021/22 allocated over the next three years for investment in emission reduction projects.

In 2021/22, emissions-related KPIs were included in the annual bonus scorecard

for employees and will continue to be KPIs for 2022/23. Whilst not currently in place, Long Term Incentive Plans linked to Scope 1, 2 and 3 climate targets have been reviewed and we plan to have them in place within the next two to three years.

Risk management and opportunities

Group risk assessment criteria have been determined along with the net and gross risk profile. Priority risks have been agreed by the ESG Committee and reviewed by the Board. In 2020/21 a principal risk relating to sustainability which includes climate-related matters was added to the Group Risk Register. We will continue to monitor changes to risk (increase, decrease or no change), assess climate change as a principal risk within the business and report risk annually in the annual report and accounts.

We have an ESG Risk Register which incorporates short, medium and long-term physical and transitional climate-related risks identified. This ESG Risk Register includes climate-related risks covering both transitional and physical risks scored against impact and likelihood, along with further mitigation actions identified and assigned to the relevant management team. Actions identified as a result of this year's pilot scenario analysis exercise will be added to our ESG Risk Register. ESG Risk was discussed at every ESG Committee meeting in 2021/22.

Further information

→ Read about our risk management on pages 58-64 and 96-99.

Climate metrics and targets

We're committed to achieving net zero emissions by 2040 – 10 years ahead of the UK Government – by reducing the impact of the energy and resources we use in our operations – but also in our wider value chain. This is an absolute reduction target for our total scope 1, 2 and 3 emissions, measured against a 2019/20 baseline. Our net zero roadmap includes near-term emissions reduction targets to reduce Scope 1, 2 and 3 GHG emissions by 50% absolute across the Group by 2029/30, have been approved by the SBTi as consistent with levels required to meet the goals of the Paris Agreement. In this way, our commitment to net zero meets a number of the requirements of the SBTi Corporate Net-Zero Standard.

The targets covering GHG emissions from Currys' operations (Scope 1 and 2) are consistent with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement. Currys' target for the emissions from its value chain (Scope 3) meet the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practice.

For 2021/22 we introduced a new Scope 1 and 2 emission-based KPI in the bonus scorecard for colleagues, affirming the importance of reducing emissions and tackling climate change as a business. This KPI will be present again in the 2022/23 bonus scorecard.

We report on intensity metrics, MWh/1,000 sq ft for energy and MPG for fleet vehicles, and have set a target for zero waste to landfill for commercial waste in UK and Ireland; in 2021/22 we diverted over 99% from landfill. We also measure the proportion of our business that uses renewable electricity and the number of electric vehicles ('EVs') in our fleet (see Operational emissions).

Our Scope 1 and 2 emissions have been assured against the ISAE 3410 and ISAE (UK) 3000 standards by KPMG. An update on our progress against our targets is included on pages 48-51 and our data methodology is available on our website at www.currysplc.com.

We will refine the metrics that we monitor for the physical impacts from the identified material acute risk drivers, and we have identified further metrics to manage our response to energy cost increases such as percentage of vehicles converted to EVs or alternative fuels.

Further information

→ Read about our energy and carbon data on pages 48-51.

→ Read about our bonus scorecard target on emissions on page 134.

→ Read about how we created value in 2021/22 on page 11.



→ Information on our Environmental policy is available on our website www.currysplc.com/sustainable-business/policies-disclosures

Sustainable business

Climate change continued

We are actively addressing wider climate-related risks and report on the key data we use to monitor our progress, for example our transition to renewable energy and moving towards circular business models (see pages 42-45).

Operational emissions

Energy

We're taking action to reduce our use of energy. In fact we maintained our certification of our Energy Management System in 2021/22 for our UK & Ireland estate and fleet. And in line with the British Retail Consortium's Climate Action Roadmap, we have set a target to operate 100% LED coverage in all new buildings by 2025 – we made progress in 2021/22 and now 68% of our UK and Ireland portfolio and 76% of our Group portfolio uses LED technology as the main source of lighting.

We also achieved 100% of our properties in the UK & Ireland, Greece and the Nordics being powered by renewable electricity, expanding this in the UK to now include

sites where we aren't responsible for the supplier contract (back by REGOs in the UK and GOs in Europe). We also have four UK sites with Solar PV installed, with a capacity of over 2MWp, reducing our emissions by approximately 429 tonnes.

Fuel

We are a signatory to the Climate Group's EV100 initiative and are fully committed to transitioning 100% of our company cars and small van fleet and 50% of our medium to heavy fleet to electric or alternative fuel fleet by 2030. EV100 is a global initiative bringing together companies committed to accelerating the transition to EVs.

In 2021/22 we submitted our first roadmap and second progress update to EV100. We have three EVs in service across the Group, along with 33 charging points installed across seven sites. Whilst this represents a small proportion of the total vehicles in our owned fleet, our approach is to run trials for up to a year with a number of different drivers to give

them a true on-the-job experience and to gain their feedback. Feedback has been positive which will help support our business case for expanding the use of these vehicles.

We are in talks with many of the major vehicle manufacturers to continue trialling car and van options, with the plan to introduce more EVs at scale in 2022, as well as develop and test other innovations such as our work with TRAILER in the UK to reduce our emissions (see below).

Through our supplier, Calor, 14% of LPG provided to power our forklifts in the UK was a bioLPG blend, which has 40% less CO₂e emissions than traditional LPG. Working with Calor we aim to increase to the use of bioLPG in our forklifts to 100% before 2030.

We are also continuing to target reductions through improved driver training, the use of telematics and our 'in-cab' driver alert system and – in the UK & Ireland – implementing ISO 50001.

Investing responsibly with TRAILAR
 In partnership with TRAILAR, we have invested in solar powered vans to help reduce the fuel consumption of nearly 200 vans across our network. Across the next four years, this initiative will aim to reduce our CO₂ by 271 tonnes a year, equivalent to 1.39 tonnes a year per vehicle. This will save an estimated 552 litres of diesel per vehicle each year.



Key facts

76%
 of our portfolio across the Group uses LED technology as the main source of lighting

100%
 of our properties in UK & Ireland, Greece and the Nordics are powered by renewable electricity where we are responsible for supplier contracts

31%
 reduction in Scope 1, 2 and 3 emissions against a 2019/20 baseline

Scope 3 emissions

Our Scope 3 emissions include the indirect emissions from across our value chain which account for over 99% of our total emissions.

The most material impacts are within purchased goods and services and the use of sold products. We will achieve

reductions in these emissions through a programme of activities involving our suppliers, our manufacturers and through colleague engagement.

The following table details Currys' Scope 3 emissions. We have been able to increased granularity and use more primary data to calculate our Scope

3 emissions for 2021/22. Other notable changes include emissions from the use of sold products increasing in 2021/22 due to variances in the main suppliers emissions intensities and emissions associated with the use of sold products were re-calculated for the past two reporting periods due to a modelling correction having been made.

Currys GHG emissions	Tonnes of CO ₂ e emitted 2021/22	% change from 2019/20 baseline	Tonnes of CO ₂ e emitted 2020/21	Tonnes of CO ₂ e emitted 2019/20
Scope 1 emissions	18,158*	-12%	20,952	20,742
Scope 2 emissions (location based)	34,318*	-33%	36,817	51,131
Scope 2 emissions (market-based)	3,188*	-80%	14,368	16,121
Scope 3 emissions total	24,050,024	-31%	22,923,580	34,983,753
Purchased goods and services	3,384,944	-21%	3,250,795	4,300,532
Fuel and energy related emissions	18,632	17%	13,085	15,905
Upstream transportation and distribution	77,860	-53%	53,653	165,115
Waste generated in operations	2,698	178%	2,588	972
Business travel	1,143	-58%	415	2,754
Employee commuting	27,889	2%	19,390	27,275
Downstream transportation and distribution	13,054	-64%	16,904	35,906
Use of sold products	20,515,679	-33%	19,556,760	30,425,451
End-of-life treatment of sold products	8,125	-17%	9,990	9843
Total Emissions (Scope 1, Scope 2 Market-Based & Scope 3)	24,071,370	-31%	22,958,900	35,020,616

Our Basis of Reporting, available on www.currysplc.com, includes an assessment of the relevant Scope 3 categories for Currys.

Assessing supplier performance

We've also partnered with one of the leading providers of business sustainability ratings: EcoVadis. This helps us to measure supplier performance across a wide range of metrics and identify ways we can champion positive activities, collaborate to improve performance, reduce our emissions and benefit wider society.

Looking ahead

We plan to build on our pilot climate scenario analysis and learnings, ensuring it is embedded into our governance, risk management and strategic approach. In time, we also intend to expand this to other areas of our value chain to further assess business resilience under different scenarios. We will continue to quantify the transitional and physical risk outputs from our scenario analysis and incorporate this into our business strategy. We do not currently use an internal carbon price; we will review this position in 2022/23. We will also explore how climate-related issues serve as an

input to their financial planning process. We will develop and publish a robust net zero emissions roadmap for the Group which will provide detail on carbon abatement for key emissions sources and neutralisation plans of any source of residual emissions that remain unfeasible to remove.

TCFD Statement of Compliance

Currys is disclosing in accordance with the Financial Conduct Authority ('FCA') Policy Statement 20/17 and Listing Rule LR 9.8.6R(8). The main disclosures are set out on pages 46-51. The disclosures describe activity to date and future areas of focus to further strengthen our strategic approach and communication of climate-related issues.

Our disclosures are consistent with the TCFD's Recommendations and Recommended Disclosures, with the exception of the following:

- 2a – Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

- 2b – Describe the impact of climate-related risks and opportunities on the strategy, and financial planning.
- 2c – Describe the resilience of the taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
- 3a – Describe the organisation's processes for identifying and assessing climate-related risks.
- 3b – Describe the organisation's processes for managing climate-related risks.

Currys have conducted a pilot climate scenario analysis exercise in 2021/22 and are in the process of embedding the learnings into our governance, risk management and strategic approach. At the point of disclosure, it was considered that the work in progress is not sufficiently completed to meet the above requirements of the disclosure recommendations. Our TCFD disclosures are to be updated on an annual basis, therefore, we will be able to set out our progress as part of our 2022/23 TCFD disclosure.

* We engaged RPMG LLP to undertake independent limited assurance under ISAE (UK) 3000 and ISAE 3410 for selected energy consumption, e-waste and GHG emissions which have been highlighted with an *. For more details of the scope of their work, please refer to their assurance opinion on www.currysplc.com.

Sustainable business

Climate change continued

Energy and carbon reporting

This section details the energy consumption and GHG emissions from the activities of Currys for the period 1 May 2021 to 30 April 2022, as required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the SECR Regulations').

An operational control approach has been used to define the GHG emissions boundary. This captures emissions associated with the operation of offices, retail stores, warehouses, and distribution sites, plus transport including company-owned, leased and employee-owned vehicles

used for business travel. This includes emissions from the UK and Offshore including the Republic of Ireland, Greece, Sweden, Norway, Finland, and Denmark, Czech Republic, Cyprus and Hong Kong.

There are no material omissions from the mandatory Scope 1 and 2 emission reporting requirements. This information was collected and reported using the methodology in Defra's updated GHG reporting guidance, Environmental Reporting Guidelines (ref. PB 13944), issued June 2019.

Emissions have been calculated using the 2021 conversion factors provided by the Department of Business, Energy and Industrial Strategy for emissions in the UK and Association of Issuing Bodies ('AIB') and International Energy Agency ('IEA')

for offshore electricity conversion factors. We engaged KPMG LLP to undertake independent limited assurance under ISAE (UK) 3000 and ISAE 3410 for selected energy consumption, e-waste and GHG emissions which have been highlighted with an *. For more details of the scope of their work, please refer to their assurance opinion on www.currysplc.com.

Significant progress has been made in Scope 1 and 2 emissions reduction in 2021/22 due to our alignment across the Group to procure renewable electricity. Progress against our net zero target is also positive, with a 31% reduction in Scope 1, 2 and 3 emissions achieved in 2021/22 against a 2019/20 baseline.

The company-wide kWh energy consumption for the reporting period 1 May 2021 – 30 April 2022, are as follows:

Global energy consumption

Currys

Energy consumption (kWh)	UK and Offshore 2021/22	Global total 2021/22	Global change (%)	UK and Offshore 2020/21	Global total 2020/21	UK and Offshore 2019/20	Global total 2019/20
Transport (including Diesel, Petrol, LPG)		60,508,453	-1.8%	54,936,222	61,599,577	63,377,377	71,261,546
Natural Gas		18,261,838	-35.9%	27,318,959	28,500,590	20,301,590	22,142,355
Heating (Oil and LPG)		146,114	-56.0%	98,860	331,876	214,868	214,868
Electricity		202,115,280	4.8%	90,122,184	192,890,720	131,070,522	236,971,131
Total:	163,863,416	281,038,428*	-0.8%	172,476,225	283,322,763	214,964,357	330,589,900
Intensity (MWh/1,000 sq ft)		12.63*	-7.5%	14.58	13.65	18.02	16.24
Energy consumption (kWh)						2021/22	2020/21
Total renewable energy purchased or generated						195,279,334*	159,436,764

The GHG emissions for our business for the reporting period 1 May 2021 – 30 April 2022, are as follows:

Emissions on location basis

Currys

Category	Tonnes of CO ₂ e emitted 2021/22	Change (%)	Tonnes of CO ₂ e emitted 2020/21	Tonnes of CO ₂ e emitted 2019/20
Emissions from combustion of fuel ^(3,5) (Scope 1)	16,952	-13.7%	19,638	19,868
Emissions from the operation of facilities ⁽⁴⁾ (Scope 1)	1,205	-8.3%	1,314	874
Scope 1 emissions	18,158*	-13%	20,952	20,742
Emissions from purchase of electricity ^(2,3) (Scope 2)	34,318*	-6.8%	36,817	51,131
Total:	52,476	-9.2%	57,769	71,873
Intensity ratio: tCO₂e/1,000 sq ft occupied floor area⁽¹⁾	2.36*	-15.3%	2.78	3.53

Emissions on market basis

Currys

Category	Tonnes of CO ₂ e emitted 2021/22	Change (%)	Tonnes of CO ₂ e emitted 2020/21	Tonnes of CO ₂ e emitted 2019/20
Emissions from combustion of fuel ^(3,5) (Scope 1)	16,952	-13.7%	19,638	19,868
Emissions from the operation of facilities ⁽⁴⁾ (Scope 1)	1,205	-8.3%	1,314	874
Scope 1 emissions	18,158*	-13%	20,952	20,742
Emissions from purchase of electricity ^(2,3) (Scope 2)	3,188*	-77.8%	14,368	16,121
Total:	21,346	-39.6%	35,321	36,863
Intensity ratio: tCO₂e/1,000 sq ft occupied floor area⁽¹⁾	0.96*	-43.6%	1.70	1.81

Emissions on location basis

By region

Category	Tonnes of CO ₂ e emitted 2021/22	Change (%)	Tonnes of CO ₂ e emitted 2020/21	Tonnes of CO ₂ e emitted 2019/20	Tonnes of CO ₂ e emitted per 1,000 sq ft of floor area 2021/22	Tonnes of CO ₂ e emitted per 1,000 sq ft of floor area 2020/21	Tonnes of CO ₂ e emitted per 1,000 sq ft of floor area 2019/20
UK and Offshore (Scope 1 and 2)	35,791	-10.4%	39,951	51,866	2.75	3.38	4.35
Global (excluding UK and Offshore) (Scope 1 and 2)	16,684	-6.4%	17,817	20,006	1.80	2.11	2.37
Total:	52,476	-9.2%	57,769	71,873	2.36	2.78	3.53

Emissions on market basis

By Region

Category	Tonnes of CO ₂ e emitted 2021/22	Change (%)	Tonnes of CO ₂ e emitted 2020/21	Tonnes of CO ₂ e emitted 2019/20	Tonnes of CO ₂ e emitted per 1,000 sq ft of floor area 2021/22	Tonnes of CO ₂ e emitted per 1,000 sq ft of floor area 2020/21	Tonnes of CO ₂ e emitted per 1,000 sq ft of floor area 2019/20
UK and Offshore (Scope 1 and 2)	16,305	-18.7%	20,058	21,762	1.25	1.70	1.82
Global (excluding UK and Offshore) (Scope 1 and 2)	5,040	-67.0%	15,263	15,101	0.54	1.71	1.79
Total:	21,346	-39.6%	35,321	36,863	0.96	1.70	1.81

(1) Overall floor area of Currys is estimated to be 22,258,265 sq ft.

(2) The electricity consumption figure includes Scope 2 generation emissions but not Scope 3 transmission and distribution losses.

(3) Electricity and gas usage is based on supplier bills. Manual gap filling was conducted for a small proportion of electricity supplies in the UK and Ireland and Greece using an average of the consumption year to date or previous months. This is because this report was due before some electricity and gas bills had been provided by the suppliers. This report also includes electricity consumption through supplies where the landlord procures the energy; some of this consumption has been estimated either based on the average energy consumption per floor area for site type or using last year's data estimation.

(4) Refrigerant data processing methodology and exclusions: a. Where refrigerant top-ups are reported, we assume this covers leakage across the estate under that contractor's responsibility to repair the leak and top-up the refrigerant, as such no estimation of leakage has been completed for units where no top-ups were carried out.

(5) Sweden – All hire car data estimated for Q3 and Q4 due to lack of actual data availability.

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs and a market-based method reflects emissions from electricity that companies have selected.

* We engaged KPMG LLP to undertake independent limited assurance under ISAE (UK) 3000 and ISAE 3410 for selected energy consumption, e-waste and GHG emissions which have been highlighted with an *. For more details of the scope of their work, please refer to their assurance opinion on www.currysplc.com.



→ Information on our **emissions and e-waste data methodology** is available on www.currysplc.com



→ Information on **external assurance on our emissions and e-waste data** is available on www.currysplc.com

Sustainable business

Our communities

We bring technology to everyone **everyday**

We pride ourselves on bringing technology to more people through our competitive pricing, access to online and physical stores, and affordable and responsible credit offering. But that's not all: because our social purpose is at the heart of what we do, we also support causes that help those who might otherwise be excluded.

Digital equality

We want everyone to be able to enjoy equal access to the benefits of technology. We are committed to helping eradicate digital poverty, in all countries we operate in.

In the UK alone 25% of vulnerable children do not have access to a suitable device for learning and 42% of offline users said "it's not for people like me". While in the Nordics one in five people have products at home that they do not know how to use.

Wherever we operate we can help:

- Our colleagues help people in their local communities access and enjoy tech.
- Our customers help us raise funds to help those who are digitally excluded.
- Our suppliers work collaboratively with us to be a force for good.



Appliance poverty

In 2021/22 in the UK & Ireland we continued our supplier collaboration with Grundig to provide over £50,000 worth of kitchen technology to food-related charities nominated by colleagues across the UK. This takes our total support since 2018 to 425 appliances donated and to 215 charities helped at a value of £196,737.

The UK Digital Poverty Alliance

We are one of three founding partners of the Digital Poverty Alliance ('DPA', part of the Learning Foundation, registered charity number 1086306) alongside the Institute of Engineering and Technology ('IET').

The start-up phase of the DPA was funded by a £1m donation from Currys and we are proud that the last year has seen the DPA set out its strategy over the next two years to convene, compel and inspire collaboration within the UK community to lead sustainable action against digital poverty.

Our donation also funded the first DPA proof of concept project, Tech4Teachers, by equipping 1,000 teachers and teaching assistants in the country's poorest communities with the technology and support they need to deliver high-quality home schooling to their pupils. These proof of concept projects are intended to innovate where there are gaps, and the success of the pilot has led to further support for this scheme from other companies seeking to drive change.

We are delighted to confirm our ongoing commitment to the DPA and in 2022/23 we will be using Pennies funds to support vulnerable families in need with life changing access to technology.

Helping digitally excluded older persons in the UK

Age UK was chosen by UK colleagues in March 2020 as our corporate charity partner for a two-year period, with the aim of helping digitally excluded older people benefit from amazing technology and connecting them to those that love and need them. With thanks to our colleagues and customers, in that time we have raised over £350,000 for Age UK's Tech Connected programme.

In 2021/22 our customers raised £229,394 through Pennies instore donations and our colleagues raised £7,200 through our fundraising activities. Seven colleagues have also volunteered and made friendship calls, spending 76 hours, 40 minutes and 42 seconds speaking to lonely older people.

With the money raised over the last two years Age UK has been able to develop and launch 21 much needed Digital Support Guides on topics older people have identified as being in most need of. There are Beginner, Intermediate and Advanced guides covering topics such as: an introduction to technology & key terminology; getting connected to the internet & browsing the web; video calling; email; online entertainment, hobbies & shopping; as well as staying safe online. These guides will help enable older people to get and stay connected to their loved ones, supporting their mental health and, importantly, keeping them safe in the online world.

This funds raised will also:

- Enable Age UK to develop a Digital Inclusion Service Handbook with information, guidance and tools to help local Age UKs set up a digital skills service in their community.
- Launch a tablet loan scheme of over 100 tablets, addressing one of the main barriers to older people wanting to get online: access to technology.
- Provide support to four local Age UKs to provide one-to-one support and awareness raising sessions to older people in their communities through the recruitment and training of local Digital Champions who will help inspire, motivate and support older persons with their digital capabilities.

Support to the people of Ukraine:

- Prioritised the safety and well-being of our colleagues and partners who have employees working on behalf of Currys – such as Softserve – ensuring they know what support is available. This is particularly the case for our colleagues who live and work near the Ukrainian border (Brno), as well as those who have personal connections within Ukraine.
- Joined other large mobile telecoms providers to waiver text and call charges to Ukraine numbers, as well as crediting back calls, texts, and unlimited data for our iD Mobile customers in Ukraine.
- Donated £100,000 as a Group to the Red Cross and advised colleagues of ways in which they can make contributions.
- The Brno team are directly supporting refugee and colleague families, which included 200 refurbished devices worth over £42,000 donated from the UK & Ireland business to support Brno's chosen charity, Humans In Need.
- Kotsovolos supplied more than 100 devices for use by refugees locally through their partnership with The Smile of the Child.

Amount raised for Age UK's Tech Connected programme

£350k+

Value of donations made to support those impacted by the war in Ukraine

£140k+



→ To see the guides visit <https://www.ageuk.org.uk/information-advice/work-learning/technology-internet/>

Sustainable business

Our communities continued

Elkjøp is fighting digital exclusion

Through our annual research, Tech Trouble, we have identified a number of groups that due to age, socioeconomic status, disabilities, language and cultural barriers, or other matters, find themselves on the wrong side of the technological divide.

We keep track of our customers challenges when it comes to technology through our Tech Trouble survey.

According to our research one out of three people in the Nordics find it difficult to keep up with the changes in technology, and one in five say they have products at home that they do not know how to use. Even more admit that they are not utilising their products to full potential, not knowing how to use all the features.



Elkjøp's partnerships and The Elkjøp Foundation

Elkjøp entered into a number of long-term strategic partnerships to strengthen the ability to fight digital exclusion more effectively. Over £400,000 has been committed.

- **Norway:** SOS Children's Villages International, focusing on their project 'Digital Village'.
- **Finland:** Save the Children, focusing on their interactive learning solution and contributing to their digital childhood competence centre, Kidital. We have also joined the cross-sector Kaikille Kone initiative.
- **Denmark:** Danish Peoples Aid, focusing on 'School Start Assistance', ensuring that those with low income also get a good start at school.
- **Sweden:** Läxhjälpen ('Homework Assistance'), focusing on kids having the right digital equipment to be able to do homework in an efficient way. Also new is the partnership with Barnens Dator ('Computers for kids'), focusing on donating gaming computers to kids and families that risk missing out due to low income.

The Elkjøp Foundation was established to fight digital exclusion. It works to raise awareness, increase knowledge, and enable access to people who are falling behind in the rapid development of technology.

To connect, play or learn with technology should be easy and fun but that is not always the case. That is why The Elkjøp Foundation supports organisations and associations with products and guidance – in addition to financial resources. This is very close to our vision and our hearts, and work we are incredibly proud of.

Elkjøp funding to
fight digital exclusion

£400k+

Kotsovolos' support

Kotsovolos supports low income families and the move to a circular economy through their Second Home initiative. Colleagues motivate customers to offer their unused devices and also take part in a Good Deed Day every year.

Second Home

Through our Second Home initiative, Kotsovolos enables people who have functional devices they no longer use, to donate them and support families in need.

Colleagues motivate customers to offer their unused devices and donate them to families in need. Kotsovolos collects the device, repairs it and disinfects it, and then offers it to another family. If the appliance cannot be repaired, the company undertakes to recycle it.

Between 2018 – 2020 more than 1,000 families received at least one basic appliance, such as refrigerator, oven or washing machine. During the last year the process has been paused to allow it to be updated and redesigned. Despite this c.100 devices were offered at a total cost of £22,757 to: K.Y.A.D.A (Centre for Reception and Solidarity of Municipality of Athens), The Smile of the Child, The Ark of the World and local causes working in cooperation with local stores. This programme will be relaunched in summer 2022.

Technology without Obstacles programme

Kotsovolos strives to empower people to live a better life with technology. This initiative aims to maximise access to technology for people with disabilities and is a key programme that is enabling digital inclusion for people with disabilities, and creating equal access for all.

Kotsovolos is the first retailer in Greece that is investing in store and product accessibility for people with disabilities. For example:

- 14 accessible stores are already recognised by the Hellenic Society for Protection and Rehabilitation of Disabled Persons as accessible to people with disabilities and 18 more

stores are expected to be recognised as accessible to people with disabilities in the next 12 months.

- First retailer in Greece to offer sign language assistance through contact centre agents and also to offer the opportunity to blind people to be able to read their insurance contracts summary in braille.
- A dedicated microsite explains all supportive technologies for those with visual impairments, hearing disabilities and mobility impairments.
- A dedicated qualitative survey for people with disabilities was implemented and shared through a digital event to Greek retailers.

Kotsovolos has held two training sessions for colleagues and in 2022/23 aims to provide sessions for all colleagues as well as develop dedicated corporate campaigns raising awareness about disability issues among consumers.

Kotsovolos has also worked with Laddroller to create its next generation wheelchair. Laddroller was made to help wheelchair users worldwide to overcome their loss of autonomy. It is an entirely new, innovative approach to mobility compared to existing devices, allowing users to stand up when using Laddroller. The first of this generation of Laddroller wheelchair will be donated to a child with physical disabilities in cooperation with ELEPAP, a charity committed to providing lifelong support to those with disabilities.

Good Deed Day

In Greece, our teams spend a day every year taking part in 'Good Deed Day', where they agree among themselves how they will support local causes.

Good Deed Day was established in 2013 and is the biggest volunteer action for Kotsovolos' people that takes place once a year on a Sunday in May or June. Every year, more than 1,000 volunteers from our stores, offices, warehouses and distribution centre participate in multiple actions focusing on children, minority social groups, older persons or the environment.

In 2021/22 colleagues gave up their time to volunteer on Good Deed Day, organising 17 blood donation drives totalling 256 pints of blood, supporting hospitals in Greece and Cyprus.



Sustainable business Our suppliers and governance

Our suppliers

Bringing amazing and more sustainable tech to our customers isn't something we do alone. Our partnerships with suppliers make a big difference too.

Responsible sourcing

We collaborate with our manufacturers and suppliers to make sure the products we sell are safe and responsibly sourced.

And when selecting our suppliers or renegotiating existing contracts, we consider their overall sustainability performance, particularly their energy efficiency, climate change impact, water-use and biodiversity impact.

Our standards

For customers to enjoy our amazing technology they need peace of mind that we're sourcing responsibly. With around 7,000 suppliers across the globe, we want to make sure we're using our size and unique capabilities to do good.

In addition to compliance with all relevant national and international legislation, we've created our own Standards for Responsible Sourcing which set out our expectations for all suppliers, partners and subsequent supply chains. The Standards reflect our commitment to acting with integrity in business relationships.

An Anti-bribery, Hospitality and Gifts Policy is in place. The procedures in place to oversee the anti-corruption and bribery control environment is reviewed by the Audit Committee on at least an annual basis and most recently in June 2022. The full Policy is reviewed by the Board periodically.

Modern slavery

We're committed to eradicating all forms of modern slavery and human trafficking. The fact that modern slavery still exists today is abhorrent and eradication requires collaboration and transparency.

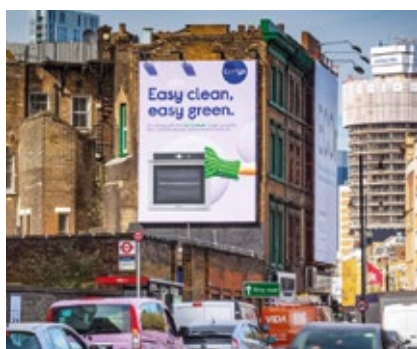
Our Modern Slavery Statement and Policy has been issued to all our colleagues, suppliers and partners. It clearly states the actions to take if a case of modern slavery is discovered or suspected. We work with our suppliers to ensure they adhere to our Modern Slavery Policy.

We continue to expand our efforts to tackle the issue – collating existing actions and working on new initiatives across our business and supply chain to mitigate risk and identify areas that need additional focus.

Our progress

In 2021/22 we:

- Invited more suppliers to join the EcoVadis platform to enable us to measure their sustainability performance, with nearly half of total revenue of the Group now assessed.
- Joined the Responsible Business Alliance, an organisation with over 400 members involved in the manufacture of electronics and with an aim of driving sustainable value for workers, the environment and business through global supply chains.
- Updated our Modern Slavery Policy and issued new Child Labour Remediation and Conflict Minerals policies.
- Rolled out our enhanced ethical and quality audit criteria for own label and licensed brand suppliers based in China and the Far East.
- Completed our assessment of tier 2 waste and recycling partners in the UK in conjunction with Slave-Free Alliance and our direct (tier 1) supplier.



Responsible sourcing

→ Read more on our website <https://www.currysplc.com/sustainable-business/suppliers>



Standards

→ Read our Standards for Responsible Sourcing: <https://www.currysplc.com/media/115njpci/currys-plc-standards-for-responsible-sourcing-april-2019.pdf>



Modern slavery

→ Read more in our Modern Slavery Statement: https://www.currysplc.com/media/ekvfju1/d2752_cpcw_modern-slavery-statement-8.pdf

Governance

At Currys we're fully committed to operating a responsible business. We talk to our stakeholders about their expectations, we search out best practice and we reflect these in the decisions we make.

Our Sustainability and Social Impact strategy is signed off by our Group Chief Executive and approved by the ESG Committee.

It is driven and delivered by our colleagues – subject matter experts that are fully integrated across our business. Their work is coordinated by the Director of Group Sustainability and overseen by the ESG Committee which reports into the Executive Committee and comprises representatives from all levels across the business.

The business has a systematic approach to ESG risk management. Our approach has been benchmarked against other leading organisations, which resulted in the development of a more comprehensive ESG risk profile and risk appetite statement. Details on our principal risk relating to sustainability is available on page 62. This principal risk is monitored by the ESG Committee and the Executive Committee, with the aim of better managing the broad spectrum of ESG risks. In 2021/22 an internal audit of ESG was conducted and we are using the results to drive further improvements in our measurement and reporting of material issues. Our progress in 2021/22 has seen the level of risk attached to sustainability reduce.

Our performance has been recognised through improved performance in a number of ratings and assessments of our business, including:

- In June 2022, our progress in developing and reporting our performance was recognised with our repeated inclusion in the FTSE4Good UK Index.
- We continue to respond to the CDP questionnaire on Climate Change, demonstrating our continued commitment to identifying, assessing and managing climate-related risks and opportunities across the Group. In 2021, we achieved an 'A' score.
- As of 28 March 2022, Currys performed in the top quartile in the RTS retailing Industry in the S&P Global Corporate Sustainability Assessment with a score of 32 reflecting an improvement of 12 points over the last year.

We're serious about our responsibilities and want to inspire more engaged colleagues and build a business investors feel good about investing in. Environmental targets continue to feature in our annual bonus scorecard with metrics on e-waste collection volumes (5%) and progress to net zero emissions (Scope 1 and 2) (5%). Read more about our remuneration in on page 114.

Being a good employer

Our people are at the centre of who we are because it makes us what we are. Read more about our colleagues including:

- Our new People Plan strategy on pages 18–25.
- Developing talent on pages 22–23.
- Communication and engagement on page 24.
- Creating a culture of well-being on page 25.
- Creating a culture of inclusion and diversity on page 25.
- Health and safety on page 19 and online at www.currysplc.com



Gender pay

→ Read our **Gender Pay Report** online at www.currysplc.com

More information



Tax strategy

→ Read our **Tax Strategy** online at www.currysplc.com

ESG Committee

→ Read the Terms of Reference for the **ESG Committee**: https://www.currysplc.com/media/4zriehtt/currysplcesgcommitteetor_nov21.pdf

Governance

→ Read more about **Governance** at Currys <https://www.currysplc.com/about-us/governance/>

Risk management Approach

Principal risks to achieving the Group’s objectives

The Group recognises that taking risks is an inherent part of doing business and that competitive advantage can be gained through effectively managing risk. The Group has developed and continues to evolve robust risk management processes, and risk management is integrated into business decision-making. The Group’s approach to risk management and risk governance framework is set out in the Corporate Governance Report on pages 87 to 99. The risks are linked to the strategic priorities on pages 2 to 11.

Key changes to the Risk Profile

During 2021/22 a number of changes were made to the Group Risk profile, these included:

- following a reduction in the threat from Covid-19, this risk was removed as a standalone risk and subsumed within the existing Group Health and Safety risk;
- our Key Supplier relationship risk was updated to include supply chain related challenges such as reliance on China and factory capacity limitations, chip-set shortages, rising shipping costs, delays at ports and the shortage of HGV drivers. To reflect its wider ambit, the risk was renamed Supply Chain Resilience; and
- the risk relating to the Long Term and Diversification of Funding was removed on completion of the refinancing of the Group’s debt.

RISK PROFILE

	Likelihood	Impact
Increased	2	1
Decreased	4 11	7
No Change	1 3 5 6 7 8 9 10 12	2 3 4 5 6 8 9 10 11 12

Principal Risks

- | | |
|---------------------------------|-------------------------------------|
| 1 Supply Chain Resilience | 7 Health and Safety |
| 2 Business Transformation | 8 Business Continuity |
| 3 FCA | 9 Tax liabilities |
| 4 Data Protection | 10 Product Safety |
| 5 IT systems and infrastructure | 11 Our commitment to Sustainability |
| 6 Information security | 12 People |

Colour Key

- Strategic
 ● Regulatory
 ● Technology
 ● Operational
 ● Financial
 ● People

Our approach to horizon scanning and emerging risks

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

Our approach to undertaking horizon scanning is based on conducting both reviews of external thought leadership and also through obtaining the views of key business stakeholders on emerging risks. The horizon scanning exercise is updated at least semi-annually to ensure that the horizon is consistently scanned for developments and changes that may impact the business, including, for example, how the macro economic environment and inflation could impact the cost of living and consumer spending. The Group Risk and Compliance Committee is asked to review and discuss the horizon risks and to form a view as to whether any of these should be considered in the Principal Risk process or additional actions should be factored into strategic planning for the business.

The impact of the Russian invasion of Ukraine

The business does not operate in Russia, Belarus or Ukraine and we have obtained confirmations from our Brand and Own Brand suppliers that none of the products we sell are produced in these territories. However, there are risks to our business related to the invasion which are being managed, including:

- risks to our supply chain caused by transport disruption, scarcity of raw materials and components which are being mitigated through our Commercial forecasting and planning activities,
- impacts on our colleagues, especially in relation to our operations in Czech Republic, which are being mitigated through practical assistance and advice being offered to local colleagues through people management channels, and
- reputational risks which could occur if the Group was perceived to not be doing the right thing in response to emerging sanctions. We are confident that the Group remains fully compliant with all UK sanctions on Russian and Belarussian entities.

Risks and potential impacts

The Group continues to develop its risk management processes, fully integrating risk management into business decision-making. The risk management process mirrors the operating model with each business unit responsible for the ongoing identification, assessment and management of their existing and emerging risks. The output of these assessments is aggregated to compile an overall Group-level view of risk.

The principal risks and uncertainties, together with their potential impacts and changes in net risk since the last report, are set out in the tables below along with an illustration of actions being taken to mitigate them.

Principal risks and uncertainties

Risk movement

-  Increased
-  Stable
-  Decreased

Link to strategy

-  Colleagues
-  Omnichannel
-  Customers for life

1 Supply Chain Resilience

Risk owner:
Chief Commercial Officer





Risk category:
Strategic

Risk movement:	What is the risk?	What is the impact?	How we manage it	Changes since last report
 Link to strategy    Considered in the Viability statement: Yes	Exposure to disruption to our supply chain that could impede our ability to provide Amazing Technology to our customers and impact our customer satisfaction, profitability, cash flow and market share.	<ul style="list-style-type: none"> • Investments by suppliers scaled down • Pricing and stock availability terms could worsen, leading to decreasing sales/reduced margin • Reduced revenue and profitability • Deteriorating cash flow • Reduced market share 	<ul style="list-style-type: none"> • Ensuring alignment of key suppliers to future strategy; "Project Board Meetings" with strategic suppliers' management • Continuing to leverage the scale of operations to strengthen relationships with key suppliers and maintain a good supply of scarce products • Working with suppliers to ensure availability of products through Key Supplier Group engagement program • Ethical supply chain due diligence over our supplier base • Control structures to ensure appropriate Supplier Relationship Management for GFR, GNFR and OEM 	This risk has increased over 2021/22.

2 Business Transformation

Risk owner:
Chief Information Officer

Risk category:
Strategic

Risk movement:	What is the risk?	What is the impact?	How we manage it	Changes since last report
 Link to strategy    Considered in the Viability statement: No	Failure to respond with a business model that enables the business to compete against a broad range of competitors on service, price and/or product range. Failure to optimise Digital opportunities. Failure to respond to changes in consumer preferences and behaviours.	<ul style="list-style-type: none"> • Reduced revenue and profitability • Deteriorating cash flow • Reduced market share 	<ul style="list-style-type: none"> • Continued strengthening of digital expertise as part of omnichannel capability • Transformation Programme office established and delivering key strategic objectives • Development of customer credit propositions • Development of omnichannel capabilities • Enhancement of data analytics capabilities • Robust portfolio governance 	This risk has increased over 2021/22. There are a number of critical projects to deliver in support of the business strategy.

3 Non-compliance with Financial Conduct Authority ('FCA') and other financial services regulation

Risk owner:
Chief Commercial Officer



Risk category:
Regulatory

Risk movement:	What is the risk?	What is the impact?	How we manage it	Changes since last report
 Link to strategy    Considered in the Viability statement: Yes	Failure to manage the business of the Group in compliance with FCA regulation and other financial services regulation to which the Group is subject in a number of areas including the mobile insurance operations and consumer credit activities of Currys Retail Limited.	<ul style="list-style-type: none"> • Enforcement action by the regulator • Loss of authorisation and inability to trade regulated products. • Reputational damage • Financial penalties • Reduced revenues and profitability • Deteriorating cash flow • Customer compensation 	<ul style="list-style-type: none"> • Board oversight and risk management structures monitor compliance and ensure that the Company's culture puts good customer outcomes first • Senior Manager and Certification Regime and if required CBI/other regulators certification implemented • Regulatory Compliance Committee, Product Governance and other internal governance structures • Control structures to ensure appropriate compliance • Compliance monitoring and internal audit review of the operation and effectiveness of compliance standards and controls • Recruitment, remuneration and training competency programmes. • Conduct risk and control framework, including defined minimum control standards 	This risk has remained stable over 2021/22.

4 Data Protection

Risk owner:
Chief Information Officer



Risk category:
Regulatory

<p>Risk movement:</p> <p></p> <p>Link to strategy</p> <p></p> <p>Considered in the Viability statement: Yes</p>	<p>What is the risk?</p> <p>Major loss of customer, colleague or business sensitive data.</p> <p>Adequacy of internal systems, policy, procedures and processes to comply with the requirements of EU General Data Protection Regulation ('GDPR').</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Reputational damage • Financial penalties • Reduced revenue and profitability • Deteriorating cash flow • Loss of competitive advantage • Customer compensation 	<p>How we manage it</p> <ul style="list-style-type: none"> • The operation of a Data Management Function to ensure compliance with GDPR compliant operational processes and controls • The operation of a Data Protection Office to ensure appropriate governance and oversight on the Group's data protection activities • Control activities operate over management of customer and employee data in accordance with the Group's data protection policy and processes • Investment in information security safeguards and IT security controls and monitoring 	<p>Changes since last report</p> <p>The risk has reduced over 2021/22 due to increased levels of assurance over the strength of the data protection control environment.</p>
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5 IT systems and infrastructure

Risk owner:
Chief Information Officer

Risk category:
Technology

<p>Risk movement:</p> <p></p> <p>Link to strategy</p> <p></p> <p>Considered in the Viability statement: No</p>	<p>What is the risk?</p> <p>A key system becomes unavailable for a period of time.</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Reduced revenue and profitability • Deteriorating cash flow • Loss of competitive advantage • Restricted growth and adaptability • Reputational damage 	<p>How we manage it</p> <ul style="list-style-type: none"> • Ongoing IT transformation to align IT infrastructure to future strategy • PEAK planning and preparation to ensure system stability and availability over high-demand periods • Individual system recovery plans in place in the event of failure which are tested in line with an annual plan, with full recovery infrastructure available for critical systems • Long-term partnerships with 'tier 1' application and infrastructure providers established • Strengthening of Technology leadership team • A mature IT Service Design & Transition process controls and manages the transition of new and changed services into production 	<p>Changes since last report</p> <p>This risk has remained stable over 2021/22.</p>
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Principal risks and uncertainties *continued*

Risk movement

-  Increased
-  Stable
-  Decreased





Link to strategy

-  Colleagues
-  Omnichannel
-  Customers for life

6 Information security

Risk owner:
Chief Information Officer

Risk category:
Operational 

<p>Risk movement:</p>  <p>Link to strategy</p>    <p>Considered in the Viability statement: Yes</p>	<p>What is the risk?</p> <p>Inadequate governance and control around information security could result in an information security breach compromising the confidentiality, integrity and/or availability of customer, colleague or supplier data.</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Reputational damage • Financial penalties • Reduced revenue and profitability • Deteriorating cash flow • Customer compensation • Loss of competitive advantage 	<p>How we manage it</p> <ul style="list-style-type: none"> • Significant investment in information security safeguards, IT security controls, monitoring, in-house expertise and resources as part of a managed information security improvement plan • Information security policy and standards defined and communicated • Information Security and Data Protection Committee and Technology Risk Forum set up with responsibility for oversight, co-ordination and monitoring of information security policy and risk • Infosec training and awareness programmes for employees • Audit programme over key suppliers' information security standards • Introduction of enhanced security tooling and operations • Ongoing programme of penetration testing • Future Security Operations Centre implemented 	<p>Changes since last report</p> <p>This risk has remained stable over 2021/22.</p>
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7 Health and Safety

Risk owner:
Chief Operating Officer




Risk category:
Operational 

<p>Risk movement:</p>  <p>Link to strategy</p>    <p>Considered in the Viability statement: Yes</p>	<p>What is the risk?</p> <p>Failure to prevent injury or loss of life to customers, colleagues, contractors, franchisee partners, agency staff and the public which may have serious financial and reputational consequences.</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Employee/customer illness, injury or loss of life • Reputational damage • Financial penalties • Legal action • Ongoing repercussions of Covid-19 	<p>How we manage it</p> <ul style="list-style-type: none"> • Implementation of Covid-19 controls to protect colleagues in the workplace and customers in the retail estate, including continuous monitoring of changing government regulation in all jurisdictions • Group Health and Safety strategy • Comprehensive Health and Safety policies and standards supporting continued improvement • Health and Safety governance committee • Operational Health and Safety teams located across business units • Risk assessment programme covering retail, support centres, distribution and home services • Incident reporting tool and process • Health and Safety training and development framework • Health and Safety inspection programme • Audit programme including factory audits for own brand products and third-party supply chains 	<p>Changes since last report</p> <p>This risk has decreased over 2021/22, largely attributable to the suppression of Covid-19.</p>
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8 Business Continuity

Risk owner:
Chief Information Officer




Risk category:
Operational

<p>Risk movement:</p> <p></p> <p>Link to strategy</p> <p> </p> <p>Considered in the Viability statement: No</p>	<p>What is the risk?</p> <p>A major incident impacts the Group's ability to trade and business continuity plans are not effective, resulting in an inadequate incident response.</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Reduced revenue and profitability • Deteriorating cash flow • Reputational damage • Loss of competitive advantage 	<p>How we manage it</p> <ul style="list-style-type: none"> • Business continuity and crisis management plans in place and tested for key business locations • Enablement of home working for office-based and contact centre colleagues • Disaster recovery plans in place and tested for key IT systems and data centres • Cross functional Crisis team appointed to manage response to significant events • Major risks insured • Group Business Continuity strategy 	<p>Changes since last report</p> <p>This risk has remained unchanged over 2021/22.</p>
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9 Tax liabilities

Risk owner:
Chief Financial Officer



Risk category:
Financial

<p>Risk movement:</p> <p></p> <p>Link to strategy</p> <p> </p> <p>Considered in the Viability statement: Yes</p>	<p>What is the risk?</p> <p>Crystallisation of potential tax exposures resulting from legacy corporate transactions, employee and sales taxes arising from periodic tax audits and investigations across the various jurisdictions in which the Group operates.</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Financial penalties • Reduced cash flow • Reputational damage 	<p>How we manage it</p> <ul style="list-style-type: none"> • Board and internal committee oversight actively monitors tax strategy and tax disputes • Appropriate engagement of third-party specialists to provide independent advice where deemed appropriate • The Group remains committed to achieving a resolution with HMRC in relation to open tax enquiries 	<p>Changes since last report</p> <p>This risk has remained unchanged over 2021/22.</p>
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10 Product Safety

Risk owner:
Chief Operating Officer

Risk category:
Operational

<p>Risk movement:</p> <p></p> <p>Link to strategy</p> <p></p> <p>Considered in the Viability statement: No</p>	<p>What is the risk?</p> <p>Unsuitable procedures and due diligence regarding product safety, particularly in relation to OEM sourced product, may result in poor quality or unsafe products provided to customers which pose risk to customer health and safety.</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Financial penalties • Reduced cash flow • Reputational damage 	<p>How we manage it</p> <ul style="list-style-type: none"> • Factory Audits conducted over OEM suppliers • Technical Evaluation of OEM products prior to production • Product inspection of OEM products prior to shipment • Monitoring of reported incidents • Safety Governance reviews conducted by internal by Technical and Business Standards teams • Establish protocols and procedures to manage product recalls 	<p>Changes since last report</p> <p>This risk remains unchanged over 2021/22.</p>
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Principal risks and uncertainties *continued*

Risk movement

-  Increased
-  Stable
-  Decreased





Link to strategy

-  Colleagues
-  Omnichannel
-  Customers for life

11 Our commitment to Sustainability

Risk owner:
Chief People, Communications & Sustainability Officer





Risk category:
Operational

<p>Risk movement:</p> <p></p> <p>Link to strategy</p> <p>  </p> <p>Considered in the Viability statement: No</p>	<p>What is the risk?</p> <p>Our commitment to sustainability and being a good corporate citizen is either not delivered or not adequately communicated to or recognised by customers and investors.</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Reduced cash flow as customers shop elsewhere • Reputational damage • Loss of competitive advantage 	<p>How we manage it</p> <ul style="list-style-type: none"> • Roadmap to net zero⁽¹⁾ by 2040 • Commitment to EV100 • Oversight from ESG Committee, ExCo and the Board • Group ESG strategy regularly reviewed • Maintenance of a brand tracker • Commitment to TCFD • Independent reviews on environmental practices e.g. CDP 	<p>Changes since last report</p> <p>This risk has decreased over 2021/22 reflecting the progress made advancing our ESG initiatives.</p>
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12 People

Risk owner:
Chief People, Communications & Sustainability Officer

Risk category:
People

<p>Risk movement:</p> <p></p> <p>Link to strategy</p> <p>  </p> <p>Considered in the Viability statement: No</p>	<p>What is the risk?</p> <p>Not having the right workforce capacity, capability, and colleague commitment necessary to deliver on our strategy.</p>	<p>What is the impact?</p> <ul style="list-style-type: none"> • Reduced revenue and profitability • Failure to achieve strategic objectives without strong leadership and capable and committed colleagues 	<p>How we manage it</p> <ul style="list-style-type: none"> • Strengthening leadership capability and succession • Increasing colleague capability and engagement to deliver against customer promise • Approach for remuneration and incentives that supports a high-performance culture, reinforces the right behaviours aligned to our values and supports selling responsibility to customers • Frequent Pulse Engagement surveys • Perform and Transform Forum 	<p>Changes since last report</p> <p>This risk remains unchanged over 2021/22.</p>
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(1) Net zero is defined in the Glossary and definitions section on page 245.

Going concern and viability statement

Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least 12 months from the date of approval of the financial statements. The viability statement takes account of the company's current position and principal risks, stating whether there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a longer term than the going concern period.

Going concern

A review of the Group's business activities, together with the factors likely to affect its future development, performance, and position, are set out within this Strategic Report, including the risk management section. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are shown in the balance sheet, cash flow statement and accompanying notes to the Annual Report and Accounts. The directors have outlined the assessment approach for going concern in the accounting policy disclosure in note 1 of the consolidated financial statements. Following that review the directors have concluded that the going concern basis remains appropriate.

Viability statement

In accordance with the UK Corporate Governance Code, the directors have assessed the viability of the Group over a period longer than the 12 months covered by the 'Going Concern' provision above.

The directors, in making the assessment that three years was appropriate, considered the current financial and operational positions of the Group, the potential impact of the risks and uncertainties as outlined on pages 58 to 64 of the Strategic Report and the uncertainty regarding the recovery from the Covid-19 pandemic, the impact from inflation exacerbated by the conflict in Eastern Europe plus the further mitigating actions available to the Board.

The Board concluded that a period of three years was appropriate for this assessment as this period is covered by the Group's strategic planning process, which is updated annually, and reflects the period where there is greater certainty of cash flows associated with the Group's major revenue streams.

The strategic plan considers the forecast revenue, EBITDA, working capital, cash flows and funding requirements on a business by business basis, which are assessed in aggregate with reference to the available borrowing facilities to the Group over the assessment period including seasonal cash flow and borrowing requirements on a monthly basis and the financial covenants to which those facilities need to comply. The model assessed by the directors has been derived from the Board-approved annual Group budget for 2022/23, and Board-approved strategic plan for the remaining two year period. These forecasts have been subject to robust stress-testing, modelling the impact of a combination of severe but plausible adverse scenarios based on those principal risks facing the Group, including specific consideration of a range of impacts that could arise from the continued Covid-19 pandemic and the impact from inflation exacerbated by the conflict in Eastern Europe. These scenarios included a downside risk to sales across the group to reflect the risk caused by the current macroeconomic environment with rising energy costs, interest rates, and inflation that could place additional pressure on consumer spending as well as the supply chain risks associated with the Covid-19 pandemic and the conflict in Eastern Europe.

As part of this analysis, mitigating actions within the Group's control have also been considered. These forecast cash flows indicate that there remains sufficient headroom in the viability period for the Group to operate within the committed facilities and to comply with all relevant banking covenants.

As well as focusing on the potential downside to sales caused by the current macroeconomic environment, these scenarios also included other principal risks such as regulation or information security incidents and reduced forecast profitability and cash flow as a result in a significant change in consumer behaviour. The model assumes no further funding facilities are required over and above those currently committed to the Group as disclosed in note 18 to the Annual Report and Accounts.

Based on the results of this analysis, the directors have an expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period of their assessment. In doing so, it is recognised that such future assessments are subject to a level of uncertainty and as such future outcomes cannot be guaranteed or predicted with certainty.

FURTHER INFORMATION

Going Concern

→ For further information on **Going Concern**, see note 1 to the financial statements on page 168.

Key performance indicators

Our ten Key Performance Indicators (KPIs) comprise a balanced set of financial and non-financial metrics that are consistent with our strategy and vision and enable management to evaluate the Group's strategic performance. Statutory equivalents of our KPIs are provided where relevant.

Financial

LFL Revenue growth⁽¹⁾

(3)%

(3)%	2021/22	
	2020/21	14%
2%	2019/20	

What we measure and why it's key

Like-for-like (LFL) revenue growth is the revenue growth of the business using a constant currency, adjusted for new and closed stores and other changes in business. The metric enables us to measure the underlying trading performance of the Group on a consistent year-on-year basis.

Performance in 2021/22

LFL revenue decline due to the expected decline in mobile revenue within UK & Ireland and the Group having benefited from particularly strong performance during lockdown periods in the prior year.

Revenue

£10,144m

2021/22	£10,144m
2020/21	£10,344m
2019/20	£10,170m

What we measure and why it's key

Revenue represents total revenue generated by the Group with sustainable growth being an important measure of our brands appeal and competitive position.

Performance in 2021/22

Group revenue declined (2)% on a reported basis due to the LFL decline and closure of the Carphone Warehouse Ireland business at the end of the prior year.

Free cash flow^{(1),(2)}

£72m

£72m	2021/22	
	2020/21	£438m
£109m	2019/20	

What we measure and why it's key

Free cash flow represents available cash after operational cash outflows, cash tax and interest paid and capital investment but before pension contributions. It is a measure of the Group's ability to both generate cash and efficiently manage working capital such that it optimises cash resources available for the Group to invest in its future growth and to generate shareholder return.

Performance in 2021/22

Investment in working capital to lock in price and secure supply resulted in a reduction in free cash flow while the prior year benefited from large working capital inflows as the mobile network receivable unwound and the Group held lower stock at the reporting date.

Adjusted profit before tax⁽¹⁾

£186m

2021/22	£186m
2020/21	£156m
2019/20	£116m

What we measure and why it's key

Sustainable growth of profit before tax and adjusting items represents a clear measure of performance against our strategic priorities and an indication of how we create long term value for all stakeholders.

Performance in 2021/22

On an adjusted and statutory basis, profit before tax increased during the year due to sales mix and improved cost control.

Statutory profit/(loss) before tax⁽³⁾

£126m

2021/22	£126m
2020/21	£33m
2019/20	£(140)m

Adjusted earnings per share⁽¹⁾

11.90p

2021/22	11.90p
2020/21	10.70p
2019/20	6.70p

What we measure and why it's key

Adjusted basic EPS represents the profit after tax, but before adjusting items, attributable to each share after taking into account the change in number of shares in issue from year to year. The level of growth provides a clear measure of the financial health of the Group and its ability to deliver returns to shareholders each year.

Performance in 2021/22

Continued growth in adjusted basic EPS driven by increased profit before tax combined with a stable tax rate and reduced share count during the year.

Statutory earnings/(loss) per share⁽³⁾

6.30p

2021/22	6.30p
2020/21	0.00p
2019/20	(13.90)p

(1) Alternative Performance Measure. Definitions, purpose and reconciliations to the closest statutory equivalent for our Alternative Performance Measures are provided within the Glossary and definitions on pages 231 to 245.

(2) The directors consider free cash flow to be a useful measure as, unlike statutory equivalents, it is a good indicator of cash generated from continuing operations which is available to fund future growth or be distributed to shareholders.

(3) Statutory profit/(loss) before tax and statutory earnings/(loss) per share are not KPIs but are presented to give additional useful information to users on the performance of the business.

(4) Net zero is defined in the Glossary and definitions section on page 245.

Changes to KPIs

Net zero⁽⁴⁾ by 2040 (Scope 1 & 2 tonnes CO₂e) and tonnes of electrical reuse and recycling have been added as sustainability is a central part of our vision. We have also pivoted to LFL revenue growth from our previous LFL Electricals revenue growth KPI following consolidation of the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile reportable segments as mobile is no longer reported separately.

Non-Financial

Currys market share

25.6%

2021/22	25.6%
2020/21	24.7%
2019/20	26.5%

Nordics market share

25.9%

2021/22	25.9%
2020/21	26.8%
2019/20	26.0%

Net zero by 2040 (scope 1 & 2 tonnes CO₂e)

42.1%

2021/22	21,346
2020/21	35,321
2019/20	36,863

What we measure and why it's key

Market share is the clearest indicator that the proposition we are delivering to customers is more appealing than the competition. Market share is defined as the Group's product sales relative to total consumer sales of technology products in each market.

Performance in 2021/22

In the UK we gained 0.9% of market share as stores remained open. Compared to two years ago we have gained 2 ppts share in both store and online markets, but overall share declined as the market shifted online.

Increased competitive pressure on price and availability across the Nordics meant that sales underperformed the market but we remain market leader in all regions.

What we measure and why it's key

We calculate the reduction in Scope 1 and 2 greenhouse gas emissions, in line with the standards of the Green House Gas Protocol and using the methodology set out in Defra's Environmental Reporting Guidelines, by reference to the Groups total emissions in financial year 2019/20 as the clearest measure of our progress to achieving net zero emissions by 2040.

Performance in 2021/22

The Group made substantial progress in reaching net zero by reducing scope 1 and 2 tonnes of CO₂e emissions by 42.1% against the 2019/20 baseline driven largely by a switch to renewable electricity in our Greek operations.

Colleague engagement

+77

2021/22	+77
2020/21	+68
2019/20	+62

What we measure and why it's key

Our capable and committed colleagues are our greatest advantage. Keeping colleagues engaged drives better experiences for customers.

Our Employee Satisfaction measure is measured through our colleague's response to the question 'How happy are you working at Currys?' and forms just one part of our employee engagement survey that enables our colleagues to provide honest and open feedback.

Performance in 2021/22

Employee engagement increased 9 points as investment in training, well-being and reward drove a significant increase in the number of employees who are happy working for Currys in UK & Ireland, Nordics and Greece.

Net Promoter Score ('NPS')

+66

2021/22	+66
2020/21	+65
2019/20	+64

What we measure and why it's key

Customer satisfaction a key indicator how we're performing. NPS is the percentage of Promoters minus Critics answering the question 'How likely are you to recommend Currys.com to a friend or colleague?'

Performance in 2021/22

NPS improved 2.3 points in UK & Ireland which more than offset the marginal decline in Nordics and Greece.

Tonnes of electrical reuse and recycling

103k

2021/22	103k
2020/21	103k
2019/20	103k

What we measure and why it's key

Tonnes of e-waste collected across our Group for reuse or recycling is a key indicator of our progress in creating circular business models and reducing the impact that used electronics have on the environment. It is the sum of all electronics received via trade-in and recycling services from customers.

Performance in 2021/22

Tonnes of electrical reuse and recycling was flat year-on-year.

Performance review

2021/22

All figures are year-on-year unless stated. There are a number of non-GAAP measures and alternative profit measures "APMs" discussed within this announcement. Adjusted results are consistent with how business performance is measured internally and presented to aid comparability of performance. Discussion of statutory performance is shown within each segment and for the overall Group. Refer to the glossary and definitions section set out at the end of this report for further details on definition, purpose, and reconciliation to nearest statutory measure.

Group sales were in-line with last year on a currency neutral basis, as +3% growth in our International business was offset by a (3)% decline in UK & Ireland due to the anticipated reduction in mobile revenue. Adjusted EBIT increased 5% to £274m with growth in UK & Ireland and Greece offset by declines in the Nordics against the very strong performance last year.

Income statement	2021/22 £m	2020/21 £m	% change	Currency neutral % change
Adjusted revenue	10,122	10,330		
Revenue	10,144	10,344	(2)%	-%
Adjusted EBITDA	588	598	(2)%	-%
Adjusted EBITDA margin	5.8%	5.8%	- bps	- bps
Depreciation on right-of-use assets	(190)	(200)		
Depreciation on other assets	(62)	(79)		
Amortisation	(62)	(57)		
Adjusted EBIT	274	262	5%	6%
Adjusted EBIT margin	2.7%	2.5%	20 bps	20 bps
Interest on right-of-use assets	(70)	(77)		
Finance income	2	6		
Adjusted finance costs	(20)	(35)		
Adjusted PBT	186	156	19%	21%
Adjusted PBT margin	1.8%	1.5%	30 bps	30 bps
Adjusted tax	(51)	(33)		
Adjusted Profit after tax	135	123		
Adjusted EPS	11.9p	10.7p		
Statutory Reconciliation				
Adjusting items to EBITDA	(28)	(89)		
EBITDA	560	509		
Adjusting items to depreciation and amortisation	(24)	(26)		
EBIT	222	147	51%	55%
EBIT Margin	2.2%	1.4%	80 bps	80 bps
Adjusting items to finance costs	(8)	(8)		
PBT	126	33		
Adjusting items to tax	(4)	-		
Discontinued operations	-	12		
Profit after tax	71	12		
EPS – total	6.3p	1.0p		

Operating cash flow increased +7% to £361m for the year, largely driven by a reduction in cash payments for leases. Net adjusting items to cash flow reduced from £(173)m to £(33)m as restructuring outflows reduced significantly and cash payments for closed stores were partially offset by £53m one-off cash inflows for historic settlements. Capital expenditure increased to £133m following the resumption of a number of projects that were paused during the prior year's lockdown periods. Free cash flow excluding working capital totalled £160m, after two years of outflow. Working capital outflow was £(88)m (2020/21: inflow of £454m), as the business made moderate investments in stock to secure stock as good prices. The prior year benefited from a large capital inflow due to early repayment of network debtor by EE.

Total free cash flow generated was £72m which after pension contributions, returns to shareholders and other payments resulted in cash outflows of £(125)m, leading to a year-end net cash position of £44m.

Cash flow	2021/22 £m	2020/21 £m	Reported % change	Currency neutral % change
Adjusted EBITDAR	602	611	(1)%	-%
Adjusted EBITDAR margin	5.9%	5.9%	- bps	- bps
Cash payments of leasing costs, debt & interest ⁽¹⁾	(263)	(288)		
Other non-cash items in EBIT	22	15		
Operating cash flow⁽¹⁾	361	338	7%	2%
Operating cash flow margin	3.6%	3.3%	30bps	30bps
Capital expenditure	(133)	(122)	(9)%	
Adjusting items to cash flow ⁽¹⁾	(33)	(173)	81%	
Segmental free cash flow before working capital	195	43		
Working capital	(88)	454		
Segmental free cash flow	107	497	(78)%	(77)%
Cash tax paid	(18)	(35)		
Cash interest paid	(17)	(24)		
Free cash flow	72	438	(84)%	(83)%
Shareholder returns ⁽²⁾	(78)	-		
Purchase of own shares by EBT	(41)	(13)		
Pension	(78)	(47)		
Other	-	(5)		
Movement in net cash	(125)	373		
Net cash	44	169		

(1) Cash payments of leasing cost, debt and interest exclude non-trading stores.

(2) Comprise £46m of dividends and £32m share buyback.

Online Share of Business	2021/22	2020/21	2019/20	Year-on-Year (%pts)	Year-on-2-Year (%ppts)
UK & Ireland	45%	65%	32%	(20)%	13%
International	23%	28%	18%	(5)%	5%
- Nordics	25%	29%	19%	(4)%	6%
- Greece	9%	21%	8%	(12)%	1%
Group	35%	48%	27%	(13)%	8%

Performance review

2021/22 continued

UK and Ireland

Income statement	2021/22 £m	2020/21 £m	% change	Currency neutral % change
Income Statement				
Adjusted revenue	5,463	5,628	(3)%	(3)%
Revenue	5,485	5,642	(3)%	(3)%
Adjusted EBITDA	280	291	(4)%	(3)%
Adjusted EBITDA margin	5.1%	5.2%	(10) bps	(10) bps
Depreciation on right-of-use assets	(100)	(110)		
Depreciation on other assets	(29)	(46)		
Amortisation	(40)	(43)		
Adjusted EBIT	111	92	21%	22%
Adjusted EBIT margin	2.0%	1.6%	40 bps	40 bps
Adjusting items to EBIT	(40)	(103)		
EBIT	71	(11)	n/a	n/a
EBIT margin	1.3%	(0.2)%	150 bps	150 bps
Cash flow				
Adjusted EBITDAR	289	298	(3)%	(2)%
Adjusted EBITDAR margin	5.3%	5.3%	- bps	10 bps
Cash payments of leasing costs, debt & interest ⁽¹⁾	(155)	(168)		
Other non-cash items in EBIT	18	8		
Operating cash flow⁽¹⁾	152	138	10%	10%
Operating cash flow margin	2.8%	2.5%	30 bps	30 bps
Capital expenditure	(65)	(60)	(8)%	
Adjusting items to cash flow ⁽¹⁾	(33)	(173)	81%	
Segmental free cash flow before working capital	54	(95)		
Network Debtor	71	391		
Working capital	(16)	(26)		
Segmental free cash flow	109	270	(60)%	(60)%

(1) Cash payments of leasing cost, debt and interest exclude non-trading stores.

Total UK & Ireland like-for-like sales declined (4)% due to the expected decline in mobile revenue and lower in-year revenue in iD Mobile. UK & Ireland like-for-like electrical category sales were down (4)% compared to last year but up +13% compared to two years ago. Total revenue was down (3)% due to the like-for-like decline and closure of the Carphone Warehouse Ireland business at the end of the prior period offset by an increase in non-product revenue which is excluded from like-for-like. During the year, five UK stores were permanently closed.

During the period, the online share of business was +45%, down (20)ppts on last year as store sales grew +61% having been closed for significant periods of the prior year. Compared to two years ago online share of business was up +13ppts as customers have benefited

from the improvement to our omnichannel propositions.

Domestic appliance sales benefited from the reopening of our stores and were the strongest performing category across the year, with strong growth in almost all areas of white goods and sales up slightly on two years ago. Consumer electronics were down during the year with particular weakness in smaller screen TVs where there was heightened promotional activity in the market. As a category, consumer electronics has seen the least uplift in sales during the pandemic. In computing, sales were below last year as strength in gaming and accessories was offset by declines in laptops and tablets. Compared to two years ago, overall computing sales were up almost one-quarter and the shorter replacement cycle we are seeing points to a sustainably larger market.

Currys UK market share⁽²⁾ was 25.6%, up +90bps compared to last year as customers returned to stores. Compared to two years ago, our overall share is down (90)bps due to the market shift to online but we have gained +2ppts share in both stores and online. Simply holding share in both channels would have resulted in our sales being 7% lower.

Our performance in Republic of Ireland was weaker as stocking issues related to Brexit impacted both sales and margin during the year.

Adjusted UK&I EBIT increased +£19m to £111m, which included isolated impacts to profit of £(39)m for business rates tax, £(20)m as changes in iD contract terms drove lower in-year revenue (without impacting the underlying economics of iD Mobile) and £(15)m for changes to reflect IT cloud

(2) Source: GfK

expenditure. Against this, there was a £22m year-on-year benefit from the network debtor revaluation and settlements.

Excluding the offsetting isolated impacts, gross margins improved by +110bps including a headwind of (70)bps from inflationary increases in wages and shipping, offset by +30bps of cost savings and +40bps positive impact from network debtor revaluation. The strong positive remaining change was driven by the benefit of stores reopening and increased adoption rates in strategic focus areas of credit and services.

Excluding the (100)bps impact of isolated profit impacts, the operating expense to sales ratio improved by +30bps as a (30) bps headwind from inflation was more than offset by store payroll, goods-not-for-resale, IT and central cost savings as well as lower depreciation charges.

In the period, adjusting items to EBIT totalled £(40)m. Strategic change costs of £6m including restructuring and rebranding that were partially offset by the release of property provisions no longer required following the early exit from previously closed stores. Impairment losses and onerous contracts of £62m related to right-of-use, intangible assets and IT contracts. Amortisation of acquisition intangibles totalled £(13)m. These costs have been partially offset by £22m of positive out of period network debtor revaluations and credits relating to the one-off settlements from third parties. The total gross cash outflow was £86m, offset by £53m of settlements received.

EBIT for the period increased by £82m to £71m.



EBITDAR was broadly in line with last year, while cash leasing costs declined due to an average net effective rent reduction of (41)% obtained on the 40 stores renewed during the year, the closure of the Carphone Warehouse Ireland business at the end of the prior period and a small benefit from timing of rent payments. Non-cash items increased, as prior year included £6m profit on disposal of assets. This resulted in operating cash flow increasing +10% to £152m.

Capital expenditure was £65m, with significant areas of expenditure including supply chain, new websites and branding investments. Adjusting items to cashflow are described above. Network Debtor cash flow was £71m from £391m last year, as the mobile revenue decline decelerated, and the prior year benefited from the early network debtor repayment by EE. Working capital outflow of £(16)m is largely a result of timing of cash receipts and payments. In combination, this resulted in segmental free cash flow of £109m, £(161)m lower than last year.

	2021/22 £m		2020/21 £m	
	P&L	Cash	P&L	Cash
Mobile network debtor revaluations	22	–	14	–
Acquisition/disposal related items	(13)	(1)	(14)	(2)
Strategic change programmes	(6)	(63)	(41)	(153)
Impairment losses and onerous contracts	(62)	(20)	(100)	(16)
Regulatory	1	(1)	7	(4)
Other	18	52	31	2
Total	(40)	(33)	(103)	(179)

Performance review

2021/22 continued

Nordics

Income statement	2021/22 £m	2020/21 £m	% change	Currency neutral % change
Revenue	4,105	4,186	(2)%	2%
Adjusted EBITDA	264	267	(1)%	1%
Adjusted EBITDA margin	6.4%	6.4%	- bps	(10) bps
Depreciation on right-of-use assets	(76)	(77)		
Depreciation on other assets	(27)	(27)		
Amortisation	(19)	(12)		
Adjusted EBIT	142	151	(6)%	(5)%
Adjusted EBIT margin	3.5%	3.6%	(10) bps	(20) bps
Adjusting items to EBIT	(12)	(12)		
EBIT	130	139	(6)%	(5)%
EBIT margin	3.2%	3.3%	(10) bps	(20) bps
Cash flow				
Adjusted EBITDAR	267	271	(1)%	1%
Adjusted EBITDAR margin	6.5%	6.5%	- bps	- bps
Cash payments of leasing costs, debt & interest	(90)	(100)		
Other non-cash items in EBIT	4	5		
Operating cash flow	181	176	3%	5%
Operating cash flow margin	4.4%	4.2%	20 bps	10 bps
Capital expenditure	(56)	(52)	(8)%	
Adjusting items to cash flow:	-	-	-%	
Segmental free cash flow before working capital	125	124		
Working capital	(113)	64		
Segmental free cash flow	12	188	(94)%	(91)%

Revenue grew by +2% on a currency neutral basis, with a like-for-like sales decline of (2)%. During the year, we opened a net total of seven stores including four in Sweden and three franchise stores. Against two years ago, currency neutral sales grew +17%, driven by +15% like-for-like growth.

Online sales declined (14)% but remained +50% larger than two years ago, with online now contributing to 25% of sales, down (3)ppts on last year but up +6ppts compared to two years ago.

The overall market share was 25.9%, a decline of (90)bps (1H: (140)bps, 2H: (40)bps) compared to last year but broadly flat over the last two years as we have taken share online and in-store to overcome the market shift towards online.

Sale of domestic appliances saw continued growth with customers moving towards higher specification and energy saving products, this category has seen largest improvement since the start of the pandemic. Computing sales were in line with last year as VR gaming proved a very popular area. Against strong trading during the pandemic, consumer electronics decreased across most areas with only the smart home segment in growth during the year. TVs declined overall but demand for home cinema experiences was evidenced through strong growth of 70"+ TVs, while noise cancelling headphone proved popular for people returning to busy environments.

Gross margin was flat as increased logistics costs were offset by positive impact of stores increased share of business. The operating expense to sales ratio was down (10)bps year-on-year as lower government support, extra costs of new stores and temporarily running dual IT systems was offset by operating leverage and ongoing cost efficiencies.

As a result, adjusted EBIT decreased by £(9)m to £142m, from £151m in 2020/21. Compared to two years ago, EBIT has increased by +£16m.

In the period, adjusting items to EBIT totalled £(12)m, this was entirely due to the amortisation of acquisition intangibles and had no cash impact. EBIT decreased £(9)m to £130m.



The operating cash flow increased by 3% to £181m, driven by lower cash leasing costs as payment profiles normalised with the prior year impacted by timing of 2019/20 payments deferred due to Covid-19, and foreign exchange, as EBITDAR was broadly inline year on year. Capital expenditure was £56m, with significant areas of expenditure including our Next Generation Retail platform and store refits. Working capital was an outflow of £(113)m as the business made strategic decision to invest in stock to secure good prices and availability for our customers.

+17%

**Currency neutral sales growth
against two years ago**

25%

**of sales in the Nordics
are online**

Performance review

2021/22 continued

Greece

Income statement	2021/22 £m	2020/21 £m	% change	Currency neutral % change
Revenue	554	516	7%	13%
Adjusted EBITDA	44	40	10%	18%
Adjusted EBITDA margin	7.9%	7.8%	10 bps	40 bps
Depreciation on right-of-use assets	(14)	(13)		
Depreciation on other assets	(6)	(6)		
Amortisation	(3)	(2)		
Adjusted EBIT	21	19	11%	22%
Adjusted EBIT margin	3.8%	3.7%	10 bps	20 bps
Adjusting items to EBIT	-	-		
EBIT	21	19	11%	22%
EBIT margin	3.8%	3.7%	10 bps	20 bps
Cash flow				
Adjusted EBITDAR	46	42	10%	15%
Adjusted EBITDAR margin	8.3%	8.1%	20 bps	10 bps
Cash payments of leasing costs, debt & interest	(18)	(20)		
Other non-cash items in EBIT	-	2		
Operating cash flow	28	24	17%	26%
Operating cash flow margin	5.1%	4.7%	40 bps	60 bps
Capital expenditure	(12)	(10)	(20)%	
Adjusting items to cash flow	-	-	-%	
Segmental free cash flow before working capital	16	14		
Working capital	(30)	25		
Segmental free cash flow	(14)	39	n/a	n/a

Revenue increased +13% on a currency neutral basis, with like-for-like sales growth of +4%. Against two years ago, like-for-like revenue grew +14%.

Online sales declined (51)% during the year but remained 40% larger than two years ago. The decline was more than offset by in-store sales which increased +47% as stores remained open for the full period, with prior year impacted by Government enforced store closures.

We opened two stores in Cyprus which have performed well, we will open more in the future.

Sales were up in almost all categories with particularly strong growth in Air Conditioning sales due to the hot summer. The Government's Digital Care initiative continued to drive growth in Telecoms and Tablet sales while Computing sales were down marginally although remained +29% higher than two years ago.

Gross margin was up +200bps over prior year as a result of higher product margin driven by the shift back to in-store sales and strong performance of new insurance products. Operating costs increased to meet sales demand and energy costs increased while government support declined following the end to furlough schemes and Government backed rent reductions.

As a result, adjusted EBIT increased +11% to £21m, from £19m in 2020/21. There were no adjusting items to EBIT, resulting in EBIT of £21m.

The operating cash flow was £28m, up from £24m in the prior year due to improved EBITDAR and reduced cash payments for leases. Capital expenditure was £12m, with significant areas of expenditure including digital transformation and property. Working Capital outflow of £(30)m was driven by increased stock balances at the end of the period having secured supply of cooling products for the upcoming Government subsidy programme, and laptops for the Government's Digital Care expansion with teachers also to be granted a €200 coupon to spend.

Finance Costs

Interest on lease liabilities was £(70)m, a slight decrease on prior year due to lower lease liabilities, the cash impact of this interest is included within segmental free cash flow.

The adjusted net finance costs were lower than last year, due to the Group's improved average cash position and the prior year including a write-off of arrangement and extension fees on legacy facilities that were replaced during refinancing in April 2021. The net cash impact of these costs was £(17)m, from £(24)m in the prior year due to the higher average cash position, right sizing of available facilities to reflect lower debt levels at the end of the prior year and reduced costs of hedging.

The finance costs on the defined benefit pension scheme is an adjusting item and is flat year-on-year in line with the assumptions used in the valuation of the pension obligations.

	2021/22 £m	2020/21 £m
Interest on lease liabilities	(70)	(77)
Finance income	2	6
Finance costs	(20)	(35)
Adjusted net finance costs	(88)	(106)
Finance costs on defined benefit pension schemes	(8)	(8)
Net finance costs	(96)	(114)

Reported Profits

Profit before tax has increased +282% to £126m. This is driven by the +51% increase in EBIT to £222m and a (16)% reduction in finance costs to £(96)m. The increase in EBIT is explained within the segmental analysis, while the finance costs are described above.

The overall reduction in impact of adjusting items is primarily as a result of lower impairment losses and decreased restructuring costs in the UK&I segment.

Tax

The full year adjusted effective tax rate of 27% was higher than the previous year rate of 21% due to the movement in unprovided deferred tax and prior year adjustments. Taxation payments of £18m (2020/21: £35m) were lower due to deferral of Norwegian payments following an internal reorganisation.

Performance review

2021/22 continued

Cash flow

	2021/22 £m	2020/21 £m	Reported % change	Currency neutral % change
Adjusted EBITDAR	602	611	(1)%	-%
Cash payments of leasing costs, debt & interest	(263)	(288)		
Other non-cash items in EBIT	22	15		
Operating cash flow	361	338	7%	8%
Capital expenditure	(133)	(122)	(9)%	
Adjusting items to cash flow	(33)	(173)	81%	
Segmental free cash flow before working capital	195	43		
Working capital and network commissions	(88)	454		
Segmental free cash flow	107	497	(78)%	(77)%
Cash tax paid	(18)	(35)		
Cash interest paid	(17)	(24)		
Free cash flow	72	438	(84)%	(83)%
Shareholder returns	(78)	–		
Net purchase of shares by EBT	(41)	(13)		
Pension	(78)	(47)		
Other	–	(5)		
Movement in net debt	(125)	373		
Opening net cash/(debt)	169	(204)		
Closing net cash/(debt)	44	169		

Segmental free cash flow was an inflow of £107m (2020/21: £497m), and after cash and interest outflows of £(35)m which are described above, resulted in free cash flow of £72m (2020/21: £438m).

During the year £78m was returned to shareholders, comprising £32m of shares repurchased and cancelled as part of the previously announced share buyback and £46m of dividends paid. The employee benefit trust also acquired £41m of shares to satisfy colleague share awards that vested in year or are expected to vest in future periods.

Pension contributions of £78m (2020/21: £47m) were higher than prior year as we ended the reduced contribution agreed with the pension Trustees during Covid-19.

The closing net cash position was £44m compared to a net cash position of £169m at 1 May 2021. This included £30m of restricted cash (2020/21: £35m). The average net cash for the year was £290m (2020/21: £280m).

The Board has proposed a final dividend of 2.15p per ordinary share for the year ended 30 April 2022. The dividend will be paid on 16 September 2022 to shareholders registered at the close of business on 5 August 2022. The ex-dividend date will be 4 August.

Balance sheet

	30 April 2022 £m	1 May 2021 £m
Goodwill	2,814	2,851
Other fixed assets	1,554	1,661
Network commission receivables and contract assets	190	239
Working capital	(532)	(684)
Net cash/(debt)	44	169
Net lease liabilities	(1,263)	(1,322)
Pension	(257)	(482)
Deferred tax	74	100
Provisions	(59)	(85)
Other	(64)	(66)
Net assets	2,501	2,381

Goodwill decreased £37m in the period to £2,814m due to currency revaluation of Nordics goodwill.

Other fixed assets decreased by £(107)m since 1 May 2021 as additions of £320m were more than offset by amortisation and depreciation of £(338)m and impairments of £(65)m, primarily over right-of-use and intangible assets in UK & Ireland. These impairments primarily related to non-trading right-of-use assets no longer occupied and software development costs that related to our credit-based mobile offer which we discontinued after it fell below the hurdle rates we required for continued investment.

Network commission receivables and contract assets decreased by £(49)m as the amount of new revenue capitalised was lower than payments received.

At year-end, total working capital was £(532)m. Group inventory was £1,286m, higher than prior year as the Group invested to lock in price and secure the supply of scarce stock to mitigate potential supply chain and inflationary headwinds next year while trade payables increased by +£194m to £(1,614)m (2020/21: £(1,420)m) for the same reasons. Over the year stock turn decreased from 6.8 to 6.4 as more sales were in store (that has naturally slower

stock turn) and availability improved. Trade payable days increased from 73 to 77 since 1 May 2021 while trade receivable days decreased from 32 to 22.

Other receivables increased by +£101m (2020/21: £192m) since 1 May 2021 due to additional accrued income driven by a change in contractual terms for iD Mobile and prepayments for project license fees. Other payables fell by £60m predominantly due to lower payroll accruals and a reduced UK&I right-to-return liability due to lower online sales.

	30 April 2022 £m	1 May 2021 £m
Inventory	1,286	1,178
Trade Receivables	336	294
Trade Payables	(1,614)	(1,420)
Trade working capital	8	52
Other Receivables	293	192
Other Payables	(850)	(910)
Derivatives	17	(18)
Working capital	(532)	(684)

The Group closing cash position reduced by £125m to £44m for reasons explained within the cash flow analysis above.

Lease liabilities reduced mainly due to the early exit of our closed standalone Carphone Warehouse stores in both the UK and Ireland while lease cash payments exceeded the present value of leases renewed on improved terms. Of the 69 Carphone Ireland stores closed in April 2021, 65 leases were exited in the year.

The IAS 19 accounting deficit of the defined benefit section of the UK pension scheme amounted to £257m (2020/21: £482m). The deficit decrease was largely driven by an increase in the discount rate applied to future liabilities and contributions of £78m (2020/21: £47m). This has been partly offset by increases in inflation rate assumptions and a reduction in the value of the underlying assets.

A full actuarial valuation is currently being carried out on the defined benefit section of the UK pension scheme as at 31 March 2022.

As at 30 April 2022 the Group had net cash of £44m (2020/21: £169m) and held on average £290m net cash throughout the year (2020/21: £280m). The Group also had access to £543m across two revolving credit facilities; both facilities were extended by an additional year

Performance review

2021/22 continued

Balance sheet continued

and now expire in April 2026. The covenants on our debt facilities are fixed charge cover >1.5x (2021/22: 2.23x) and net debt leverage <2.5x (2021/22: (0.04)x).

The Group assesses its financial strength on a total indebtedness basis, including the pension and lease liabilities as debt. The closing total indebtedness⁽¹⁾ position was £1,506m, decreasing £164m since

1 May 2021 and £770m since 2 May 2020. We target a total indebtedness fixed charge cover >1.5x (2021/22: 1.74x) and net indebtedness leverage <2.5x (2021/22: 2.41x).

	30 April 2022 £m	1 May 2021 £m	2 May 2020 £m
Net cash/(debt)	44	169	(204)
Restricted cash	(30)	(35)	(32)
Net lease liabilities	(1,263)	(1,322)	(1,439)
Pension liability	(257)	(482)	(550)
Working capital facilities	–	–	(51)
Total closing indebtedness	(1,506)	(1,670)	(2,276)
Less: year-end net cash/(debt)	(44)	(169)	204
Add: average net cash/(debt)	290	280	(355)
Total average indebtedness	(1,260)	(1,559)	(2,427)
	30 April 2022 £m	1 May 2021 £m	2 May 2020 £m
Operating cashflow	361	338	299
Cash payments of leasing costs, debt & interest	263	288	324
Operating cash flow plus cash payments of leasing	624	626	623
Net debt ratios			
Fixed charges (cash lease costs + cash interest)	280	312	350
Fixed charge cover	2.23x	2.01x	1.78x
Net cash excluding restricted funds	14	134	(236)
Net debt leverage	(0.04)x	(0.40)x	0.79x
Net indebtedness ratios			
Fixed charges (cash lease costs + cash interest + pension contributions)	358	359	396
Total indebtedness fixed charge cover	1.74x	1.74x	1.57x
Total closing indebtedness	(1,506)	(1,670)	(2,276)
Total indebtedness leverage	2.41x	2.67x	3.65x

The net deferred tax position decreased £(26)m since 1 May 2021 to reflect what is probable in the Group's financial planning period, partly offset by an increase in the UK tax rate to 25%.

Provisions primarily relate to property, reorganisation and sales provisions. The balance reduced by £(26)m due to utilisation of provisions, mainly related to the Carphone Warehouse Ireland business and store closure, and release of excess

property provisions that were no longer required following successful early exit negotiations. These were partially offset by additions due to announced reorganisation programmes within UK & Ireland and onerous IT contracts.

(1) Total indebtedness is defined and reconciled to nearest IFRS measure within note A10.

Comprehensive income/Changes in equity

Total equity for the Group increased from £2,381m to £2,501m in the period, driven by the profit of £71m, the gain (net of taxation) on the defined benefit pension deficit of £167m, movements in relation to share schemes of £23m and hedging gains of £11m. This was largely offset by shareholder returns of £(78)m, purchase of own shares by EBT of £(41)m and a loss on retranslation of overseas operations of £(33)m.

Share count

The weighted average number of shares in issue fell 1m following the cancellation of 33m treasury shares that were purchased offset by dilution from colleague share schemes. The average number held by the Group EBT and treasury shares also increased to 35m from 14m. This led to the weighted average number of shares used for basic earnings to reduce by 22m to 1,130m.

The dilutive effect of share options and other incentive schemes increased as several schemes improved performance against vesting conditions.

	30 April 2022 million	1 May 2021 million	2 May 2020 million
Weighted average number of shares			
Average shares in issue	1,165	1,166	1,162
Less average holding by Group EBT and treasury shares held by Company	(35)	(14)	(5)
For basic earnings/(loss) per share	1,130	1,152	1,157
Dilutive effect of share options and other incentive schemes	45	42	25
For diluted earnings per share	1,175	1,194	1,182

Approval of Strategic Report

This Strategic Report was approved by the Board and signed on its behalf by:



Alex Baldock
Group Chief Executive
6 July 2022

Governance at a glance

Compliance with the UK Corporate Governance Code 2018 (the ‘Code’)

The Board confirms that throughout the year ended 30 April 2022 and as at the date of this report, the Company applied the principles of, and was compliant with the provisions of the Code with the exception of provisions 38 and 41 (and the part of provision 40 that relates to workforce engagement). The Company will be compliant with provision 38 (alignment of executive director pension contribution rates to those of the workforce) by end of 2022. Alex Baldock continues to receive a 10% pension allowance and this will be reduced to 3% in December 2022 to align to the majority of the workforce. The Company has committed to hold a session on executive remuneration during colleague forum meetings in 2022/23 and will therefore become compliant with provision 41 (Remuneration Committee disclosure) and the part of

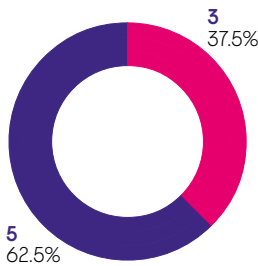
provision 40 (Remuneration Policy and practices) that relates to workforce engagement during the year. A copy of the Code is available on the website of the Financial Reporting Council: www.frc.org.uk.

Further information on how the Company has implemented each of the Code provisions matters can be found as follows:

Board Leadership and Company Purpose	Page 87
Division of Responsibilities	Page 91
Composition, Succession and Evaluation	Page 93
Audit, Risk and Internal Control	Page 96
Remuneration	Page 114

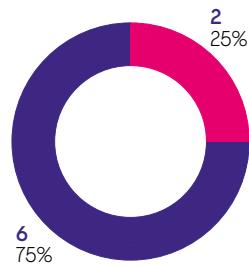
Board composition

Board diversity by gender



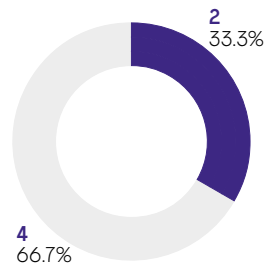
Female
Male

Balance of the Board



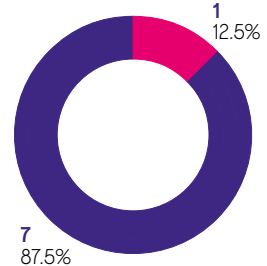
Executive
Non-executive

Non-executive director tenure



0 - 3 years
3 - 6 years
Over 6 years

Board diversity by ethnicity



Ethnic minority group
White ethnic group

* In accordance with categories recommended by the UK Office for National Statistics and the Parker Review

Board attendance

Directors

Lord Livingston of Parkhead

Meetings attended



Tony DeNunzio CBE



Alex Baldock



Bruce Marsh⁽¹⁾



Andrea Gisle Joosen



Directors

Eileen Burbidge MBE

Meetings attended



Fiona McBain⁽²⁾



Gerry Murphy



Company Secretary

Nigel Paterson

Meetings attended



(1) Bruce has attended all Board meetings since his appointment on 12 July 2021. He attended a Board meeting as an observer prior to his appointment.

(2) Fiona was absent from two meetings due to illness.

Board skills and experience

Directors	Bruce Marsh	Alex Baldock	Gerry Murphy	Fiona McBain	Andrea Giste Joosen	Tony DeNunzio	Eileen Burbidge	Ian Livingston
General retailing experience								
Online retailing experience								
Strategy (development and implementation)								
Accounting, finance and audit								
Corporate transactions								
Risk management								
Governance								
Regulatory								
Human resources management								
IT and technology								
Marketing/advertising								
Consumer financial services								
Current executive leadership								
International								

During the year, the Board received training on climate drivers impacting businesses and the understanding and management of climate-related risks.

Ian Dyson

Chair



Ian will join the Board as a non-executive director on 1 September 2022 and become Chair of the Board and Nominations Committee on 8 September 2022.

Ian is currently Chair of Asos plc and a non-executive director of InterContinental Hotels Group plc but will step down from these roles in August 2022 and February 2023 respectively.

Ian has more than 20 years of experience in the public market arena and has held both executive and non-executive directorships at FTSE 100 and FTSE 250 companies including group finance and operations director at Marks & Spencer Group plc from 2005 to 2010. In addition, Ian was chief executive of Punch Taverns plc, group finance director of Rank Group Plc and a non-executive director of Misys Plc, Flutter Entertainment plc and SSP Group plc.

Board highlights from 2021/22

- Approved three-year plan.
- Reviewed the strategic plans for Credit, Mobile and Services.
- Considered partial listing of the Nordics business and decided not to proceed.
- Appointed a new Chair of the Board from September 2022.
- UK & Ireland Commercial Trading deep dive.
- Approved the decisions to outsource logistics in the UK and establish a new distribution centre in the Nordics.
- Received customer experience updates.
- Received update on colleague listening.
- Approved the 2023 – 2025 People Plan and priorities.
- Visited the Company’s distribution centre in Newark including a site tour and meeting several colleagues from Supply Chain and Service Operations.
- Approved the approach to ESG strategy.
- Completed an externally facilitated Board evaluation process.
- Completed a share buyback and approved the payment of a dividend to shareholders.

Board of Directors



Lord Livingston of Parkhead (57)*
Chair of the Board



Tony DeNunzio CBE (62)
Deputy Chair and Senior Independent Director



Alex Baldock (51)
Group Chief Executive



Bruce Marsh (54)
Group Chief Financial Officer

Appointed	December 2015 (as Deputy Chair and Non-Executive Director) April 2017 (as Chair of the Board and Chair of the Nominations Committee)	December 2015 (as Senior Independent Director and Non-Executive Director) April 2017 (as Deputy Chair, Senior Independent Director and Chair of the Remuneration Committee)	April 2018	July 2021
Current external roles	Member of the House of Lords, non-executive director of National Grid plc, non-executive director of S&P Global Inc, and strategic advisory board member of Livingbridge.	Chairman of the British Retail Consortium, chairman of Evri UK, Senior Adviser at Kohlberg, Kravis, Roberts & Co L.P. and a non-executive director of PrimaPrix SL.	Non-executive director of RS Group plc.	None.
Skills and experience	<p>Skills: Ian is a chartered accountant with over 20 years' board level experience. He is an experienced chair, chief financial officer and non-executive director of public listed companies. Ian has a strong track record of successfully growing complex businesses and overseeing transformation programmes. He is a diligent, conscientious Chair and is valued for both his extensive knowledge and experience and his effective leadership of the Board.</p> <p>Experience: Ian was chairman of Man Group plc from 2016 to 2019, Minister of State for Trade and Investment from 2013 to 2015 and chief executive officer at BT Group plc from 2008 to 2013. Prior to that he was chief executive officer, BT Retail and group chief financial officer of BT. He was group finance director of Dixons Group plc between 1996 and 2002, having served in a number of roles over more than a decade with the Group.</p>	<p>Skills: Tony has extensive experience in the European retail and consumer goods sectors in finance, CEO and Chair roles.</p> <p>Experience: Tony was non-executive chairman of Pets at Home Group Plc from February 2014 to May 2020 and president and chief executive officer of Asda/Walmart UK from 2002 to 2005, having previously served as chief financial officer of Asda PLC. He started his career in the fast-moving consumer goods sector with financial positions in Unilever PLC, L'Oréal and PepsiCo, Inc. He was also previously non-executive director of Alliance Boots GmbH, chairman of Maxeda Retail Group BV, and deputy chairman and senior independent director of MFI Furniture Group plc (now Howden Joinery Group Plc). He was chairman of the advisory board of Manchester Business School and was awarded a CBE for services to retail in 2005.</p>	<p>Skills: Alex has an outstanding track record in leading large, complex consumer-facing businesses. He led Shop Direct through its digital transformation from a catalogue retailer to the UK's second largest e-commerce pure-play, delivering four consecutive years of record growth in sales, profits, customer satisfaction and colleague engagement. Before that, he led the successful transformation of Lombard. Alex is particularly valued for his strategic clarity, relentless execution and his ability to inspire individuals around him.</p> <p>Experience: Alex has been Group Chief Executive of Currys since 2018 and was CEO of Shop Direct, now the Very Group from 2012 to 2018. Before that, Alex was managing director of Lombard from 2008 to 2012, and commercial director at Barclays. He started his career in strategy and operations consulting with Kalchas and Bain & Company.</p>	<p>Skills: Bruce has a strong track record over many years in retail, and in the successful delivery of large complex business transformations in rapidly changing environments. He has extensive experience in leading high-quality finance teams, maintaining robust financial controls and improving planning and performance.</p> <p>Experience: Bruce was finance director, UK & Ireland, at Tesco plc prior to joining Currys. Before that Bruce was at Kingfisher plc, where he was managing director of Kingfisher Future Homes and Group Strategy Director. Previously, Bruce held several senior finance roles at Dixons Retail plc.</p>

* Ian will step down from the Board on 8 September 2022.

Committee membership

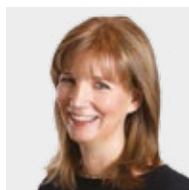
● Audit Committee ● Disclosure Committee ● Nominations Committee ● Remuneration Committee (C) Committee Chair



Andrea Gisle Joosen (58)
Independent
Non-Executive Director



Eileen Burbidge MBE (51)
Independent
Non-Executive Director



Fiona McBain (61)
Independent
Non-Executive Director



Gerry Murphy (69)
Independent
Non-Executive Director



Nigel Paterson (55)
General Counsel and
Company Secretary

August 2014 (having served on the Dixons Retail board since March 2013)

January 2019

March 2017 (as a Non-Executive Director)
September 2018 (as Chair of the Audit Committee)

April 2014

April 2015

Non-executive director of 888 Holdings plc, Chair of Bilprovningen AB, non-executive director of Billerud AB, Qred AB, Stadium AB and The nu company GMBH.

HM Treasury Special Envoy for Fintech, Tech Ambassador for the Mayor of London's office, co-founder of Passion Capital in 2011, and a director of several Passion Capital portfolio companies including Monzo Bank Limited.

Chair of Scottish Mortgage Investment Trust PLC, non-executive director of Direct Line Insurance Group plc and Monzo Bank Limited.

Non-executive board member of the Department of Health and Social Care.

None.

Skills: Andrea has an MSc in Business and International Marketing from The Copenhagen Business School (CBS). She has extensive international business experience in a variety of sectors including marketing, brand management, business development and consumer electronics.

Experience: Andrea was chair of the Swedish podcast platform Acast 2018-2022 and of Teknikmagasinet 2015-2017, a non-executive director of Ica Gruppen AB and James Hardie Industries plc. She was Chief Executive of Boxer TV Access AB in Sweden and managing director (Nordic region) of Panasonic, Chantelle AB and Twentieth Century Fox. Her early career involved several senior marketing roles with Procter & Gamble and Johnson & Johnson.

Skills: Eileen has a strong technology background and is a leader in the development of the UK's increasingly renowned fintech industry. Eileen brings a constructive, challenging, and balanced perspective to the Board including a focus on technology innovation, value creation and an informed perspective on the digital consumer.

Experience: Eileen has a university degree in computer science and since beginning her career in telecoms at Verizon Wireless, she has held various roles at Apple, Sun Microsystems, Openwave, PalmSource, Skype and Yahoo!. Eileen was previously a member of the Prime Minister's Business Advisory Group and chair of Tech Nation, a UK Government-supported technology industry group.

Skills: Fiona is a chartered accountant and has over 30 years' experience in retail financial services, both in the industry and as an auditor. She has an outstanding record of business leadership and is an experienced CEO and chair.

Experience: Fiona was vice-chair of Save the Children from 2012 to 2019 and trustee director of the Humanitarian Leadership Academy from 2015 to 2019. Fiona was chief executive officer of Scottish Friendly Group until December 2016, having joined the company in 1998. She has worked in the finance functions at Prudential plc and Scottish Amicable and earlier in her career, across a number of industry sectors in the UK and then in the US with Arthur Young (now EY).

Skills: Gerry has extensive audit and finance experience in consumer business, retail, technology, media and communications sectors.

Experience: Gerry was a non-executive director of Capital & Counties Properties PLC from 2015 to 2018 and the senior independent director from 2018 to 2020. Gerry is a former Deloitte LLP partner and was leader of its Professional Practices Group with direct industry experience in consumer business, retail, technology, media and telecommunications. He was a member of the Deloitte Board and chairman of its audit committee for a number of years and was chairman of the Audit & Assurance Faculty of the Institute of Chartered Accountants in England and Wales.

Skills: Nigel is a solicitor and has extensive legal, risk and governance experience and a strong background in UK and international telecommunications.

Experience: Nigel held several senior legal roles at BT Group plc including general counsel of BT Consumer, head of competition & regulatory law, and vice president and chief counsel for UK and major transactions. Prior to BT, Nigel was engaged as legal counsel at ExxonMobil International Limited. He trained and qualified as a solicitor with Linklaters.

Directors' Report

The Directors' Report required by the Companies Act 2006 (the 'Act'), the corporate governance statement as required by the FCA's Disclosure Guidance and Transparency Rules ('DTRs') DTR 7.2 and the management report required by DTR 4.1 comprises the Strategic Report on pages 1 to 67, the Corporate Governance Report on pages 87 to 99, together with this Directors' Report on pages 84 to 86. All information is incorporated by reference into this Directors' Report.

Directors

The names, biographies, committee memberships and dates of appointment of each member of the Board are provided on pages 82 and 83. During the year, Jonny Mason stepped down as a director on 9 July 2021 and Bruce Marsh was appointed as an executive director and the Group Chief Financial Officer with effect from 12 July 2021. On 8 September 2022, Ian Livingston will step down from the Board and Ian Dyson will be appointed as Chair of the Board and Nominations Committee.

The Board is permitted by its Articles of Association (the 'Articles'), to appoint new directors to fill a vacancy as long as the total number of directors does not exceed the maximum limit of 15. The Articles may be amended by special resolution of the shareholders and require that any director appointed by the Board stand for election at the following annual general meeting. In accordance with the UK Corporate Governance Code 2018, all directors submit themselves for election or re-election on an annual basis.

The Remuneration Report provides details of applicable service agreements for executive directors and terms of appointment for non-executive directors. All the directors proposed by the Board for re-election are being unanimously recommended for their skills, experience and the contribution they can bring to Board deliberations.

During the year, no director had any material interest in any contract of significance to the Group's business. Their interests in the shares of the Company, including those of any connected persons, are outlined in the Remuneration Report on pages 114 to 147.

The Board exercise all the powers of the Company subject to the Articles, the Act and shareholder resolutions. A formal schedule of matters reserved for the Board is in place and is available on the Company's website at www.currysplc.com.

Directors' responsibilities

The directors' responsibilities for the financial statements contained within this Annual Report and Accounts and the directors' confirmations as required under DTR 4.1.12 are set out on page 148.

Directors' indemnities and insurance

The Company has made qualifying third-party indemnity provisions (as defined in the Act) for the benefit of its directors during the year; these provisions remain in force at the date of this Directors' Report.

In accordance with the Articles, and to the extent permitted by law, the Company may indemnify its directors out of its own funds to cover liabilities incurred as a result of their office. The Group holds directors' and officers' liability insurance cover for any claim brought against its directors or officers for alleged wrongful acts in connection with their positions, to the point where any culpability for wrongdoing is established. The insurance provided does not extend to claims arising from fraud or dishonesty.

Information required by Listing Rule 9.8.4R

Details of long-term incentive schemes as required by Listing Rule 9.4.3R are located in the Directors' Remuneration Report on pages 114 to 147. There is no further information required to be disclosed under Listing Rule 9.8.4R.

Dividend

The Board has proposed a final dividend for the year ended 30 April 2022. Details of the final and interim dividends for the year are included in the below table.

As at 6 July 2022, the Company's Employee Benefit Trust ('EBT') held 33,177,793 shares. The right to receive the final dividend for 2021/22 will be waived by the trustees of the EBT in respect of the balance of shares held as at the dividend record date on 5 August 2022.

	Year ended 30 April 2022	Year ended 1 May 2021
Interim dividend	1.00p	Nil
Final dividend	2.15p	Nil
Full year dividend	Nil	3.00p
Total dividends	3.15p	3.00p

Colleague involvement

The Group has a robust communications programme in place to provide colleagues with information on matters of concern to them. This includes regular publications on the Group's intranet, email updates from the Group Chief Executive and regular meetings with line managers. The members of the Executive Committee regularly communicate matters of current interest and concern to colleagues. There are colleague forums in place in the UK & Ireland and an International Colleague Forum has been established representing all other countries in the Group as the centre of a colleague listening framework. This ensures that colleague feedback is received effectively and consistently across all countries that the Group operates in. This forum supports various initiatives and more details are available on page 127. Details of the colleagues' involvement in the Group's share plans are disclosed in the Remuneration Report on pages 114 to 147.

Employment of disabled people

The business is committed to providing equal opportunities in recruitment, training, development and promotion. We encourage applications from individuals with disabilities. All efforts are made to retain disabled colleagues in our employment, including making any reasonable re-adjustments to their roles. Every endeavour is made to find suitable alternative employment and to retrain and support the career development of any employee who becomes disabled while serving the Group.

Information on greenhouse gas emissions

The information on greenhouse gas emissions that the Company is required to disclose is set out in the Sustainable business report on page 51. This information is incorporated into this Directors' Report by reference and is deemed to form part of this Directors' Report.

Political donations

No political donations were made by the Group during the period. It remains the policy of the Company not to make political donations nor incur political expenditure as those expressions are normally understood. As the definitions of political donations and political expenditure in the Act are very wide and could extend to bodies such as those involved with policy review, law reform and the representation of the business community, the directors seek shareholder authority for political donations and political expenditure each year on a precautionary basis to avoid inadvertent infringement of the Act.

Capital structure

The Company's only class of share is ordinary shares. Details of the movements in issued share capital during the year are provided in note 22 to the Group financial statements. The voting rights of the Company's shares are identical, with each share carrying the right to one vote. The Company holds no shares in treasury.

Details of employee share schemes are provided in note 4 to the Group financial statements. As at 30 April 2022, the EBT held 33,215,940 shares. The EBT acquired 34,667,982 shares by market purchase during the financial year.

Restrictions on transfer of securities of the Company

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles and prevailing legislation. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Change of control – significant agreements

All of the Company's share incentive scheme rules contain provisions which may cause options and awards granted under these schemes to vest and become exercisable in the event of a change of control.

The Group's main committed borrowing facility has a change of control clause whereby the participating banks can require the Company to repay all outstanding amounts under the facility agreement in the event of a change of control. There are a number of significant agreements which would allow the counterparties to terminate or alter those arrangements in the event of a change of control of the Company. These arrangements are commercially confidential, and their disclosure could be seriously prejudicial to the Company.

Furthermore, the directors are not aware of any agreements between the Company and its directors or employees that provide for compensation for loss of office or employment in the event of a takeover bid.

Directors' Report continued

Significant shareholdings

As at 30 April 2022, the Company had been notified of the following voting interests in the ordinary share capital of the Company in accordance with the FCA's DTR 5. Percentages are shown as notified, calculated with reference to the Company's disclosed share capital as at the date of the notification.

Name	Number of shares	Percentage of share capital
RWC Asset Management LLP	136,282,392	11.95%
Artemis Investment Management LLP	88,211,458	7.56%
Cobas Asset Management	69,140,994	6.00%
Wishbone Management LLP	41,500,000	5.25%
Greater Manchester Pension Fund	59,107,872	5.11%
D P J Ross	55,738,699	4.80%
Ruffer	52,373,898	4.62%
Majedie Asset Management	44,288,264	3.80%
Equiniti Trust (Jersey), trustee of the EBT	33,788,905	2.90%

On 10 May 2022, RWC Asset Management LLP disclosed a holding of 171,500,831 shares or 15.13% and Schroders plc disclosed a holding of 59,677,996 shares or 5.26%. On 24 May 2022 Cobas Asset Management disclosed a holding of 80,987,739 shares or 7.15% and then on 23 June 2022, a holding of 90,735,430 shares or 8.00%.

On 6 July 2022, being the last practicable date prior to the publication of this Annual Report and Accounts, no further changes to the shareholdings reported above had been notified to the Company in accordance with DTR 5.

Directors' interests in the Company's shares and the movements thereof are detailed in the Remuneration Report on pages 114 to 147.

Issue of shares

In accordance with section 551 of the Act, the Articles and within the limits prescribed by The Investment Association, shareholders can authorise the directors to allot shares in the Company up to one-third of the issued share capital of the Company. Accordingly, at the annual general meeting in 2021, shareholders approved a resolution to give the directors authority to allot shares up to an aggregate nominal value of £388,819. The directors have no present intention to issue ordinary shares, other than pursuant to obligations under employee share schemes.

This resolution remains valid until 30 October 2022 or, if earlier, until the conclusion of the Company's Annual General Meeting ('AGM') in 2022. The Company will seek the usual renewal of this authority at the 2022 AGM.

Purchase of own shares

Authority was given by the shareholders at the annual general meeting in 2021 to purchase a maximum of 116,645,844 shares, such authority remaining valid until 30 October 2022 or, if earlier, until the conclusion of the Company's AGM in 2022. The authority was exercised during the year. Following a review of the capital allocation framework and consideration of the interest of the Company's main stakeholder groups, the Board decided to commence a share buyback programme. On 4 November 2021, the Company announced that £75m of shares would be repurchased over the following 12 months. 32,963,792 shares were repurchased between 14 January 2022 and 30 April 2022. The Company will seek the usual renewal of this authority to purchase its own shares at the 2022 AGM.

Use of financial instruments

Information about the use of financial instruments is given in note 25 to the Group financial statements.

Post – balance sheet date events

Events after the balance sheet date are disclosed in note 32 to the Group financial statements.

Auditor

Each director at the date of approval of this Annual Report and Accounts confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Act.

Following a tender process carried out during 2020/21, KPMG LLP will be appointed as external Auditor for the 2022/23 financial year subject to shareholder approval at the Company's AGM in September 2022.

Certain information required to be included in this Directors' Report may be found within the Strategic Report.

By Order of the Board



Nigel Paterson
Company Secretary

6 July 2022

Corporate Governance Report

Chair of the Board statement



I am pleased to present the Corporate Governance Report for the year to 30 April 2022. The Board is responsible for the overall leadership of the Group to ensure the long-term, sustainable success of the business.”

Lord Livingston of Parkhead
Chair of the Board

This Corporate Governance Report describes the governance framework in place to ensure that the Board is operating effectively and supporting and challenging management to maintain high standards of corporate governance across the Group. I believe that robust corporate governance is the foundation to ensuring the long-term sustainable success of a business and helps us deliver the right outcomes for our shareholders, our customers, our colleagues, our suppliers and our communities.

The Board is compliant with all provisions of the UK Corporate Governance Code 2018 (the ‘Code’) other than provisions 38 and 41 (and the part of provision 40 that relates to workforce engagement). The Company will be compliant with provision 38 (alignment of executive director pension contribution rates to those of the workforce) by end of 2022. Alex Baldock continues to receive a 10% pension allowance and this will be reduced to 3% in December 2022 to align to the majority of the workforce. The Company has committed to hold a session on executive remuneration during colleague forum meetings in 2022/23 and will therefore become compliant with provision 41 (Remuneration Committee disclosure) and the part of provision 40 (Remuneration Policy and practices) that relates to workforce engagement during the year. We have structured this report by the Code provisions to help show how we have applied these in each case.

Board Leadership and Company Purpose

Role of the Board

The Board is responsible for the overall leadership and promotion of the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. The Board sets the Company strategy and oversees its implementation within a framework of efficient and effective controls that allow the key issues and risks facing the business to be assessed and managed. The Board considers the impact on, and the responsibility it has to the Company’s stakeholders as part of its decision-making. The Board delegates clearly defined responsibilities to its committees and the terms of reference for these committees are available on the Company’s website at www.currysplc.com/investors.

The Company’s vision, purpose, values and strategy are described in more detail in the Strategic Report on pages 1 to 67. The Board oversees the delivery of the strategy within the context of the values and culture.

Culture

The directors are focused on monitoring the culture in the business and receive regular updates on the results of colleague ‘pulse surveys’. All non-executive directors have access to the Company’s intranet and corporate email addresses and receive all communications sent to colleagues. In addition, the non-executive directors frequently have direct contact with Executive Committee members and their direct reports. Non-executive directors are invited to Company events such as the Capital Markets Day held in November 2021 and the annual Peak event.

This event was held virtually in October 2021 due to Covid-19. The Board also visit key sites and stores. The March 2022 Board meeting was held at the Company’s main UK & Ireland distribution and service centre in Newark and included a site tour and opportunities for directors to interact directly with Supply Chain and Service Operations colleagues. One non-executive director attends Inclusion and Diversity Forum meetings and two non-executive directors attend colleague listening forums. Each of these forums provide an opportunity for non-executive directors to hear feedback directly from colleagues and share insights on corporate culture with the whole Board. A non-executive director also attends ESG Committee meetings.

Corporate governance framework

The Currys plc Board is supported by four committees:

- **Audit Committee** – oversees the financial reporting, internal controls and the relationship with the external Auditor;
- **Disclosure Committee** – oversees the procedures and controls for the identification and disclosure of price sensitive information;
- **Nominations Committee** – oversees the composition of the Board and its committees and that a diverse pipeline is in place for succession planning; and
- **Remuneration Committee** – oversees the remuneration of the executive directors and senior management and the structure of remuneration for the workforce.

These committees are each comprised of directors of the Currys plc Board with the exception of the General Counsel and Company Secretary who is a member of the Disclosure Committee.

Corporate Governance Report continued

The day-to-day management of the business is delegated to the Group Chief Executive who is responsible for leading the implementation of the strategy that has been approved by the Board. The Group Chief Executive is supported by an Executive Committee which consists of eight senior leaders in the business and also by a wider Group Leadership Team of approximately 80 colleagues who support the Executive Committee in driving the management agenda.

The Group Risk and Compliance Committee comprises the members of the Executive Committee and oversees the management of principal and emerging risks (see page 96 for further information), audit, risk and internal controls. The Environmental, Social and Governance ('ESG') Committee reports into the Executive Committee. The ESG Committee drives the sustainability, well-being and social and ethical impact initiatives in the Group including consideration of the impacts of climate change.

Currys plc is the ultimate beneficial owner of the main operating subsidiaries in the Group. In the UK & Ireland, the Regulatory Compliance Committee oversees the management of risks in relation to regulated products and the Product Governance Committee oversees the development of, and any subsequent material changes to, such products. Similar governance frameworks for regulated products are replicated in the international businesses.

Board reserved matters

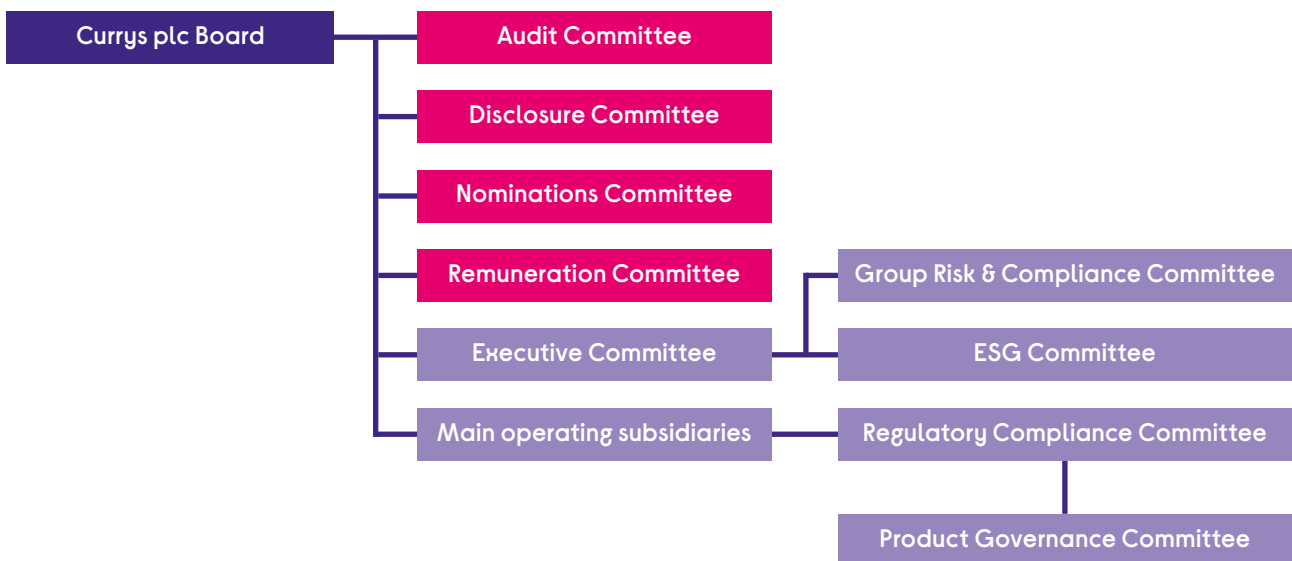
The formal schedule of matters reserved for the decision of the Board is considered by the directors on an annual basis. This was last approved on 18 January 2022 and the directors agreed that the balance of matters reserved and matters delegated remain appropriate. The matters reserved for Board decision are available on the Company's website at www.currysplc.com and these include:

- approval of published financial statements, dividend policy and other disclosures requiring Board approval;
- declaration of interim and recommendation of final dividends;
- approval of budget and Group strategy and objectives;
- appointment and remuneration of directors, the Company Secretary and other senior executives;
- approval of major acquisitions and disposals;
- approval of authority levels for expenditure;
- approval of certain Group policies; and
- approval of shareholder communications.

Key areas of focus for the Board during the year

- Strategy for Mobile and Credit.
- Succession and leadership.
- Financial and operational performance.
- Assessing and managing the impact of Covid-19 on our colleagues and the business model.
- Major capital and IT projects.
- Colleague engagement and well-being.
- Evaluation of a partial listing of the Nordics business.
- Oversight of transformation of the UK & Ireland Contact Centre and outsource of the UK logistics contract.
- Consideration of refined ESG strategy and enhanced reporting.
- Updating shareholders on the Company's strategy at 2021 Capital Markets Day.

The Board and committees Structure



Board activities during 2021/22

Strategy	<ul style="list-style-type: none"> • Oversight of Group performance against strategy and delivery of transformation projects • Considered partial listing of the Nordic business and agreed not to proceed • Omnichannel Connected Customer update • Future options for Mobile • Outsource of the UK logistics 	<ul style="list-style-type: none"> • Consumer Credit • Customer promises update • Customer Contact and Support strategy update • ESG strategy
Financial and operational performance	<ul style="list-style-type: none"> • The Company's preliminary and interim results, trading statements and the annual report and accounts • Going concern and viability statements • Fair, balanced and understandable assessment • Dividend, treasury and tax strategies 	<ul style="list-style-type: none"> • Budget approval • Three-year plan approval • New banking facility arrangements approval • Capital expenditure approvals • International business updates • Capital allocation strategy
Committee updates	<ul style="list-style-type: none"> • Detailed updates from each Committee Chair – Audit, Disclosure, Nominations and Remuneration – following committee meetings 	
Stakeholders		
Customers	<ul style="list-style-type: none"> • Customer experience updates and insights 	<ul style="list-style-type: none"> • Customer feedback and metrics • Covid-19 measures in place
Shareholders	<ul style="list-style-type: none"> • Annual General Meeting documents • Investor Relations updates and feedback • Feedback from shareholder consultation on Directors' Remuneration Policy 	<ul style="list-style-type: none"> • Dividend approval • 2022 share buyback programme approval • 2021 Capital Markets Day
Colleagues	<ul style="list-style-type: none"> • Health and safety review • Colleague share schemes • Modern slavery update and statement • 2023 – 2025 People Plan and priorities 	<ul style="list-style-type: none"> • Talent, succession planning and leadership • Inclusion and diversity update • Colleague engagement and colleague listening updates • Gender pay gap reporting
Communities and environment	<ul style="list-style-type: none"> • ESG strategy updates 	<ul style="list-style-type: none"> • Partnership with Digital Poverty Alliance
Governance and risk	<ul style="list-style-type: none"> • Risk framework and internal control review • Principal risks and uncertainties review • Risk horizon scanning • Regulatory compliance updates • Litigation and disputes updates • Insurance review • Conflicts of interest and new appointments 	<ul style="list-style-type: none"> • Group Delegation of Authority Policy • Board Matters Reserved and committee terms of reference review • Role descriptions of the Chair of the Board, the Group Chief Executive and the Senior Independent Director review • Externally facilitated Board effectiveness process completed

Corporate Governance Report continued

Communication with investors

The Board supports the initiatives set out in the Code and the UK Stewardship Code and encourages regular engagement with both existing and potential institutional shareholders and other stakeholders. The Board believes that it is important to explain business developments and financial results to the Company's shareholders and to understand shareholder concerns. The principal communication methods used to impart information to shareholders are news releases (including results announcements), investor presentations and Company publications. In addition, the Chair of the Board invites each of the Company's largest shareholders to attend an engagement meeting on at least an annual basis. All shareholders are invited to submit any questions they have for the Board to cosec@currys.co.uk or ir@currys.co.uk at any time of the year.

A Capital Markets Day was held in November 2021 to update investors on the strategic progress the Group has made in creating long-term sustainable value for stakeholders. The session included updates on the Nordics business, the new Omnichannel strategy, sustainability and the financial profile and capital structure. The event was attended by most of the Group's largest shareholders and the presentations and Q&A from the event are available on www.currysplc.com

The Board receives a report from the Investor Relations team at every scheduled meeting and this includes a summary of investor interactions during the period and a synopsis of questions and feedback from shareholders.

The Group Chief Executive has principal responsibility for investor relations. He is supported by an Investor Relations department that, amongst other matters, ensures there is a full programme of regular dialogue with major institutional shareholders and potential shareholders as well as with sell-side analysts throughout the year. In all such dialogue, care is taken to ensure that no price-sensitive information is released.

The Chair of the Board and non-executive directors are available to meet with major shareholders as required, and the Chair of the Remuneration Committee communicates with major shareholders on remuneration matters.

The Company is committed to fostering effective communication with all members, be they institutional investors, private or employee shareholders. The Company communicates formally to its members when its full year and half year results are published. These results are posted on the corporate website, as are other external announcements and press releases.

The annual general meeting provides an opportunity for the Company to engage with shareholders and for the Board to provide an account of the progress made by the business during the year, along with a synopsis of current issues facing the business.

Our stakeholders

The directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172(1) of the Companies Act 2006 (the 'Act'). The Board considers the impact on, and the responsibility it has to, all the Company's stakeholders as part of its decision-making. By considering the Company's strategic priorities and having processes in place for decision-making, they do, however, aim to make sure that their decisions are consistent. The Group communicates with external stakeholders, including industry bodies and regulators on the management of risks and issues.

Workforce

The Board remains committed to ensuring that it gives due regard to the interests of all of its stakeholders, including colleagues. In its discussions, the Board has sought to understand and consider the views of our colleagues. Further details are available in the Colleagues section on pages 18 to 25. Further information on workforce policies and practices and how the Company invests in and rewards colleagues is also available in this section.

Authorisation of conflicts of interest

Each director has a duty under the Act to avoid a situation where they have or may have a conflict of interest. They are also required to disclose to the Board any interest in a transaction or arrangement that is under consideration by the Company. The General Counsel and Company Secretary supports the directors in identifying potential conflicts of interest and reporting them to the Board. The Board is permitted by the Company's Articles of Association to authorise conflicts when appropriate. Potential conflicts are approved by the Board, or by two independent directors if authorisation is needed urgently, and then reported to the Board at its next meeting. A register of directors' conflicts is maintained and reviewed at least annually. Directors are asked to confirm periodically that the information on the register is correct. The Board is satisfied that the Company's procedures to identify, authorise and manage conflicts of interest have operated effectively during the year.

FURTHER INFORMATION

Stakeholder engagement

→ Information on how we engage with stakeholders including our colleagues. Read more on page 34.

Division of Responsibilities

Board structure

The Board is comprised of two executive directors, five independent non-executive directors and the Chair of the Board to limit the ability for any individual or small group to dominate Board decision-making. There is a clear division of responsibilities between the executive leadership of the business and the leadership of the Board.

Director responsibilities

In accordance with the Code, there is a clear division of responsibility between the Chair of the Board and the Group Chief Executive. Role descriptions are in place for the Chair of the Board, Group Chief Executive and Senior Independent Director and the Nominations Committee reviews and considers these on an annual basis and recommends any changes to the Board. The role descriptions were last approved by the Board on 18 January 2022 and are available on the Company's website at www.currysplc.com. The main responsibilities of the different components of the Board are set out below.

Chair of the Board's responsibilities

- overall Board effectiveness and leadership;
- Board culture, including the encouragement of openness and debate and constructive relations between the executive and non-executive directors;
- the appropriate balance of skills, experience and knowledge on the Board;
- oversight of the induction, development, performance evaluation, and succession planning of the Board;
- promotion of diversity and equality of opportunity across the Group;
- representation of all stakeholders' interests; and
- promotion (with the support of the Company Secretary) of the highest standards of corporate governance.

Group Chief Executive's responsibilities

- formulation and proposal of the Group strategy and delivery of the strategy approved by the Board;
- delivery of Group financial performance;
- leadership of the Group and senior management including effective performance and succession planning;
- representation of the Company to key stakeholders;
- communication of Company culture and ensuring operational practices drive appropriate behaviours;
- communication to the Board of views of the workforce;
- promotion of diversity and equality of opportunity across the Group;
- identification of business development opportunities;
- management of Group risk profile and ensuring internal controls and risk mitigation measures are in place;
- ensuring compliant management of the Group's business; and
- oversight of the operational and support functions.

Senior Independent Director's responsibilities

- available to communicate with shareholders;
- annual appraisal of the performance of the Chair of the Board;
- oversight of an orderly succession for the position of Chair of the Board;
- support the Chair of the Board in the performance of their duties; and
- work with the Chair of the Board, other directors and shareholders to resolve significant issues and to maintain Board and Company stability in periods of stress.

Independent non-executive directors' responsibilities

- provision of an independent perspective;
- ensuring constructive challenge of management;
- considering the effectiveness of the implementation of the strategy within the risk appetite; and
- contribution of diversity of experience and backgrounds to Board deliberations.

General Counsel and Company Secretary's responsibilities

- trusted advisor to the Board on corporate governance matters;
- support for the Chair of the Board and non-executive directors;
- ensuring that the Board and committees have the appropriate type and quality of information they need to make sound business decisions; and
- ensuring that the corporate governance framework and practices remain fit for purpose.

Corporate Governance Report continued

Time commitment and attendance

The Nominations Committee has considered the commitment shown by the non-executive directors to the Company and is satisfied that all directors devote appropriate time to their roles. The Nominations Committee considers the external appointments of each of the directors on at least an annual basis. It was concluded again for 2021/22 that none of the directors had external commitments that would hinder their ability to devote sufficient time to discharging their Board role. Details of the directors' attendance at the Board meetings that took place during the year can be found on page 80.

Board meetings and information

The Chair of the Board is responsible for ensuring that all directors are properly briefed on issues arising at Board meetings and that they have full and timely access to relevant information. A comprehensive rolling forward agenda is in place for the Board and each committee to ensure that all regular updates and approvals can be considered in sufficient detail whilst leaving appropriate space on meeting agendas for the consideration of current issues. The Company uses an electronic board paper system which enables the safe and secure dissemination of quality information to the Board. Paper templates and guidance are provided to ensure that directors are provided with the information they need to be able to discharge their duties. Formal minutes of the Board and committee meetings are prepared by the General Counsel and Company Secretary, or their nominee, and are reviewed and approved by the Board or committee at the next meeting.

The Chair of the Board maintains regular communications with the non-executive directors in between meetings. Time is provided before and after every Board meeting for the non-executive directors to meet without the executives present. Board dinners are held periodically on an evening prior to a Board meeting to provide the opportunity to discuss corporate strategy, business performance and other matters in an informal setting. The directors attended a virtual Board dinner in December 2021 due to Covid-19 but were able to attend Board dinners in person in September 2021, March 2022 and April 2022.

Board meetings are usually held at the Company's head office but were held by videoconference during the Covid-19 pandemic when it was not safe to meet in person. The Board usually holds meetings at other Group locations from time to time. This enables directors to visit stores and operational centres throughout the portfolio and gain a deeper understanding of the business. The March 2022 Board meeting was held at the Company's distribution centre in Newark.

Composition, Succession and Evaluation

Board composition and independence

At year end, the Board comprised eight members: the Chair of the Board, two executive directors and five non-executive directors, each of whom is determined by the Board to be independent in character and judgement and who provide effective challenge to the Board and the business. The Nominations Committee considers the criteria set out in the Code when considering independence, as well as contributions made during Board deliberations. The independent non-executive directors are Tony DeNunzio, Eileen Burbidge, Andrea Gisle Joosen, Fiona McBain and Gerry Murphy. More than half of the Board (excluding the Chair of the Board, Ian Livingston) is considered to be independent in accordance with the Code. Every year the Board, supported by the Nominations Committee, considers the collective skills, experience and the composition of the Board and assesses whether or not the Board membership enables the effective delivery of the Company's strategy.

During the year, Bruce Marsh joined the Company on 12 July 2021 as the Group Chief Financial Officer, replacing Jonny Mason who stepped down from the Board on 9 July 2021. On 8 September 2022, Ian Livingston will step down from the Board and Ian Dyson will become Chair of the Board and Nominations Committee. The Board, with the support of the Nominations Committee, considered the composition of the Board and its committees during the year. The Chair of the Board keeps Board composition under regular review and addressed this specifically with each director as part of the one-to-one meetings held during the Board effectiveness review process. Overall, the Board is satisfied that the current composition is appropriate given the needs of the business.

In accordance with the Code, all directors will stand for re-election at the Company's Annual General Meeting ('AGM') 2022 other than Ian Livingston who will step down from the Board at the meeting. Biographical information, committee membership and the Board meeting attendance of each of the directors submitting themselves for re-election is shown on pages 82 and 83. Ian Dyson will stand for election at the Company's 2022 AGM and his biography is included in the Notice of AGM.

Board succession and changes to the Board

The current average director tenure is six years. Two non-executive directors have been on the Board since the formation of the Company in 2014. The Board, with the support of the Nominations Committee, continues to view the need for robust succession plans as a priority. Further information on succession planning is available in the Nominations Committee report on page 110.

In respect of senior management succession planning, the Board was briefed on changes to the Executive Committee membership during the year and received an update on the performance of this Committee at a Board dinner during April 2022. The Executive Committee complete a detailed talent review of Group Leadership Team members on a quarterly basis and review the top 30 critical roles in the business to monitor diversity and ensure that strong development plans are in place. The Board receive regular updates on talent and succession planning via the Group Chief Executive and the Chief People, Communications and Sustainability Officer.

Annual Board evaluation

2020/21 process outcomes

The 2020/21 Board performance evaluation was conducted by way of the circulation of questionnaires and individual interviews between the Chair of the Board and each director. The outcomes of this process are summarised below.

The directors provided positive feedback including in particular:

- that the Board members work together effectively and constructively to promote the long-term sustainable success of the Company;
- that the executive team had shown excellent leadership during the Covid-19 pandemic;
- that the new colleague listening forums had been effective;
- that Board agendas had improved during the year to enable increased quality of discussions on key topics;
- that there is significant Board discussion and challenge on the impact that decisions made will have on the Company's stakeholders; and
- that the talent review updates the Board has received during the year have provided a good view of the talent pipeline and a framework for executive team succession planning.

The process identified some opportunities to enhance Board effectiveness:

- the Board to receive additional training on topics relevant to the Group for example trends in technology evolution and the impact of climate change goals on the business and its products and services;
- the Board to receive more frequent updates on the results of colleague surveys and feedback;
- the quality of Board papers had improved during the year but there was an opportunity to further improve consistency; and
- the Board to consider the appropriate balance of meetings that should be held in person or by video conference once it was safe to resume travel and business meetings in person.

Each of these follow up actions has been successfully implemented.

2021/22 process

The Code recommends that the performance of the Board be reviewed externally every three years and an external evaluation of the Board was carried out in 2021/22. Clare Chalmers Limited was engaged to carry out this evaluation. The process included a document review, director and key stakeholder interviews and the observation of Board meetings held on 18 January and 9 March 2022 and an Audit Committee meeting held on 7 March 2022.

Corporate Governance Report continued

The process addressed all matters relating to the performance of the Board and included the roles of the executive and non-executive directors, the Board, committees, the effectiveness of each director and the Chair of the Board, leadership, culture, strategy and corporate governance. A report summarising the findings of the review was tabled at the Board meeting on 27 April 2022. Overall, the directors provided positive feedback on the performance of the Board, highlighting in particular that:

- the Board has a good mix and balance of skills, good gender and cognitive diversity, and the non-executive directors contribute valuable experience and insights;
- the Board is led by a supportive and collaborative Chair who has a strong understanding of the business and makes valuable contributions whilst ensuring that all Board members contribute, and meeting time is used effectively;
- the Board is inclusive of the wider management team and receives regular presentations from a variety of colleagues across the business;
- sharing an early view of the three-year plan in June and giving the Board the opportunity to discuss this with the full Executive Committee ahead of the submission of the final plan in November had worked well and increased the transparency of the process for non-executive directors;
- performance reporting had improved during the year including KPIs and performance against the three strategic priorities;
- risk governance had improved considerably with better integration of risk into business planning and monitoring; and
- the Board has a strong customer-centric mentality.

The process identified some further actions to help enhance effectiveness:

- ensure more time is spent on Chair and non-executive director succession planning given the number of directors due to step down from the Board in the next three years and the need to enhance Board diversity – the full Board to be involved in this process;
- enhance the Board skills matrix to distinguish the level of expertise directors have in each skill area to support Board succession discussions;
- increase the number of Board training sessions, to keep directors updated on evolving and technical topics;
- the Board to receive more granular information on external insights, market trends, competitors and market share;
- enhance performance and programme oversight by way of dashboards that include the main metrics and improve the view the Board has of progress against strategic goals and how effectively investments are delivering;
- increase the frequency of reporting on colleague matters including workforce engagement and invite a representative from the International Colleague Forum to interact directly with the non-executive directors in the absence of management; and
- take a more structured approach to evaluation of and feedback from suppliers.

An externally facilitated Board effectiveness review will next be completed during 2024/25.

Chair of the Board performance

The Senior Independent Director collated feedback from the Board on the performance of the Chair of the Board and carried out his annual performance review. The directors provided positive feedback on the Chair of the Board's leadership during the year. The Board is of the opinion that the Chair of the Board had no other commitments during the year that adversely affected his performance, that his effectiveness in leading the Board was not impaired and that he cultivated an atmosphere that enabled challenging and constructive debate.

Individual director performance

Following the results of the external evaluation, the Board confirms that all directors, including the Chair of the Board, continue to be effective and demonstrate commitment to the role, including having time to attend all necessary meetings and to carry out other appropriate duties.

Board diversity

The Board composition review takes account of all forms of diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths.

At year end, the Board had three female directors (37.5% of the Board), one of whom is based outside the UK, one director that meets the ethnic minority criteria as set out in the Parker Review and the majority of the directors have substantial international business experience. 25% of the Executive Committee members are female.

The review this year again concluded that the Board possessed the necessary personal attributes, skills and experience to discharge its duties fully and to challenge management effectively.

The Company is committed to developing a diverse workforce and equal opportunities for all. The Board recognises that enhancing diversity in all its forms is a critical part of having an effective and engaged workforce which in turn supports the long-term sustainable success of the business. Whilst the Board is strongly supportive of enhancing all forms of diversity across the Board and workforce as a matter of priority, the Board does not currently set specific targets on gender balance or ethnicity. The Nominations Committee and the Board continue to be very mindful of the benefits of greater diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths, in all appointments.

In accordance with DTR 7.2.8A, the Nominations Committee confirms that the Board has adopted the same diversity policy as in place for UK & Ireland colleagues and senior management. The Equality, Inclusion & Diversity: Dignity at Work Policy was last reviewed in November 2021.

Board induction and training

New directors appointed to the Board receive a personal induction programme, together with guidance and training appropriate to their level of previous experience. Each director is given the opportunity to meet with senior management and store colleagues and to visit the Group's key sites. This enables familiarisation with the businesses, operations, systems and markets in which the Group operates. New directors also meet with the Group's Auditor and advisors. An example of a typical induction programme is included in the table below. The Chair of the Board will meet with a new director on appointment to agree any appropriate changes to be made before the start of the induction. Directors are provided with a comprehensive induction

pack on appointment. In addition, Group information and policies are maintained within the electronic board paper portal to ensure directors have access to current resources. Bruce Marsh joined the Board on 12 July 2021 and completed his induction during the year.

The directors are invited to nominate topics that they would like to receive training on and briefings are arranged from time to time on governance, compliance and Company knowledge as requested. During the year, the directors received training on the impact of climate change on businesses and the management of climate-related risks. Directors arrange individual meetings with Executive Committee members as required when they require additional information or context on a topic.

Standard induction programme briefings and information

Induction plans are customised for each incoming director depending on their individual requirements but will usually cover the following key areas, meetings and locations:

Business and strategy	<ul style="list-style-type: none"> • Business model and strategy • Markets and competitive landscape • Overview of each business area • Market opportunities • ESG matters
Finance and audit	<ul style="list-style-type: none"> • Finance, treasury and tax overviews • Current financial position and future projections • Budget • Accounting issues • Audit report and findings • Risk and internal controls
Investor relations	<ul style="list-style-type: none"> • Shareholder base and communications • Analyst coverage and perspectives • Communication policies
Governance	<ul style="list-style-type: none"> • Overview of committees • UK Corporate Governance Code 2018 and best practice guidance • UK listed company requirements including Market Abuse Regime • Companies Act and directors' duties • Company Articles of Association and the role of the Board
People to meet	<ul style="list-style-type: none"> • Directors • Committee chairs • General Counsel and Company Secretary • Members of the Executive Committee • Senior management, including the Group Director of Internal Audit • Members of the external audit team • Store and distribution centre colleagues
Sites to visit	<ul style="list-style-type: none"> • Different format stores that are convenient for new director to visit • The Newark Distribution Centre • The store colleague training centre – The Academy@FortDunlop

Corporate Governance Report continued

Audit, Risk and Internal Control

The Audit Committee report is available on pages 100 to 108 and includes content relevant to this section of the Code.

Risk management and internal control

The Board has overall responsibility for the Group’s system of risk management and internal control and for reviewing its effectiveness. The Board is supported by the Audit Committee, the Group Risk and Compliance Committee, the Regulatory Compliance Committee, business unit risk committees and the Risk team in delivering on this responsibility.

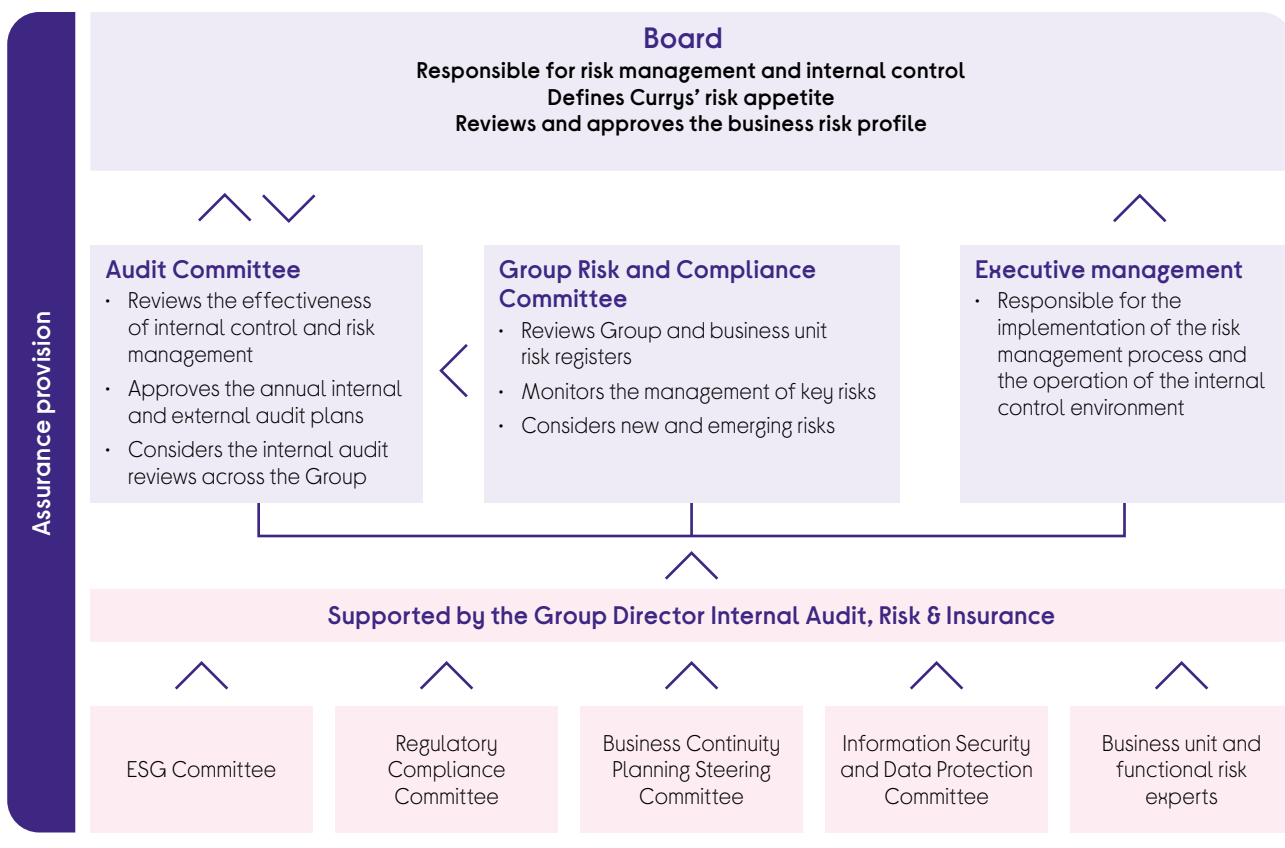
The Group operates a process of continuous identification and review of business risks. This includes the monitoring of principal risks, undertaking horizon scanning to identify emerging risks, evaluating how risks may affect the achievement of business objectives and, by taking into account risk appetite, reviewing management’s treatment of the risks.

The main business units, locations and functions are responsible for preparing and maintaining risk registers and operating risk management processes for their areas of responsibility. Risk registers and the risk processes are undertaken in accordance with a consistent Group risk management methodology, toolkit and process.

The Group Risk and Compliance Committee meets at least three times annually and any changes to the profile of each principal risk are presented to, and reviewed by, the Executive Committee each month. The work of the Group Risk and Compliance Committee includes: assessing and challenging the consolidated risk profile, agreeing and monitoring the Group’s principal risks; determining the prioritisation of mitigating actions; reviewing the Company’s horizon scanning processes and its emerging risks and providing reports and recommendations to the Audit Committee and Board including to assist with the setting of risk appetite with regard to the principal risks.

Our approach to risk management continues to evolve as part of our organisational focus on transformation and how we continue optimal decision-making in an increasingly fast-moving environment. The Group Risk team has continued to facilitate the evaluation of the principal risks facing the Group.

Group risk management structure



In addition to the Group's principal risks, the business faces emerging threats which have been identified through horizon scanning that may potentially impact the business in the longer term. The Group Risk and Compliance Committee evaluates the appropriateness of management planning to address such emerging risks. In some areas, there may be insufficient information to understand the scale, impact or velocity of these risks. Emerging risks continue to be monitored as part of the ongoing risk management process in order to ensure that action is taken at the right time.

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. A description of these risks, together with details of how they are managed or mitigated, is set out on pages 58 to 64.

The system of risk management and internal control can only provide reasonable and not absolute assurance against material errors, losses, fraud or breaches of laws and regulations.

The Board also monitors the Company's system of risk management and internal control and conducts a review of its effectiveness at least once a year. This year's review covered all material controls during the year and up to the date of approval of the Annual Report and Accounts 2021/22 and concluded that an effective system of risk management and internal control operated throughout the period. The review was approved by the Audit Committee and the Board.

The diagram opposite shows the governance structure in place over the Group's risk management activities, as at 6 July 2022.

Risk appetite

Currys faces a broad range of risks reflecting the business environment in which it operates. The risks arising from Currys' business environment and operating model can be significant. Successful financial performance for the business is achieved by managing these risks through intelligent decision-making and an effective control environment that details the processes and controls required to mitigate risk.

The Company's risk appetite is set by the Board and governs the amount of acceptable risk within which we operate. Our Group risk appetite is further disaggregated by principal risk and takes into consideration the acceptable level of risk across strategic, operational, financial and regulatory risks faced by the business. Reference to our appetite in business decisions provides guidance for objective, risk-aware decision-making. A three-point scale is used to assess the risk appetite for each of our principal risks. If excessive levels of risk are being taken, a series of actions are identified to bring the risk back within an acceptable level.

Currys' general risk appetite is a balanced one that allows taking measured risk as the Company pursues its strategic objectives, whilst aiming to manage and minimise risk in its operations. Currys recognises that it is not possible or necessarily desirable to eliminate all of the risks inherent in its activities. Acceptance of some risk is inherent in operations and necessary to foster innovation and growth within its business practices.

Committed to effective risk management

The Board has overall responsibility for the system of internal control and for reviewing its effectiveness. It relies on the Audit Committee and the Group Risk and Compliance Committee to assist in this process. In addition, members of the Executive Committee, operating through the Risk Committee, are accountable for identifying, mitigating and managing risks in their area of responsibility. Management is also responsible for implementing controls that are designed to ensure regulatory compliance, financial and operational control, and to confirm that these operate effectively to protect the business from loss.

The Board has conducted a review over the effectiveness of the process for identifying, evaluating and managing the significant risks faced by the Group and the operation of related controls. The Audit Committee further reviewed aspects of the internal control environment as outlined in the Audit Committee report on page 100. The Board has considered the controls findings raised in the Independent Auditor's report on pages 149 to 162. No other significant failings or weaknesses were identified during the period ending 30 April 2022. Where areas have been identified that require improvement, plans are in place to ensure that necessary actions are taken and that progress is monitored. A report of the principal risks together with the viability statement can be found on pages 60 to 65.

Controls, by their very nature, are designed to manage rather than eliminate risk and can only provide reasonable assurance against material misstatement or loss.

Corporate Governance Report continued

Our system of internal control

Our system of internal control is built on the pillars of **Governance, The Tone from the Top, Control Activities, Risk Management and Assurance**. These are more fully described below:

Governance	<ul style="list-style-type: none"> • The Board has defined a risk appetite which sets the boundaries within which risk-based decision-making can occur and outlines the expectations for the operation of the control environment. • A Delegation of Authorities operates across the Group. • Business planning, annual budgeting process and the setting of personal business objectives are aligned to ensure focus on delivery of activities to support the delivery of strategic objectives. • Policies and procedures are in place outlining the requirements for the control in finance, operational, technology, regulatory and people areas. These include detailed standards for the operation of Infosec, PCI and Data compliance. • Across the business, central functions and business committees support the operation of an effective risk and control environment.
The Tone from the Top	<ul style="list-style-type: none"> • The Tone from the Top communicates a clear commitment to do the right thing for customers, colleagues and shareholders. Colleague behaviours are outlined in the Code of Business Conduct. • The organisation demonstrates its commitment to ethical values through its range of ESG initiatives and programmes. • The business is committed to maintaining an ethical supply chain and undertakes activities to ensure that our suppliers satisfy our Responsible Sourcing Policy. • All senior managers and colleagues engaged in FCA-regulated activities are required to complete an annual Ethical Conduct declaration. • The operation of a 24/7 whistleblowing hotline to enable the reporting of breaches of ethical or policy requirements.
Control Activities	<ul style="list-style-type: none"> • All major capital and change programmes are evaluated by the Change Board. This includes consideration of the risk involved to achievement of successful delivery and the achievement of projected benefits. • A Programme Management Office operates to oversee delivery of our major Perform and Transform change initiatives. • Control activities operate to manage risk associated with our technology and information security. These continue to evolve in line with the deployment of new systems and to meet the challenges posed by external threats. • A minimum controls framework is in place defining the key financial controls that are expected to operate across the businesses core processes and activities. • A conduct risk and control framework identifies control objectives for activities that underpin the delivery of good customer outcomes in our financial services regulated activities. • Training and development is provided to colleagues to cover their responsibilities for risk management, compliance, and their operational obligations. • Our performance management process holds colleagues accountable for their responsibilities. • Fraud and loss prevention processes operate across our omnichannel and supply chain activities. • Continuous improvement takes place throughout the organisation to improve the operation of processes and controls. This is informed by actions identified through internal audit and compliance monitoring reviews as well as customer feedback, the results of quality assurance and through the complaints management process. • The business is working towards compliance with potential UK SOX requirements.

Risk Management

- A risk identification process operates in accordance with the Group risk management methodology. This ensures that risk management takes place consistently across the Group to identify and evaluate the significant risks faced by the Group.
- The Group Risk Register covers the principal risks faced by the business, their potential impact and likelihood of occurrence and the key controls or actions established to mitigate these risks.
- The risk management framework operates across the business with key business units undertaking risk assessment and risk management activities.
- The Group Risk team undertakes horizon scanning reviews to identify emerging risks and opportunities that may impact the business.
- The Group Risk and Compliance Committee meets at least three times a year to review the management of risk arising out of the Group's activities and to monitor the status or risk and actions at the Group and business unit level.
- The Board carries out an assessment of the principal risks and emerging risks together with matters that would threaten the business model, future performance, solvency and liquidity.
- The Board conducts a review of the effectiveness of the process for identifying, evaluating and managing the significant risks faced by the Group and the operation of related controls.

Assurance

- The Audit Committee approves the annual internal audit programme. The progress of the plan and the results of the audits are reviewed throughout the year.
- A Compliance Monitoring function reviews operation of financial services regulated activities.
- Annual evaluations are undertaken by business management against the minimum control framework in order to ensure that the control environment operates as intended. Any deficiencies identified are subject to remedial action.
- A broad range of assurance activities are undertaken across the business by functional management to review the management of key risks.
- The Group communicates with external stakeholders, including industry bodies and regulators on the management of risks and issues.

Internal audit

The Group has an internal audit department which conducts audits of selected business processes and functions. The Group's internal audit plan sets out the internal audit programme for the year and is usually agreed at the April Audit Committee meeting for the year ahead. The internal audit plans are prepared taking into account the principal risks across the Group with input from management and the Audit Committee. The internal audit plan is designed each year to test the robustness of financial and operational controls and to determine whether operating procedures are designed and operating effectively. The Audit Committee considers the alignment of the internal audit plan with the principal risks faced by the Group as part of its approval process. The Audit Committee approved the 2022/23 internal audit plan in April 2022, having considered the audit priorities.

The Audit Committee Chair receives and reviews all reports from the internal audit department detailing its material findings from testing performed and any recommendations for improvement. The Audit Committee receives each audit report with a summary at each meeting. The internal audit team tracks and reports on the progress against the audit plan and the implementation of action plans agreed with management. Once closed, the action plans agreed with management can be reviewed to determine whether any new controls and procedures have been implemented effectively.

The Audit Committee considered the effectiveness of the internal audit department by considering; scope, resources and access to information as laid out in the internal audit charter; the reporting line of internal audit; the annual internal audit work plan; and the results of the work of internal audit. The Audit

Committee concluded that the internal audit function operated effectively during the year.

Capital and constitutional disclosures

Information on the Company's share capital and constitution required to be included in this Corporate Governance statement is contained in the Directors' Report on pages 84 to 86. Such information is incorporated into this Corporate Governance statement by reference and is deemed to be part of it.

The annual general meeting provides an opportunity for the Company to engage with shareholders and for the Board to provide an account of the progress made by the business during the year, along with a synopsis of current issues facing the business. Shareholders can also submit any questions to the Board at any time of the year via the General Counsel and Company Secretary at cosec@currys.co.uk. We look forward to receiving your feedback and questions.

Further financial and business information is available on the Group's corporate website, www.currysplc.com.



Lord Livingston of Parkhead
Chair of the Board

6 July 2022

Audit Committee report

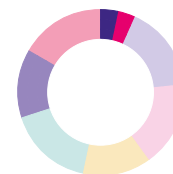
Committee members	Meeting attendance
Fiona McBain (Chair)	4/6 ⁽¹⁾
Eileen Burbidge	6/6
Gerry Murphy	6/6 ⁽²⁾

Number of meetings

6

Audit Committee topics coverage 2021/22

- Bribery and corruption: 1
- Data protection: 1
- Compliance: 5
- Information and cyber security: 5
- Internal controls: 4
- IT general controls: 5
- Risk review: 4
- Whistleblowing: 5



2021/22 HIGHLIGHTS

- Consideration of accounting and management judgements.
- Consideration of the assurance process for environment, social and governance ('ESG') data disclosures.
- Business deep dives including IT general controls, information security, data and internal controls in the Nordics and Greece.
- Consideration of the continuing implications of the Covid-19 pandemic and challenging trading environment.

Chair's statement

I am pleased to present the Audit Committee (the 'Committee') report for the year ended 30 April 2022. This report describes how the Committee has carried out its duties to provide independent scrutiny of the Group's financial reporting, risk management and internal control systems during the year, in order to determine whether these remain effective and appropriate.

During the year, I met regularly with the Group Chief Financial Officer, the Chief Information Security Officer and the Group Director of Internal Audit between scheduled Committee meetings and in the absence of management to discuss their reports as well as any relevant issues. The other Committee members also frequently contacted members of management directly when they had questions on Committee papers received. I met regularly with members of the Deloitte LLP audit team as part of the ongoing review of their effectiveness. I have also met regularly with members of the KPMG LLP audit team as they have commenced their preparation to take over as external Auditor for the 2022/23 financial year.

This year, the Committee has considered accounting and management judgements and particularly in respect of the continuing implications of Covid-19 and the challenging external trading environment. The Committee has received assurance on the process for capturing ESG metrics as the Group's disclosures are enhanced in this area. Oversight of information security and cyber security programmes have been a key area of focus for the Committee this year. An update on Cyber has been provided at each scheduled quarterly Committee meeting. Data management and regulatory compliance continue to be important areas of Committee focus in addition to accounting matters and other duties. The Committee continues to have oversight across the international footprint of the Group.

There have not been any significant changes to the responsibilities and role of the Committee during this financial year. The Committee continues to monitor with interest the external market reforms designed to enhance the quality of audits and anticipates that there will be an evolution of the duties of audit committees.

The Committee considered the requirements arising from the Companies (Miscellaneous Reporting) Regulations 2018 and the UK Corporate Governance Code 2018 (the 'Code') as part of the process to review the non-financial information included in this Annual Report and Accounts, including in particular the section 172(1) statement on pages 34 and 39.

FURTHER INFORMATION



www.currysplc.com

→ Committee Terms of Reference last approved: 18 January 2022 and are available on the Company's website at www.currysplc.com

→ The biographical details for each Committee member are available on pages 82 and 83.

(1) Fiona was absent from two Committee meetings during the year due to illness.
 (2) Gerry was appointed as Acting Committee Chair for two meetings during the year in Fiona's absence.

Meetings and membership

The Committee met six times during the period under review. There were five scheduled meetings. One additional Committee meeting was arranged with management during the year to enable an additional detailed discussion on the accounting judgements for the Annual Report and Accounts 2021/22. Since the year end, there has been two further Committee meetings. The Chair of the Board, Group Chief Executive, Group Chief Financial Officer, Group Financial Controller, Group Director of Internal Audit, General Counsel and Company Secretary and representatives from Deloitte LLP, the external Auditor, have a standing invite from the Committee Chair to join all Committee meetings. Other members of senior management attend Committee meetings by invitation including team members with responsibility for information security and data management, those with responsibility for internal controls including from the international businesses, and the Director of Group Risk and Insurance. The Committee's deliberations are reported by its Chair at the next Board meeting and the minutes of each meeting are circulated to all members of the Board.

There have not been any changes to the membership of the Committee during the financial year. Gerry Murphy was appointed as Acting Committee Chair for two meetings in the absence of Fiona McBain due to illness. In compliance with the Code, the Committee continues to consist exclusively of independent non-executive directors. The Board continues to be satisfied that the Chair of the Committee, a member of the Institute of Chartered Accountants in England and Wales, and Gerry Murphy, also a member of the Institute of Chartered Accountants in England and Wales, meet the requirement for recent and relevant financial experience. The Committee, as a whole, has competence relevant to the sector in which the Company operates. The biographical details outlining the relevant experience of the Committee members can be found on pages 82 and 83. The Company Secretary, or their nominee, acts as Secretary to the Committee and attends all meetings. The Committee's deliberations are reported by its Chair at the subsequent Board meeting and the minutes of each meeting are circulated to all members of the Board following approval.

The Committee members meet without management present before and after each Committee meeting. The Group Director of Internal Audit and representatives of Deloitte LLP are invited to these private discussions periodically to allow discussion of matters which they may wish to raise in the absence of management.

In undertaking its duties, the Committee has access to the services of the Group Director of Internal Audit, the Group Chief Financial Officer, the General Counsel and Company Secretary and their respective teams, as well as external professional advice as necessary. The Board makes funds available to the Committee to enable it to take independent legal, accounting or other advice when the Committee believes it necessary to do so.

Looking ahead

Some aspects of the business transformation of the Group were delayed by the impacts of the Covid-19 pandemic. The Covid-19 pandemic has also had extensive impact on the Group's operations by causing fundamental changes to current and most likely future customer behaviours and the risks to which companies are exposed. The Committee will continue to keep those considerations and risks that fall within the Committee's remit under review. The Committee will continue to support the business transformation work by reviewing and challenging the governance, risk and control environments relating to strategic plans. The Committee will continue to receive presentations from management on the challenges faced by the business and the operation of internal controls. The Committee will also continue to monitor the operation of the 'three lines of defence', as well as the evolving enterprise risk landscape and regulatory environment.

Responsibilities

The Committee assists the Board in fulfilling its oversight responsibilities by acting independently from the executive directors. There is an annual schedule of items which are allocated to the meetings during the year to ensure that the Committee covers fully those items within its Terms of Reference. These items are supplemented throughout the year as key matters arise.

Key matters considered

The principal activities of the Committee during 2021/22 included:

- considering significant accounting and reporting judgements, the appropriateness of taxation disclosures and the appropriateness of the Group's going concern position and longer-term viability statement;
- considering and recommending that the Annual Report and Accounts 2021/22, when taken as a whole, are fair, balanced and understandable;
- reviewing the interim results published in December 2021;
- considering the presentation, fairness, and balance of the Group's alternative performance measures ('APMs');
- considering the implications of the Covid-19 outbreak relevant to the remit of the Committee;
- reviewing the Group Risk Register and considering the effectiveness of the risk management system and internal controls, operated by management;
- considering updates on IT general controls, information security, IT infrastructure and data management;
- providing oversight of the businesses regulated by the Financial Conduct Authority ('FCA') and receiving reports from the Head of Compliance;
- approving the internal audit annual plan, considering internal audit reports and management actions, and monitoring the effectiveness of internal audit in line with the approved internal audit charter;
- considering the external audit plan, audit reports and updates from Deloitte LLP;

Audit

Committee report continued

- considering the effectiveness of the external Auditor and the appointment of KPMG LLP as the external Auditor from 2022/23; and
- receiving presentations and challenging management on matters such as system access controls, data management, payment processes, supplier funding, regulatory compliance related customer claims, minimum control standards assessments, whistleblowing and procedures in place to prevent bribery and corruption.

Accounting and financial reporting matters

The Committee is responsible for considering reports from the external Auditor and monitoring the integrity of the interim statement and annual report and accounts in conjunction with senior management. During the year ended 30 April 2022, consideration was given to the suitability and application of the Group's accounting policies and practices, including areas where significant levels of judgement have been applied or significant items have been discussed with the external Auditor.

Principal duties of the Committee

Accounting and financial reporting matters

- monitoring the integrity of the interim statement and annual report and accounts, and any formal announcements relating to the Group's financial performance, reporting to the Board on significant reporting issues and judgement contained in them;
- reviewing significant financial reporting judgements and accounting policies;
- reviewing the Committee's report outlining the Committee's activities for inclusion in the Company's annual report and accounts;
- advising the Board on whether, as a whole, the annual report and accounts are fair, balanced and understandable;
- considering the going concern statement;
- considering and reviewing the statement of the Group's viability over a specified period;
- having regard to the applicable legal, regulatory and best practice requirements and standards for reporting including the UK Corporate Governance Code, including the Code, the UK Financial Reporting Council, the FCA's Disclosure and Transparency Rules and Listing Rules and the recommendations of the Taskforce on Climate-related Financial Disclosure;

Risk management and internal control

- reviewing the Group's financial controls and internal control effectiveness and maturity;
- reviewing the Group's risk management systems and risk appetite;
- reviewing the statements to be included in the annual report and accounts concerning internal control, risk management and the viability statement;

Compliance, conflicts, whistleblowing and fraud

- reviewing the adequacy of the Company's whistleblowing arrangements;
- reviewing the Company's procedures to detect and manage fraud;
- reviewing the Company's systems and controls for the prevention of bribery;
- considering the effectiveness of the Company's Compliance function;

Internal audit

- approving the appointment of the Group Director of Internal Audit;
- monitoring and assessing the effectiveness of the Group's internal audit function;
- approving the internal audit plan;
- considering the reports of work performed by internal audit and reviewing the actions taken by management to implement the recommendations of internal audit;
- considering the major findings of internal investigations;

External audit

- considering recommendation of the external Auditor's appointment, reappointment and removal to the shareholders at the annual general meeting and approving the external Auditor's remuneration;
- reviewing the results and conclusions of work performed by the external Auditor;
- reviewing and monitoring the relationship with the external Auditor, including their independence, objectivity, effectiveness and terms of engagement;

General matters

- any specific topics as defined by the Board; and
- referring matters to the Board which, in its opinion, should be addressed at a meeting of the Board.

Accounting and financial reporting matters

Matters considered and how the Committee discharged its duties

Going concern and viability statements

The Committee reviewed the processes and assumptions underlying both the going concern and longer-term viability statements made on page 65 of the Annual Report and Accounts 2021/22.

In particular, the Committee considered:

- the impact in respect of uncertainties including the Covid-19 pandemic, a macroeconomic downturn and climate risk;
- management's assessment of the Group's prospects including its current position, assessment of principal business risks and its current business model, future cash forecasts, historical cash flow forecasting accuracy, profit projections, available financing facilities, facility headroom and banking covenants;
- the appropriateness of the three-year time period under assessment, noting the alignment of the period with the Group's detailed strategic planning process, as well as the shorter-term nature of the retail market in which the Group operates; and
- the robustness and severity of the stress-test scenarios with reference to the Group's Risk Register, those principal risks and mitigating actions as described on pages 58 to 64, the latest Board-approved budgets, strategic plans, and indicative headroom under the current facilities available – examples of which included the impact of regulatory, taxation or information security incidents, and reduced forecast profitability and cash flow as a result of a significant change in mobile phone consumer behaviour.

The Committee concurred with management's conclusions that the viability statement, including the three-year period of assessment, disclosed on page 65 is appropriate. The Board was advised accordingly.

Fair, balanced and understandable

In ensuring that the Group's reporting is fair, balanced and understandable, the Committee reviewed the classification of items between adjusting and non-adjusting items including consideration of the £60 million pre-tax adjusting items disclosed in note A5 in the Glossary and definitions section and the tax impact thereon. The assessment considered whether items fell within the Group's definition of adjusting items as well as the consistency of treatment of such items year-on-year.

The Committee gave due consideration to the integrity and sufficiency of information disclosed in the Annual Report and Accounts 2021/22 to ensure that they explain the Group's position, performance, business model and strategy. An assessment of narrative reporting was included to ensure consistency with the financial reporting section, including appropriate disclosure of material adjusting items, and appropriate balance and prominence of statutory and non-statutory performance measures. In response to the guidelines on APMs issued by the European Securities and Markets Authority ('ESMA'), the Committee considered the use of such measures and additional information on those APMs used by the Group is provided in the Glossary and definitions section on pages 231 to 245.

The Committee concluded that the Annual Report and Accounts 2021/22, taken as a whole, are fair, balanced and understandable, and that the measures used and disclosures made are appropriate to provide users of the Annual Report and Accounts 2021/22 with a meaningful assessment of the performance of the underlying operations of the Group; the Board was advised of the conclusion.

Matters of significance and areas of judgement

The Committee received reports and recommendations from management and the external Auditor setting out the significant accounting issues and judgements applicable to the following key areas. These were discussed and challenged, where appropriate, by the Committee. Following debate, the Committee concurred with management's conclusions.

Audit

Committee report continued

Accounting and financial reporting matters

Matters considered and how the Committee discharged its duties

Revenue recognition	<p>The Group discloses revenue recognition in relation to network commissions as a 'key source of estimation uncertainty' as set out in note 1(d) to the Group financial statements.</p> <p>The Committee reviewed management's assessment of these policies with reference to contractual terms, the Group's historical experience of customer behaviour, reliability of information received from MNOs, legislative changes, future expectation of consumer behaviour and changes in the trends within the mobile industry. Particular attention was paid to the consistency of application of the underlying assumptions used, significant changes in inputs to the valuation model, historical forecasting accuracy, and the network commission contract assets and receivables disclosures included in note 14 to the Group financial statements. The carrying value of ongoing network commission contract assets and receivables at the balance sheet date was £190m (2020/21: £239m).</p>
Supplier funding	<p>A number of arrangements exist relating to supplier funding across the Group, including promotional support and volume rebates. The Committee has continued to challenge and debate with management its approach to its recognition and accounting treatment of supplier funding. In addition, the Committee continues to monitor the effectiveness of the controls in place to mitigate the risk of material misstatement of supplier funding recognition. Further information in relation to supplier funding can be found in note 3 to the Group financial statements.</p> <p>This is a key accounting matter considered by the Audit Committee due to the significant size of the supplier funding income throughout the year. The Committee have reviewed and concurred with managements conclusion that this is not a key source of estimation uncertainty or critical accounting judgement for the year end due to the level of evidence and support obtained to confirm the accuracy of the supplier funding income.</p>
Impairment testing of goodwill, intangible assets and store-based investments	<p>The Group discloses impairment of non-financial assets as a 'key source of estimation uncertainty' as set out in note 1(d) to the Group financial statements.</p> <p>The Group has significant goodwill, intangible assets and fixed asset investments which are reviewed for impairment annually, or where there is an indicator of impairment. The Committee reviewed appropriateness and accuracy of cash flow forecasts, discount rates and long-term growth rates used in the impairment review performed at both the interim and year end dates. Specific attention was paid to cash flow forecasts in light of uncertainties such as the Covid-19 pandemic, a macroeconomic downturn, climate risk and the level of sensitivities applied by management in determining reasonably possible changes to cash flows. As part of the review of the store-based asset impairment assessment, whereby a material impairment and impairment reversal was recognised within the period, particular attention was given to the key assumptions of how customers will behave in the future, in terms of shopping in store and/or online and the implications on the impairment modelling.</p> <p>As a result of a number of strategic changes, specifically related to our Future Mobile Offer and the decision to close the Acton Campus head office after signing a deal with WeWork, a significant impairment charge and onerous contract costs were recognised as adjusting items. Further information can be found in notes 9, 10, and 11 to the Group financial statements.</p>
Taxation	<p>The Group operates across multiple tax jurisdictions. The complex nature of tax legislation in certain jurisdictions can necessitate the use of judgement.</p> <p>The Committee reviewed the judgements and assumptions concerning any significant tax exposures, including progress made on matters being discussed with tax authorities and, where applicable, advice provided by external advisors. The total provisions recognised at the balance sheet date amounted to £66m (2020/21: £65m).</p> <p>The Committee also reviewed the appropriateness of the disclosures made around tax provisions, the related contingent liabilities, and the deferred tax balances.</p> <p>The Group discloses deferred tax assets in relation to UK losses carried forward as a 'key source of estimation uncertainty' and tax provisions and contingent liabilities in relation to uncertain tax positions as a 'critical accounting judgement' as set out in note 1(d) to the Group financial statements.</p>

Risk management and internal control

The Committee is responsible for reviewing the Group's risk management and internal control systems. Details of the overall risk management and governance policies and procedures are given in the Corporate Governance Report on pages 87 to 99. The Committee reviewed management's assessment of risk and internal control, results of work performed by the second lines of defence and internal audit, and the results and controls observations arising from the interim review procedures and the annual audit performed by the external Auditor. The Committee also ensured that all risk topics were covered, as defined by its Terms of Reference, with detailed reviews of risk topics scheduled throughout the year monitoring potential areas of concern.

Specific matters considered by the Committee to discharge its duties are detailed below:

Risk management and internal control	Matters considered and how the Committee discharged its duties
Bribery and corruption	<ul style="list-style-type: none"> The Committee reviewed the arrangements put in place to satisfy requirements to comply with regulation for anti-bribery and corruption.
Data protection	<ul style="list-style-type: none"> The Committee reviewed data protection compliance throughout the Group, particularly in relation to the embedding of policies, procedures and processes implemented to comply with the requirements of EU General Data Protection Regulation ('GDPR').
Compliance	<ul style="list-style-type: none"> The Committee reviewed the nature of financial services regulated activities across the Group's business operations and the governance and oversight arrangements for the operation of an effective FCA compliance regime in the business. The Committee considered compliance and regulatory reports prepared by the Regulatory Compliance Committee and monitored key developments and ongoing activities for the Compliance team in areas of governance, policy and compliance monitoring.
Information security and IT controls framework	<ul style="list-style-type: none"> The Committee regularly reviews the progress of the ongoing security improvement programme and periodically considers and reviews the IT general controls framework and related improvement initiatives progressed by the management team, in order to monitor that appropriate actions are taken. The Company is currently undergoing a large transformation programme across many areas of the business including its IT infrastructure. All transformation programmes are managed in line with the Group risk management methodology to manage the risk appropriately in order to provide reasonable reassurance against material losses. This control framework is intended to manage rather than eliminate the risk of failure and oversight of the security programme is provided by the Committee that, along with the Board, receives regular updates on the progress and maturity of our control environment.
Internal controls	<ul style="list-style-type: none"> As per the obligations placed on the Committee under the Code, the Committee formally considered a review of the system of risk management and internal control. The Committee noted developments in the system of risk management and internal control, management plans for 2021/22 and agreed the statements contained in the Annual Report and Accounts 2021/22. The Committee continues to review the results of internal audit reviews and minimum controls standards assessments.
Whistleblowing	<ul style="list-style-type: none"> The Committee reviews a summary at every meeting of all whistleblowing calls received by the Group, both through the independently operated hotline and other channels. The Committee confirmed that the calls had been appropriately dealt with (both individually and in aggregate) in accordance with the Group's Whistleblowing Policy.

Audit

Committee report continued

Internal audit

Internal audit is an independent, objective assurance function that impartially appraises the Group's control activities. Internal audit works with management to help improve the overall control environment and assist Group management, the Committee and the Board in discharging their respective duties relating to maintaining an adequate and effective system of internal control and risk management, and safeguarding the assets, activities and interests of the Group.

Internal audit

Matters considered and how the Committee discharged its duties

Internal audit	Matters considered and how the Committee discharged its duties
Audit reviews of significant risk areas	<ul style="list-style-type: none"> The Committee considered the alignment of the annual internal audit plan with the key risks of the business. During the period, internal audits included coverage of the following significant risk areas of the business: <ul style="list-style-type: none"> information security and data protection; business transformation; IT resilience, integrity and disaster recovery; relationships with major suppliers; health and safety; business continuity; product safety; and financial services regulatory compliance. The Committee considered the key trends and material findings arising from internal audit's work and the adequacy of the agreed management actions in relation to those findings.
Assurance programme	<ul style="list-style-type: none"> The Committee approved the annual internal audit plan and received an update relating to the execution of the annual plan at each Committee meeting. As part of the rolling assurance programme, audits were performed over the following processes to provide assurance to the Committee that controls were operating within these areas: <ul style="list-style-type: none"> general business controls relating to UK & Ireland operations including the financial services conduct risk framework, transformation project processes, identity and access management, product safety, financial controls, customer experience processes and ESG reporting; Nordics IT general controls, data protection, major change assurance, and product safety; and Greek IT general controls and product safety. The Committee considered the actions taken by management in relation to the audit findings. The Committee considered the results from these audits during its assessment of the effectiveness of the system of internal control operated by management. The Committee concluded that the system of internal control was appropriately monitored and managed.
Effectiveness of internal audit and adequacy of its resources	<ul style="list-style-type: none"> The Committee approved the internal audit charter, concluding the role and mandate were appropriate to the current needs of the organisation. The Committee monitored the work of internal audit and formally reviewed the effectiveness of internal audit and the adequacy of its resources, considering: <ul style="list-style-type: none"> scope, resources and access to information as laid out in the internal audit charter; the reporting line of internal audit; the annual internal audit work plan; and the results of the work of internal audit. The Committee concluded that the internal audit department had in all respects been effective during the period under review and performed its duties in accordance with its agreed charter.

External audit

The external Auditor is appointed by shareholders to provide an opinion on the annual report and accounts and certain disclosures prepared by Group management. Deloitte LLP acted as the external Auditor to the Group throughout the year. The Committee is responsible for oversight of the external Auditor, including approving the annual audit plan and all associated audit fees. The key matters in relation to external audit that were considered by the Committee were:

External audit

Matters considered and how the Committee discharged its duties

Effectiveness of the external Auditor

- The Committee reviewed and agreed the annual audit plan, specifically considering the appropriateness of the key risks identified and proposed audit work, the scope of the audit and materiality levels applied which are detailed in the Independent Auditor's report on pages 149 to 162.
- As part of the reporting of the half year and full year results, the Committee reviewed the reports presented by Deloitte LLP in assessing the Group's significant accounting judgements and estimates, and considered the audit work undertaken, level of challenge and quality of reporting.
- Following the 2020/21 year end, feedback on the effectiveness of the audit process in addressing areas of key audit risk was obtained from members of the Committee and regular attendees, members of the Finance team and senior management within the businesses via a specifically designed questionnaire. The responses were then considered by the Committee in conjunction with the outputs received and responsiveness of the Auditor during the audit process. The results showed a favourable view of the audit process and of Deloitte LLP as the external Auditor, specifically in relation to the consistent performance noted for quality of audit delivery, level of challenge, integrity and service of the team, the constructive relationship and the effectiveness of the communication.
- Following due consideration of the above, the Committee continues to be satisfied with the quality and effectiveness of the external audit.

Auditor independence

- The Committee considered the external Auditor's assessment of and declaration of independence presented in the annual audit plan and final audit report, and the safeguards in place to make such declarations.
- The Committee considered the annual audit fee and fees for non-audit services, with due regard to the balance between audit and non-audit fees and the nature of non-audit fees undertaken in accordance with the policy as set out below.
- The Committee reviewed and approved the Group policy on the employment of former employees of the external Auditor in March 2022.

Audit

Committee report continued

Policy on provision of non-audit services provided by the external Auditor

Under the Group's policy on Auditor independence, the Auditor may only provide services which include:

- a) audit services comprising issuing audit opinions on the Group's consolidated financial statements and on the statutory financial statements of subsidiaries and joint ventures;
- b) audit-related services comprising review of the Group's consolidated interim financial statements, and opinions/audit reports on information provided by the Group upon request from a third party such as prospectuses, comfort letters and rent certificates, etc; and
- c) services otherwise required of the Auditor by local law or regulation.

Any exceptions are subject to pre-approval by the Group Chief Financial Officer, and such permission is only granted in exceptional circumstances. Where the non-audit assignment is expected to generate fees of over £100,000, prior approval must be obtained from the Committee.

During the period under review, the non-audit services performed by the external Auditor primarily arose from the interim financial review procedures and the requirement in Greek law for the external auditor of the company to provide tax compliance services. The Committee has reviewed the services performed by the external Auditor during the year and is satisfied that these services did not prejudice the external Auditor's independence and that it was appropriate for them to perform these services.

The level of non-audit fees paid to the external Auditor, which was approved by the Committee, is set out in note 3 to the Group financial statements and amounted to £0.3m (2020/21: £0.5m) compared with £1.8m (2020/21: £1.6m) of audit fees. The non-audit fees as a percentage of audit fees were 16.7% (2020/21: 31.3%), which reflects the restrictive policy governing the use of Deloitte LLP for non-audit services.

External Auditor

Deloitte LLP has been the Company's external Auditor since the Company was formed on 7 August 2014 by the merger of Carphone Warehouse and Dixons Retail. Deloitte LLP was the external Auditor of both Carphone Warehouse and Dixons Retail prior to 2014. In accordance with the Competition and Markets Authority Statutory Audit Services Order, which is designed to align with provisions of the EU Regulations on external audit tender and rotation, and current guidance, the last period that Deloitte LLP could have remained as external Auditor was the 2022/23 financial year.

At the end of the 2020/21 financial year, lead audit partner Stephen Griggs (appointed from the 2016/17 audit) stepped down in accordance with the Auditing Practices Board Ethical Standards requirement to rotate the lead audit partner every five years. David Griffin, formerly the key audit partner for UK & Ireland and Group, moved into the role of lead audit partner for the 2021/22 financial year.

During 2020/21, the Committee led a comprehensive tender process to select a new external Auditor for the 2022/23 financial year. A full description of the process is available in the annual report and accounts 2020/21. KPMG LLP will be appointed as the Auditor of the Company for the financial year 2022/23 subject to shareholder approval to be sought at the Company's Annual General Meeting in September 2022.

Where necessary, any non-audit services provided by KPMG to the Company ceased by 1 May 2021 in order to meet specified 'cooling-in' requirements in the year before appointment.

Consideration of external Auditor appointment and independence

The Committee considers the appropriateness of the appointment of the external Auditor each year, including the rotation of the audit partner.

The Committee oversaw a formal and comprehensive tender process for the appointment of the external Auditor during 2020/21. The Committee's recommendation, that KPMG LLP be appointed as external Auditor of the Company for the 2022/23 financial year was accepted and endorsed by the Board. Accordingly, shareholder approval will be sought at the Annual General Meeting in September 2022 to confirm the appointment of KPMG LLP as external Auditor of the Company.



Fiona McBain
Chair of the Audit Committee
 6 July 2022

Disclosure Committee report

Committee members	Meeting attendance	Number of meetings
Bruce Marsh (Chair)	3/3 ⁽¹⁾	5
Alex Baldock	5/5	
Nigel Paterson	5/5	
Alternate members: Ian Livingston, Chair of the Board and Tony DeNunzio, Senior Independent Director		

2021/22 HIGHLIGHTS

- Assessment of whether the Company was in possession of inside information.
- Preliminary results for the financial year ended 1 May 2021. Trading updates including announcement of a £75m share buyback.
- Interim results for the half year ended 30 October 2021.

Chair's statement

I am pleased to present the Disclosure Committee (the 'Committee') report for the year ended 30 April 2022. The principal role of the Committee is to ensure that adequate procedures, systems and controls are maintained to enable the Company to fully meet its legal and regulatory obligations regarding the timely and accurate identification and disclosure of all price sensitive information.

The Committee is comprised of the Group Chief Financial Officer (Committee Chair), the Group Chief Executive and the General Counsel and Company Secretary. The Chair of the Board and the Senior Independent Director receive notices and papers for all meetings and are able to act as 'alternates' to the Committee members in the event that the quorum of three members cannot be met. This has not been necessary during the year and all Committee members have been able to attend all meetings. The Company Secretary, or their nominee, acts as Secretary to the Committee. The Committee's deliberations are reported by its Chair at the next Board meeting and the minutes of each meeting are circulated to all members of the Board.

The Committee was considered as part of the externally facilitated Board and committee effectiveness review that was carried out this year and this review concluded that the Committee discharges its duties effectively.

Meetings

There were five Committee meetings during 2021/22. Since the financial year end, there has been one further meeting. Committee meetings are scheduled in advance of preliminary and interim results announcements and in advance of scheduled trading updates. Meetings can be convened by the Company Secretary as requested by the Committee Chair at other times as required. The Committee receives input as appropriate from the other directors, the Company's brokers and senior management, and invites a member of the Investor Relations team to attend all meetings.

Responsibilities

The principal duties of the Disclosure Committee are to:

- establish and maintain adequate procedures, policies, systems and controls to enable the Company to fully comply with its legal and regulatory obligations regarding the timely and accurate identification and disclosure of all price sensitive information;
- determine whether information is inside information and if it requires immediate disclosure;
- keep under review the adequacy of the Disclosure and Communications Policies, implement and monitor compliance;
- monitor communications received from any regulatory body in relation to the conduct of the Group, and review any proposed responses;
- consider generally the requirement for announcements, including in relation to the delayed disclosure of inside information, substantive market rumours, and leaks of inside information;
- consider and give final approval for trading statements and/or results to be released in order to meet legal and regulatory requirements; and
- review the content of all material regulatory announcements, transactional shareholder circulars, prospectuses, and any other documents issued by the Company, and ensure that these comply with all applicable requirements.

Key matters considered

During the year ended 30 April 2022, the Committee met to consider the following key matters:

- assessments as to whether the Company was in possession of inside information;
- the preliminary results for the financial year ended 1 May 2021;
- a trading update including the announcement of a £75m share buyback programme;
- the interim results for the 26 weeks ended 30 October 2021; and
- the Peak trading update for the ten weeks ended 8 January 2022.

FURTHER INFORMATION

→ The biographical details for each Committee member are available on pages 82 and 83.



Bruce Marsh
Chair of the Disclosure Committee
6 July 2022

(1) Bruce Marsh joined the Board and the Committee during the year on 12 July 2021 and has attended all Committee meetings held since his appointment. Jonny Mason stepped down from the Board and the Committee on 9 July 2021 and attended the two Committee meetings held during the financial year prior to this date.

Nominations Committee report

Committee members	Meeting attendance	Number of meetings
Ian Livingston (Chair)	2/2	2
Tony DeNunzio	2/2	
Andrea Gisle Joosen	2/2	

2021/22 HIGHLIGHTS

- Considered succession planning for key Board roles.
- Led the process to recruit a new Chair and recommended the appointment of Ian Dyson to the Board.
- Adopted a new Equality, Inclusion, & Diversity: Dignity at Work Policy.

Chair's statement

I am pleased to present the Nominations Committee (the 'Committee') report for the year ended 30 April 2022. The Committee has continued to oversee the structure, size and composition of the Board during the year, having regard to the collective skills, knowledge, experience and diversity in all its forms. This report sets out the key responsibilities of the Nominations Committee and describes how it has discharged its duties.

The Committee received an update on the external governance and best practice standards that relate to its remit in November 2021. These requirements were discussed, and the Committee concluded that the Board's size and composition remained appropriate to meet the current leadership needs of the Group. It was agreed that temporary increases to the size of the Board might help manage succession planning. The Committee considered the time commitments of each director, director independence, director tenure, the diversity of the Board, the collective skills and experience of the Board, directors' external appointments and potential conflicts of interests.

The Board currently meets the voluntary diversity targets in both the Hampton-Alexander Review and Parker Review although is not complacent about diversity and will seek opportunities to further increase diversity on the Board. An Inclusion and Diversity Forum is in place to focus on increasing the diversity of the workforce and more details about this forum are available on page 112. All directors receive updates on colleague issues including diversity at Board meetings.

Although succession planning and the oversight of the development of a diverse pipeline for succession fall within the remit of the Committee, these discussions have also taken place at Board meetings during 2021/22. The Board received a comprehensive People Plan update in April 2022 and this included talent and succession planning. Enhancing diversity and overseeing the succession planning process for key roles remains a priority for the whole Board. As delivering the colleague agenda is a critical component of the successful business transformation of the Group, this work has been led by the Committee but has warranted further input from all directors.

Meetings and membership

The Committee meets as and when required and at least twice a year. The Committee held two meetings during the financial year and a further meeting in May 2022. The majority of the members of the Committee are independent non-executive directors as required by the Code. Other members of the Board or senior management can attend meetings at the invitation of the Committee Chair. The Company Secretary, or their nominee, acts as Secretary to the Committee. The Committee's deliberations are reported by its Chair at the next Board meeting and the minutes of each meeting are circulated to all members of the Board.

Responsibilities

The principal duties of the Committee are to:

- review the structure, size and composition of the Board, and recommend changes to the Board as necessary;
- give full consideration to orderly succession planning for both the Board and senior management positions and oversee the development of a diverse pipeline for succession;
- identify and nominate candidates to fill vacancies on the Board when they arise;
- carry out a formal, rigorous and transparent selection process of candidates, giving due regard to promoting the benefits of diversity on the Board and senior management team, including gender, social and ethnic backgrounds, and cognitive and personal strengths; and
- review all the recommendations from the annual board effectiveness process that relate to Board composition, diversity or how effectively board members work together.

FURTHER INFORMATION



www.currysplc.com

→ Committee Terms of Reference last approved: 18 January 2022 and are available on the Company's website at www.currysplc.com

→ The biographical details for each Committee member are available on pages 82 and 83.

Key matters considered

The principal activities of the Committee during 2021/22 included the:

- evaluation of the size, composition and structure of the Board and its committees;
- oversight of the process to recruit a new Chair of the Board, consideration of candidates and recommendation of the appointment of Ian Dyson;
- consideration of the independence and time commitments of the directors;
- evaluation of director effectiveness during the year and approval that each director be recommended for re-election at the Annual General Meeting ('AGM') 2022;
- approval of the Company's Equality, Inclusion, & Diversity: Dignity at Work Policy;
- approval of the Director External Appointments Policy;
- approval of Committee's Terms of Reference;
- approval of the role descriptions of the Chair of the Board, Senior Independent Director and the Group Chief Executive; and
- consideration of the external corporate governance developments relating to the remit of the Committee.

Board evaluation

An externally facilitated Board effectiveness review was carried out in 2021/22 by Clare Chalmers Limited. The evaluation process concluded that overall, the Committee is operating effectively. Further details on the outcomes of the Board effectiveness review are available on page 93.

Appointments to the Board

The Committee has a formal, rigorous and transparent procedure for the appointment of new directors. Appointments are made to the Board based on objective criteria and with due regard to the benefits of diversity and the leadership needs of the Company. External search consultancies are used when recruiting directors.

The Committee uses a skills matrix tool when assessing the skills and capabilities required in a new director, taking into account the existing experience and expertise on the Board. The Committee develops candidate profiles describing the skills, knowledge and experience required for each new role.

Bruce Marsh joined the Board in July 2021. During the year, the Committee led the process to appoint a new Chair of the Board. Ian Dyson will join the Board on 1 September 2022 and become Chair of the Board and Nominations Committee on 8 September 2022.

The process to recruit a new Chair was led by the Senior Independent Director and executive search firm Korn Ferry supported the Committee. The Committee agreed a role profile taking into account the Board skills matrix and the skills and capabilities needed to Chair a substantial consumer business operating in a number of countries. The Senior Independent Director discussed the draft role profile with each of the other directors. The process included consideration of a long list of over 60 candidates. Members of the Committee (excluding the Chair) participated in over 30 candidate interviews as well as discussions with Korn Ferry. Five candidates were shortlisted, and this group included candidates with diverse characteristics. Ian Dyson was the candidate who best met the criteria that the Company had set for the new Chair. The Committee recommended the appointment of Ian Dyson to the Board.

Succession planning

The Group requires a talented Board with appropriate experience, expertise and diversity. The Committee monitors the size and composition of the Board, leads the recruitment of new directors and proposes any suitable candidates to the Board for approval.

The Committee continue to be satisfied that the current Board size of eight directors is appropriate and effective for the leadership of the Group although increasing to a Board size of nine or ten temporarily might be appropriate to enable succession planning for key Board roles. During the year the Committee considered Board tenure and, in particular, that two non-executive directors will reach a nine-year tenure in August 2023 and the Chair of the Board and Senior Independent Director both reach a nine-year tenure in December 2024. The Committee agreed to initiate a search for a successor to the Chair of the Board role and this search was completed in May 2022.

The Committee considered it prudent to start this search early to allow sufficient time to identify the most appropriate candidate and for the orderly management of the succession of other Board roles. The new Chair of the Board will participate in the recruitment of new non-executive directors.

The Executive Committee carry out a detailed talent review process across every area of the business. Succession plans are in place for every member of the Executive Committee. The full Board including the Committee members receive regular updates on talent and succession from the Chief People Officer. The Chair of the Board who is also the Committee Chair receives regular updates during the year directly from the People team on key appointments and initiatives. The Committee, together with the Board, is focused on ensuring that credible succession plans are maintained and that there is a talent pipeline for future business leaders.

Nominations

Committee report continued

Diversity

The Company is committed to developing a diverse workforce and equal opportunities for all. The Board recognises that enhancing diversity in all its forms is a critical part of having an effective and engaged workforce which in turn supports the long-term sustainable success of the business.

The Board meets the voluntary targets recommended by the Hampton-Alexander Review and the Parker Review. At the end of the financial year 37.5% of the Board, and 25% of the Executive Committee, are female. One member of the Board meets the criteria as set out in the Parker Review. Whilst the Board is strongly supportive of enhancing all forms of diversity across the Board and wider workforce as a matter of priority, the Board does not currently set specific targets on gender balance or ethnicity. The Committee and the Board continue to be very mindful of the benefits of greater diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths, in all appointments. The Board will actively seek to enhance diversity on the Board during 2022/23 by taking steps to increase the number of diverse candidates to be included in the process. An Inclusion and Diversity Forum is in place to seek to enhance diversity across the wider workforce and further information on this forum and the activities the Group is carrying out in order to enhance diversity is available on page 25.

In accordance with DTR 7.2.8A, the Committee confirms that a diversity policy is in place (the Equality, Inclusion, & Diversity: Dignity at Work Policy). This was last reviewed and approved by the Committee in November 2021. The Board no longer has a separate policy that only applies to the Board but has approved the adoption of the Group policy to include all Board and senior management appointments. The policy is in place to encourage diversity across the Group and to ensure an inclusive culture is in place. The Board considers the celebration of diversity and an inclusive culture to be a competitive differentiator for the business. The policy establishes clear values and behaviour standards for colleagues and confirms that any form of bullying, harassment or discrimination is unacceptable. The policy does not include any quotas and emphasises the need for appointments to be made on the basis of merit.

In performing its annual review, the Board also looked at other aspects of diversity relevant to the Group. With a large proportion of the business in the Nordics, we have a Swedish non-executive director on the Board to enhance the Board's knowledge of these international markets. This non-executive director also attends the Nordics Colleague Forum to support colleague listening and engagement. More information on this forum is included in the Strategic Report on page 38.

Election and re-election

At the forthcoming AGM, all directors as listed on pages 82 and 83 will present themselves for re-election other than I, Ian Livingston, as I will step down from the Board on the date of the AGM. Ian Dyson will present himself for election and his biographical information is available in the Notice of AGM. Each of the directors submitting themselves for election or re-election is being unanimously recommended by the other members of the Board due to their experience, knowledge, wider management and industry experience, continued effectiveness and commitment to their role. More information on the individual contributions of each director is available within their biographies.



Lord Livingston of Parkhead
Chair of the Board

6 July 2022

Environmental, Social and Governance ('ESG')

Committee report

Committee members	Meeting attendance	Number of meetings
Nigel Paterson (Chair)	4/4	4
Andrea Gisle Joosen	4/4	
Paula Coughlan	1/1 ⁽¹⁾	
Moira Thomas	4/4	
Assad Malic	3/3 ⁽²⁾	

2021/22 HIGHLIGHTS

- Agreed principles and approach for a new Group ESG strategy.
- Integrated the international businesses into the ESG Committee.
- Completed a review of Committee effectiveness and implemented outcomes.

Chair's statement

I am pleased to present the first ESG Committee (the 'Committee') report for the year ended 30 April 2022. The principal role of the Committee is to oversee the development of the Group's Social Purpose strategy and approve the ESG objectives required to deliver it and the appropriate key performance indicators (KPIs) to monitor progress.

The Committee is comprised of the General Counsel and Company Secretary (Committee Chair), a non-executive director of Currys plc, the Chief People, Communications and Sustainability Officer and the Director of Sustainable Business and ESG. The Company Secretary, or their nominee, acts as Secretary to the Committee. The Committee reports into the Executive Committee and provides a verbal update after each meeting. Key activities of the Committee are also included in the CEO report to the Currys plc Board as appropriate. The Board receives a comprehensive update on ESG at least once a year and received two updates during 2021/22 on both the new Group ESG strategy and action on climate change.

A Committee effectiveness review was completed during the year. The review found that the Committee is operating effectively but provided useful suggestions to further enhance the operation of the Committee. Suggestions included ensuring that additional teams are represented at Committee meetings and adjusting the allocation of agenda time to increase the focus on the Nordics and Greek businesses. The Committee has considered and implemented these suggestions.

Meetings

There were four scheduled Committee meetings during 2021/22. Meetings are convened by the Company Secretary as required. Representatives from the Sustainable Business, Risk, Investor Relations, People, Health and Safety, Supply Chain and Marketing teams are standing attendees at Committee meetings and others are invited to attend at the discretion of the Committee Chair.

Responsibilities

The principal duties of the Committee are to:

- oversee the development of the Group's Social Purpose strategy, ensure it remains fit for purpose and aligned to the Group's vision; We Help Everyone Enjoy Amazing Technology, and recommend it to the Board for approval;
- identify and approve the ESG objectives and KPIs required to deliver the Group's Social Purpose strategy and review reporting against these at Committee meetings;

- review the ESG risk profile at each meeting to ensure that the risks to achieving the objectives are being appropriately managed;
- monitor external developments in respect of ESG issues and consider any implications for the Group;
- develop and maintain the Group's policies and practices relating to ESG matters to ensure that they remain effective, compliant with legal and regulatory requirements and industry standards and recommend these to the Board for approval;
- to receive specific reports from Group Responsible Sourcing over the operation of processes and controls in place to ensure compliance with requirements of Modern Slavery regulation;
- oversee the Group's community, charitable and environmental partnerships;
- to review and approve all ESG content to be published in the Company's annual report and accounts; and
- make any recommendations to the Executive Committee on any area within its remit.

Key matters considered

During the year ended 30 April 2022, the Committee considered the following key matters:

- ESG strategic approach;
- ESG emissions and e-waste bonus scorecard metrics;
- ESG risk;
- ESG communications to customers;
- ESG disclosures in the 2021/22 Annual Report and Accounts;
- responsible sourcing including the use of packaging;
- received an ISO 50001 Energy Management System management review for UK & Ireland;
- the circular economy and Currys' next steps on Giving Tech Longer Life;
- community and charitable partnerships and next steps for helping eradicate digital poverty;
- colleague well-being;
- inclusion and diversity;
- ESG horizon scanning and external developments;
- internal audit management systems, measurements and targets;
- review of Committee Terms of Reference; and
- ESG policies review.



Nigel Paterson
Chair of the ESG Committee

6 July 2022

(1) Paula Coughlan joined the ESG Committee as a member on 31 January 2022.

(2) Assad Malic stepped down as a member on 31 January 2022.

Remuneration Report

Introduction

On behalf of the Board, I am pleased to present the 2021/22 Directors' Remuneration Report setting out our philosophy and proposed policy for directors' remuneration, together with the activities of the Remuneration Committee (the 'Committee') for the financial year ending 30 April 2022. Our Directors' Remuneration Policy was last approved by shareholders at the annual general meeting in 2019. This report therefore includes details of the proposed changes that we are making to our policy which shareholders will be able to vote on at the Annual General Meeting on 8 September 2022. The report includes a 'Remuneration at a glance' section on page 118, which also contains details of the proposed changes to our Remuneration Policy.

In determining the executive directors' remuneration outcomes, the Committee had a clear focus on ensuring alignment of pay with performance and was equally attentive to the need to take into consideration the experience of all our key stakeholders throughout the year.

Remuneration in context

Corporate performance

This has been another challenging year in a rapidly changing business and economic environment, as we emerged from the Covid-19 pandemic, saw a war in Ukraine unfold and dealt with both supply chain disruptions and high inflation. Despite all of this, we finished the year in a stronger shape, profits grew, shareholders were rewarded with both a dividend and a share buyback, and colleague and customer satisfaction continued to improve.

Strategic priorities

Key Highlights

- Strong operational and financial performance; adjusted EBIT margins improved to 2.7% (2020/21: 2.5%).
- Record highs in colleague engagement and customer satisfaction.
- Group store sales up +24% (UK&I +61%), higher than expected as customers rediscovered the benefits of stores.
- International: Generated 46% of sales and 59% of adjusted profits; entered new market with two stores in Cyprus.
- UK&I: Returned to market share growth; sustainable in-year cost savings of £69m.
- Repaired over 1.7m pieces of tech during the year.
- Ended year with good availability and prudent stock levels.

Financial Performance

- Group LFL (3)% (Yo2Y +10%); Revenue (2)% (Yo2Y (1)%).
- Group adjusted PBT £186m including £22m of non-repeating network debtor revaluations and settlements (2020/21: £156m).
- Group Profit before tax £126m (2020/21: £33m).
- Free cash flow £72m inc £(88)m working capital outflow (2020/21: £438m inc £454m working capital inflow).
- Year-end net cash £44m (2020/21: £169m) with average net cash £290m, compared to average borrowings of over £400m two years ago.
- IAS 19 Pension liability reduced to £(257)m (2020/21: £(482)m).
- £78m returned to shareholders in dividends and buybacks, proposed final dividend of 2.15p to take full year dividend to 3.15p, +5% YoY and remainder of buyback to be executed.

Stakeholder Experience

Our colleagues

From 1st August 2022, we plan to pay a minimum base hourly rate of £10 to all hourly paid UK colleagues. This is above the Real Living Wage (RLW) for colleagues outside London. The new London rate will continue to align to the RLW rate of £11.05 per hour. This will result in an average increase of 5.2%. Almost 12,000 hourly paid frontline colleagues will benefit from the increase. This builds on the average increase of 9% the same colleagues received in October 2021, meaning that UK frontline colleagues will receive on average a 14.2% increase in pay over these two financial years.

We also responded to the national shortage of drivers and warehouse colleagues by investing over £9m to make sure we were competitive in attracting and retaining talent for critical roles. We put in place additional pay initiatives including sign on and retention awards, additional overtime and hourly pay rates and an enhanced referral scheme.

We remain committed to emerging talent, supporting people into employment and creating skills for life. In the UK & Ireland, 173 new apprentices started on various programmes such as LGV driving, gas engineering and white goods engineering with a total of 288 currently enrolled in these programmes. Elkjøp Nordics has introduced a 12-week long 'try-and-hire' programme for junior developers in our Nordics IT department.

In May 2021, we introduced our new quarterly Supply Chain and Service Operations (SC&SO) bonus plan for over 3,000 colleagues to better align performance with the strategy and day to day activities within SC&SO and drive the team and individual behaviours necessary to deliver on the new strategy. We're also pleased to confirm that the annual performance bonus will pay out again this year to over 2,000 of our UK & Ireland corporate colleagues, with performance outcomes ranging between 86.4% to 90.6% of maximum. Within our UK and Ireland stores, we have linked the delivery of key metrics (including sales, margin, credit, services adoption and customer satisfaction) to colleague bonus for over 7,600 sales and support colleagues. As a result, our colleagues received an average increase of between £0.60 and £2.60 above their hourly rate during Peak, with our top 500 sales colleagues receiving the higher amount. This positions us well in a competitive market.

In February 2022, we saw the first vest of our award-winning Colleague Shareholder Scheme, launched in February 2019, and over 12,600 current colleagues in 11 countries received their shares. We have continued to grant awards to nearly 3,000 new participants globally throughout 2021/22.

We are also proud to show continued progress in placing well-being at the heart of our business. We have:

- seen a 13-point increase in well-being scores through our colleague engagement survey;
- up-skilled over 1,200 people managers as mental health champions;
- continued to develop our 'Well-being Corner', which has been accessed by 20,000 colleagues;

- shared over 100 online Weekly Well-being Webinar sessions in collaboration with our partners; and
- integrated well-being into our performance review process to ensure managers have meaningful connections with their teams throughout the year.

Our customers

Customer satisfaction metrics have continued to improve this year. We have carefully reviewed customer feedback and used it to enhance the customer experience including investment this year in Credit and Services. Customers have returned to stores as Covid-19 restrictions have lifted but most are shopping online as well. We have invested in our online product range and enhancements to the online customer journey. Customers continue to enjoy ShopLive which has seen significant growth this year and delivers high customer satisfaction scores.

Our shareholders

We continue to enjoy the engagement and support of our shareholders, and this year, shareholders have benefited from a £75m share buyback announced in November 2021 and the first £32m of this completed before the end of the financial year. The Board also decided to pay both an interim and full year dividend in 2021/22. Whilst our share price has not improved as much as we all would have liked, due to difficult external conditions including the conflict in Ukraine and the macro-economic environment, our net cash balance sheet combined with market leadership and quality of operations make us confident that we can deliver long term cashflow and value to our shareholders.

Our communities

In 2021/22 we became one of the three founding partners of a new Digital Poverty Alliance ('DPA'). This was supported by an initial £1m donation from Currys which funded the first proof of concept for the charity, by equipping 1,000 teachers and teaching assistants in the country's poorest communities with the technology and support they need to deliver high-quality home schooling to their pupils. We are delighted to confirm our ongoing commitment to the DPA and in 2022/23 we will be using Pennies customer donations to support vulnerable families with life changing access to technology.

Our environment

We continue to be the largest retail recycler of technology in the UK and ran our first financial recycling incentive scheme 'Cash for Trash' to collect customer e-waste. Currys and Elkjøp continued to offer trade-in for key tech items.

In addition, as discussed below, for 2021/22, we introduced two new environmental measures into our 2021/22 bonus plan design, based on recycling by increasing e-waste take back and reducing our Scope 1 and 2 emissions in our Progress to Net Zero. These measures are reflected and deeply embedded in our strategy, and meet the growing expectation from our colleagues, customers and shareholders to focus on the climate agenda.

Policy review

As referred to above, our Directors' Remuneration Policy was last approved by shareholders at the annual general meeting in 2019. During the year, the Committee carried out a thorough review of the current Remuneration Policy to ensure it remains appropriate to support the business with the delivery of its strategy. The Committee concluded that the current policy remains overall fit for purpose and is competitively positioned. However, we are proposing to make a few minor changes to take into account evolving best practice and regulatory developments.

Throughout the review process the Committee consulted with our major shareholders and the major investor bodies. Their feedback is reflected in our final proposals. Although there was a mix of perspectives between our different shareholders, in general, the balance of investors were supportive of our approach to keep the policy largely the same aside from some adjustments to align to evolving corporate governance best practice. In particular, shareholders welcomed the increase in the shareholding requirement, as set out in more detail below. A summary of the proposed policy is shown on the following pages and the detail is contained in this report. The main changes are summarised below:

- **Pension** – formalising our existing commitment to align executive director pension contributions to the same level as paid to the majority of the UK workforce, and to align the Group Chief Executive's pension to 3% at the end of 2022.
- **Incentive measure flexibility** – amending the wording of the policy in relation to the Long Term Incentive Plan ('LTIP') to allow for greater future flexibility in (i) choice of measures and (ii) weightings. This would allow changes such as the introduction of an ESG measure in the LTIP in future. Although the current wording allows a significant degree of flexibility already, we commit to having no less than a 60% weighting of financial metrics.
- **Shareholding requirement:**
 - The in-employment shareholding requirement will increase from 200% of salary to 250% of salary to be achieved within five years of appointment for both the Group Chief Executive and Chief Financial Officer. Current Executive Directors will have five years from the date of approval of the Policy at the 2022 AGM to meet this increased shareholding requirement.
 - **The post-employment shareholding requirement** – given the increase to the in-employment shareholding requirement, this will increase to the value of 250% of salary which must be retained for the first year post-cessation of employment and 125% for the second year. It is proposed that our current Group Chief Executive and Chief Financial Officer be covered by the requirement.
- **Malus and clawback triggers** – the current list of 'trigger points' has been expanded to align with best practice by adding 'material failure of risk management and internal controls' and 'unreasonable failure to protect the interests of employees and customers' to the current list.
- **Leaver bonus provision** – additional wording has been added to the leaver provisions to ensure that a bonus will only be paid to leavers where the Committee considers them to be a 'good leaver'.

Remuneration Report continued

The proposed new policy as set out in this Annual Report and Accounts will be put to shareholders for a binding vote at the AGM on 8 September 2022. Shareholders will be asked to approve the policy for a period of three years.

2021/22 remuneration

Base salary

The Committee reviewed Alex Baldock's salary for 2021/22 and applied an increase of 1.5% increasing his salary to £880,000, effective 1 August 2021. This level of increase was below the level of increase applied to the wider workforce. The average increase for the UK & Ireland corporate head office population was c 2%, effective 1 August 2021 and 2.7% for the Nordics, effective 1 April 2021. The move to align with the RLW levels in October 2021 gave an average increase of 9% for our hourly paid UK colleagues.

Annual performance bonus

Annual performance bonus in respect of 2021/22 was based on achievement of stretching targets against five metrics of EBIT (45%), average net debt (15%), Net Promoter Score (15%), employee engagement (15%) and a new environmental target (10%).

The Committee decided to introduce the additional environmental focus, based on recycling by increasing e-waste take back and reducing our Scope 1 and 2 emissions in our Progress to Net Zero. These measures are reflected and deeply embedded in our strategy, are the right thing to do, and meet the growing expectation from our colleagues, customers and shareholders to focus on the climate agenda. ESG measures (including customer Net Promoter Score and employee engagement) now represent 40% of the annual bonus weighting.

Bonus arrangements also included a minimum EBIT threshold which must be achieved before any bonus can be paid out and a potential clawback facility in relation to 'Treating Customers Fairly'.

The formulaic outcome given the above performance was 83.8% of maximum for the executive directors. Full details on the targets set and performance against them can be found on page 134. The Committee considered whether to adjust the formulaic outcome and decided it was satisfied that the outcome is both fair and appropriate given the financial performance delivered and the wider stakeholder experience outlined above. Therefore, for the avoidance of doubt, no Committee discretion was exercised in respect of the formulaic outcome for 2021/22.

One-third of bonus payments to executive directors will be deferred into shares for a period of two years.

LTIP

The 2019 LTIP award was subject to relative TSR (50%) and cumulative free cash flow (50%) targets measured over three years. Based on the achieved level of performance, the threshold required for vesting for the TSR element was not met but the free cash flow achieved a vesting percentage of 53%. The cumulative cash flow achieved was £619m against a target of £674m. Overall, LTIP vesting was therefore 26.5%.

Again, the Committee considered whether to make an adjustment to the formulaic outcome. In the course of its deliberations the Committee noted that the positive impact of government Covid-19 support was more than counterbalanced by the negative impact of Covid-19 store closures. The Committee concluded that overall, it was satisfied that the outcome was both fair and appropriate given the cash flow performance delivered and the wider stakeholder experience outlined above.

Vested shares will be subject to a further two-year holding period.

Full details on the targets set and performance against them can be found on pages 137 and 138.

Executive director changes

Jonny Mason, the previous Group Chief Financial Officer, left the business on 9 July 2021 and Bruce Marsh was appointed as Group Chief Financial Officer with effect from 12 July 2021. Jonny's termination package and Bruce's remuneration arrangements were made in line with our shareholder-approved Remuneration Policy. Further details of Jonny's termination arrangements are set out on pages 142 and 143 and Bruce's remuneration details (including the award to be made in compensation for incentives forfeited from his previous employer) are set out on page 142.

2022/23 remuneration

Subject to shareholder approval at the AGM in September 2022, the Remuneration Policy arrangements for 2022/23 will be implemented in line with the new policy.

Base salary

The Committee reviewed both Alex Baldock's and Bruce Marsh's salary as at 30 April 2022 and applied an increase of 3% taking their salaries to £906,400 and £427,450 respectively, effective 1 August 2022. The average increase for the UK & Ireland corporate head office population is c 3%, effective 1 August 2022 and 3.7% for the Nordics, effective 1 April 2022. From 1 August 2022, a minimum base hourly rate of £10 will be paid to all hourly paid UK colleagues. This is above the RLW for colleagues outside London. The new London rate will continue to align to the RLW rate of £11.05 per hour. This will result in an average increase of 5.2% for our hourly paid UK colleagues.

Pension

Bruce Marsh receives a 3% pension allowance, in line with the wider workforce and Alex Baldock continues to receive a 10% pension allowance. The Committee confirms that Alex Baldock's allowance will be reduced and aligned with the majority of the UK wider workforce at the end of 2022.

Annual performance bonus

Following the introduction of the additional environmental targets last year, the Committee has decided to maintain the current bonus structure, ensuring that ESG measures continue to represent 40% of the annual bonus weighting, reflecting the core elements of our strategy.

LTIP

As in prior years, 2022/23 LTIP awards will be subject to two equally weighted performance conditions. Half of the awards will be subject to the achievement of a relative TSR performance condition and the remaining half of the awards will be subject to the achievement of a cumulative free cash flow target. However, following a review of the TSR peer group element of the awards the Committee has decided to change the TSR peer group from the bespoke retail sector group used in prior years to the constituents of the FTSE 250 index. The new peer group provides more appropriate alignment with our shareholder base, given differing investor views on who the relevant peers are and more relevance in terms of similarity of external factors including the nature of business/sector, share price correlation and volatility.

In addition, the Committee considered introducing an environmental metric into the 2022/23 LTIP design. As an environmental measure has already been added to the bonus design, the Committee decided not to include this for the current year but commits to including an ESG metric(s) in the LTIP during the course of the new policy duration.

The Committee is mindful of the current volatility in the market and ensuring LTIP awards are aligned with shareholder experience. As at the date of this report, the Committee has not yet finalised the decisions on LTIP award levels (within the Policy limits) or the calibration of applicable free cash flow targets. We will confirm the conditions and make the awards after we have announced our annual results, to ensure that we have targets in place that are both stretching for participants and also fully reflective of how shareholders and the market view the long-term performance of the business. We will fully disclose the award details and targets at the time of the grant announcement and also include them in next year's Remuneration Report.

Chair and non-executive director fees

As announced in May 2022, we are pleased to confirm the appointment of Ian Dyson to succeed Ian Livingston as Chair of the Board. Ian Dyson will join the Board as a non-executive director on 1 September 2022 and will become Chair of the Board and Nominations Committee following the AGM on 8 September 2022, with Ian Livingston stepping down from the Board on that date. There will be no change to the annual Chair of the Board's fee, remaining at £300,000.

In addition, although not a matter for the Remuneration Committee (being a matter reserved for the Board), the Board carried out a review of the non-executive directors' fees. As a result of that review the Board decided to increase fee levels for the non-executive directors by 2%, effective 1 May 2022, as detailed on page 147. This is the first increase in fees to the non-executive directors since the merger of Dixons and Carphone in 2014. The Chair and I, as Deputy Chair, waived the increase to our fees, and these remain unchanged.

I hope you find that this report clearly explains the remuneration approach we have taken and how we will implement the policy in 2022/23. We have sought to ensure that a balanced approach has been taken for all stakeholders based on their experiences during the year. As always, we would welcome any feedback or comments on this report. We look forward to your continued engagement and thank you for the feedback provided to date.



Tony DeNunzio CBE
Chair of the Remuneration Committee

6 July 2022

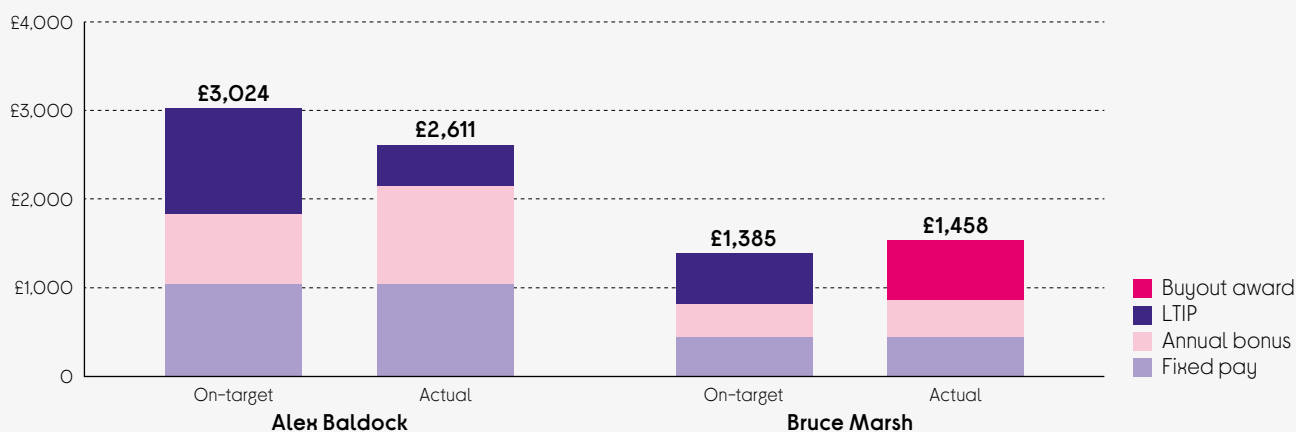
Remuneration Report continued

Remuneration at a glance

		2021/22	2022/23 proposed
BASE SALARY		<ul style="list-style-type: none"> CEO (Alex Baldock) – £880,000 CFO (Bruce Marsh) – £415,400 	<ul style="list-style-type: none"> CEO (Alex Baldock) – £906,400 CFO (Bruce Marsh) – £427,500
ANNUAL PERFORMANCE BONUS	Maximum opportunity	<ul style="list-style-type: none"> 150% of base salary One-third deferred into shares for a period of two years 	<ul style="list-style-type: none"> 150% of base salary One-third deferred into shares for a period of two years
	Performance metrics (weighting)	<ul style="list-style-type: none"> EBIT (45%) Average net debt (15%) ESG (40%) <ul style="list-style-type: none"> Net Promoter Score (15%) Employee engagement (15%) Environmental (10%) <ul style="list-style-type: none"> E-waste take back volumes (5%); and Progress to Net Zero (5%) EBIT underpin and 'Treating Customers Fairly' clawback 	<ul style="list-style-type: none"> EBIT (45%) Average net debt (15%) ESG (40%) <ul style="list-style-type: none"> Net Promoter Score (15%) Employee engagement (15%) Environmental (10%) <ul style="list-style-type: none"> E-waste take back volumes (5%); and Progress to Net Zero (5%) EBIT underpin and 'Treating Customers Fairly' clawback
LTIP	Maximum opportunity	<ul style="list-style-type: none"> 250% of base salary 	<ul style="list-style-type: none"> 250% of base salary
	Performance metrics (weighting)	<ul style="list-style-type: none"> TSR relative to a bespoke group of UK and European retailers (50%) Cumulative free cash flow (50%) 	<ul style="list-style-type: none"> TSR relative to the FTSE 250 (50%) Cumulative free cash flow (50%)
SHARE OWNERSHIP GUIDELINES		<ul style="list-style-type: none"> 200% of salary to be achieved within five years of appointment For new appointments, shares to the value of 200% of salary must be retained for the first-year post-cessation and 100% for the second year 	<ul style="list-style-type: none"> 250% of salary to be achieved within five years of appointment Shares to the value of 250% of salary must be retained for the first year post-cessation and 125% for the second year

Total remuneration earned in the year

The chart below reflects the on-target and actual remuneration outcomes for 2021/22.



Introduction

The purpose of this report is to inform shareholders of the directors' remuneration for the year ended 30 April 2022 and the proposed Remuneration Policy to be followed for the next three years.

This report is divided into two sections:

- the Remuneration Policy; and
- the Annual Remuneration Report.

The current Remuneration Policy was approved by shareholders at the annual general meeting on 5 September 2019 and was effective from that date. Following several proposed changes to the policy, a new authority will be sought from shareholders in a binding vote at the Annual General Meeting on 8 September 2022 and the new policy will be effective from that date. The Annual Remuneration Report will be put to an advisory vote at the 2022 AGM.

The role of the Committee is to determine on behalf of the Board a remuneration policy for executive directors and senior management which promotes the long-term success of the business through the attraction and retention of executives who have the ability, experience and dedication to deliver outstanding returns for our shareholders.

The Committee has adopted the principles of good governance relating to directors' remuneration as enshrined in section 5 of the UK Corporate Governance Code 2018 (the "Code") and has paid close regard to the principles of clarity, transparency, risk management, proportionality and alignment to culture and strategy. The Committee has complied with those principles in the year under review.

These reports have been prepared by the Committee on behalf of the Board in accordance with the Companies Act 2006, Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Listing Rules of the Financial Conduct Authority. The Remuneration Policy (which is not subject to audit) details the role of the Committee, the principles of remuneration and other matters. The Annual Remuneration Report (elements of which are audited) details the directors' and former directors' fixed and variable pay, share awards, share options and pension arrangements.

Remuneration Policy

Remuneration strategy

Put simply, our aim is to generate superior returns for our shareholders and the key to achieving this is our colleagues. Our remuneration strategy is therefore designed to motivate high-performing colleagues to deliver our business strategy.

The objectives of our remuneration strategy are to:

- attract, motivate and retain high-quality talent;
- be transparent and align the interests of senior management and executive directors with those of shareholders, by encouraging management to have a significant personal stake in the long-term success of the business;
- weight remuneration to variable pay so that it incentivises outperformance particularly over the long term whilst discouraging inappropriate risk-taking;
- ensure that superior rewards are only paid for exceptional performance against challenging targets;
- apply policies consistently across the Group to promote alignment and teamwork;
- recognise the importance of delivering across a balanced set of metrics to ensure the right behaviours are adopted and the long-term health of the business is protected; and
- avoid rewarding failure.

In developing its policy, the Committee has regard to:

- the performance, roles and responsibilities of each executive director or member of senior management;
- the remuneration arrangements and policy which apply below senior management levels, including average base salary increases across the workforce;
- information and surveys from internal and independent sources;
- the economic environment and financial performance of the Company; and
- good corporate governance practice.

For reference, our workforce is comprised of full-time and part-time colleagues and fixed term contractors that are directly employed by the Group. Our workforce is supported by people employed by third parties that use Currys' IT systems and work on Currys' premises but are not directly employed by the Group.

Guidelines on responsible investment disclosure

In line with the Investment Association guidelines on responsible investment disclosure, the Committee is satisfied that the incentive structure and targets for executive directors do not raise any environmental, social or governance risks by inadvertently motivating irresponsible or reckless behaviour. The Committee considers that no element of the remuneration package will encourage inappropriate risk-taking by any member of senior management.

Remuneration Report continued

Remuneration Policy table

The individual elements of the remuneration packages offered to executive directors are summarised in the following table:

Base salary (fixed pay)	
Purpose and link to strategy	To aid the recruitment, retention and motivation of high-performing colleagues. To reflect their skills, experience and importance to the business.
Operation	Normally reviewed annually. The review reflects a range of factors including merit levels, internal relativity, external market data and cost. Our overall policy, having due regard to the factors noted, is normally to target salaries at market level taking into consideration FTSE 51-150 and retailers of a similar size. Salaries for new appointments as executive directors will be set in accordance with the Recruitment Policy set out on pages 127 and 128. The Committee takes into consideration the impact of base salary increases on the package as a whole, as other elements of pay (such as pension contributions) are generally based on a percentage of salary.
Maximum opportunity	Ordinarily, increases for executive directors will be in line with increases across the Group. Increases beyond those granted across the Group may be awarded in certain circumstances, such as changes in responsibilities, progression in the role and significant increases in the size, complexity or value of the Group. Salary levels for current directors are shown in the Annual Remuneration Report.
Performance assessment/ targets	Salaries are normally reviewed annually by the Committee at the appropriate meeting having due regard to the individual's experience, performance and added value to the business.
Changes from previous policy	None.
Benefits (fixed pay)	
Purpose and link to strategy	In line with the Company's strategy to keep remuneration weighted to variable pay that incentivises outperformance, a modest range of benefits is provided. Benefits may vary based on the personal choices of a director. Provision of relocation or other related assistance may be provided to support the appointment or relocation of a director.
Operation	Executive directors are entitled to a combination of benefits which include, but are not limited to: <ul style="list-style-type: none"> • car allowance or the use of a driver for company business; • private medical cover; • life assurance; • holiday and sick pay; and • a range of voluntary benefits including the purchase of additional holiday. <p>Executive directors will be eligible for other benefits which are introduced for the wider workforce on broadly similar terms.</p> <p>Any reasonable business-related expenses (including the tax thereon) can be reimbursed if determined to be a taxable benefit.</p> <p>Should an executive director be recruited from, or be based in, a non-UK location, benefits may be determined by those typically provided in the normal country of residence and/or reflect local market legislation.</p> <p>Relocation or other related assistance could include, but is not limited to, removal and other relocation costs, tax equalisation, tax advice and accommodation costs.</p>
Maximum opportunity	The cost to the Group of providing such benefits will vary from year to year in accordance with the cost of providing such benefits, which is kept under regular review.
Performance assessment/ targets	Not applicable.
Changes from previous policy	None.

Pension (fixed pay)	
Purpose and link to strategy	A pension is provided which is consistent with that provided to other corporate employees in the UK and in line with our strategy to keep remuneration weighted to variable pay that incentivises outperformance.
Operation	<p>Defined contribution plans are offered to all employees. A defined benefit pension plan continues in operation for Dixons' longer-serving employees, which is now closed to new participants and future accrual.</p> <p>Executive directors may choose to receive a cash allowance in lieu of pension contributions.</p>
Maximum opportunity	Executive directors will receive a pension contribution in line with the level paid to the majority of the UK workforce across the Group, up to 10% of base salary, which can be taken in whole or in part as a cash allowance in lieu of pension.
Performance assessment/ targets	Not applicable.
Changes from previous policy	Formalising our existing commitment to align the level of executive director pension contributions with those of the wider workforce.
Annual performance bonus (variable pay)	
Purpose and link to strategy	<p>Annual performance bonuses are in place to incentivise the delivery of stretching, near-term business targets based on our business strategy.</p> <p>These bonuses provide a strong link between reward and performance and drive the creation of further shareholder value.</p> <p>The principles and approach are consistently applied across the Group ensuring alignment to a common vision and strategy.</p> <p>They are based on a balanced approach ensuring appropriate behaviours are adopted and encouraging a longer-term focus.</p>
Operation	<p>Bonus payments are determined after the year end and subject to a minimum profit threshold being achieved before payment is due.</p> <p>For threshold level of performance, a bonus of up to 20% of the maximum potential award is payable. A sliding scale determines payment between the minimum and maximum bonus payable.</p> <p>The annual bonus is typically determined in June based on the audited performance over the previous financial year.</p> <p>One-third of any bonus earned will be deferred into shares for a period of two years, with the remaining two-thirds paid in cash. Any bonus earned is non-pensionable. Where any bonus is deferred, dividends (or equivalents) may accrue.</p> <p>Performance is reviewed by the Committee using its judgement where necessary to assess the achievement of targets. The Committee retains the discretion to adjust downwards bonus payments where achievement of targets would result in a payment of a bonus at a level which would not be consistent with the interests of the Company and its shareholders.</p> <p>Recovery and withholding provisions apply for material misstatement, misconduct, calculation error, reputational damage, corporate failure, material failure of risk management and internal controls and unreasonable failure to protect the interests of employees and customers, enabling performance adjustments and/or recovery of sums already paid. These provisions will apply for up to three years after payment.</p>
Maximum opportunity	<p>Maximum annual bonus potential for all executive directors is 150% of base salary.</p> <p>No bonus is payable if the minimum profit threshold is not achieved.</p>

Remuneration Report continued

Performance assessment/ targets	<p>All measures and targets are reviewed and set by the Committee at the beginning of the financial year with a view to supporting the achievement of the Group strategy.</p> <p>The bonus scheme has targets based on a balanced scorecard. The balanced scorecard may include both financial and non-financial measures, such as employee, customer and strategic measures. The weighting of measures will be determined by the Committee each year. Financial measures (such as profit and cash) will represent the majority of the bonus opportunity, with other measures representing the balance.</p>
Changes from previous policy	<p>The current list of malus and clawback trigger points in the Operation section has been expanded to include ‘material failure of risk management and internal controls’ and ‘unreasonable failure to protect the interests of employees and customers’, to align with best practice.</p>
Long-term incentive scheme (variable pay): Long Term Incentive Plan (“LTIP”)	
Purpose and link to strategy	<p>Long-term incentive schemes are transparent and demonstrably aligned with the interests of shareholders over the long term.</p> <p>The LTIP is designed to reward and retain executives over the longer term, whilst aligning an individual’s interests with those of shareholders and in turn delivering significant shareholder value.</p>
Operation	<p>Discretionary awards of nil-priced options or conditional share awards are granted over Currys plc shares.</p> <p>Awards will be granted annually and will usually vest after three years subject to continued service and the achievement of performance conditions.</p> <p>The level of vesting is dependent on achievement of performance targets, usually over a three-year period. No more than 25% of the maximum will be payable for threshold level of performance.</p> <p>The post-tax number of share awards vesting will be subject to a further two-year holding period, during which they cannot be sold, unless in exceptional circumstances and with the Committee’s permission.</p> <p>Dividend equivalents may be accrued on the shares earned from any award.</p> <p>Awards will be subject to recovery and withholding provisions for material misstatement, misconduct, calculation error, reputational damage and corporate failure, material failure of risk management and internal controls and unreasonable failure to protect the interests of employees and customers, enabling performance adjustments and/or recovery of sums already paid. These provisions will apply for up to three years after vesting.</p> <p>If employment ceases during the vesting period, awards will ordinarily lapse in full, unless the Committee exercises its discretion.</p> <p>The Committee has the discretion in certain circumstances to grant and/or settle an award in cash. For the executive directors this would only be used in exceptional circumstances.</p> <p>In the event of a change of control, any unvested awards will vest immediately, subject to satisfaction of performance conditions and reduction on a time-apportioned basis.</p>
Maximum opportunity	<p>Grants under the LTIP are subject to overall dilution limits.</p> <p>The normal maximum grant per participant in any financial year will be a market value of 250% of base salary, with up to 375% in exceptional circumstances, e.g. recruitment.</p> <p>More details on the proposed award levels for executive directors in 2022/23 are set out in the Annual Remuneration Report on page 146 and full details will be disclosed at grant.</p>

Performance assessment/ targets	<p>Performance targets are reviewed by the Committee prior to each grant and are set to reflect the key priorities of the business at that time.</p> <p>The Committee determines the metrics from a range of measures, including but not limited to, market-based performance measures such as TSR and financial metrics such as free cash flow. The Committee retains the flexibility to introduce new measures in the future if considered appropriate given the business context, although financial measures in total will not be weighted any less than 60% of the total award. Material changes will be subject to consultation with major shareholders.</p> <p>The actual metrics applying for each award will be set out in the Annual Remuneration Report and any changes in the metrics will be explained.</p>
Changes from previous policy	<p>The current list of malus and clawback trigger points in the Operation section has been expanded to include 'material failure of risk management and internal controls' and 'unreasonable failure to protect the interests of employees and customers', to align with best practice.</p> <p>The wording of the Performance assessment/targets section has been amended to allow for greater future flexibility in (i) choice of measures and (ii) weightings, and states our commitment to have no less than a 60% weighting in financial metrics.</p>
All employee share plans	
Purpose and link to strategy	Encourages employees to make a long-term investment in the Company's shares and therefore be aligned to the long-term success of the Company.
Operation	Executive directors are eligible to participate in the Group all-employee share schemes, but not the Colleague Shareholder Scheme, on the same terms as other eligible employees.
Maximum opportunity	<p>The same limits apply to executive directors as to all other participants in the schemes and are in line with the appropriate regulations.</p> <p>The Committee reserves the right to increase the savings limits for future schemes in accordance with the statutory limits in place from time to time.</p>
Performance assessment/ targets	None of the schemes are subject to any performance conditions.
Changes from previous policy	None.
Share ownership guidelines	
Purpose and link to strategy	Provides close alignment between the longer-term interests of executive directors and shareholders in terms of the Company's long-term success.
Operation	<p>The Company requires executive directors to retain a certain percentage of base salary in the Company's shares, with a five-year period in which to reach these limits. Executive directors are also required to retain a proportion of these shares post the cessation of employment.</p> <p>The shares which count towards this requirement are beneficially owned shares (both directly and indirectly).</p>
Maximum opportunity	Not applicable.
Performance assessment/ targets	The Company requires all executive directors to retain 250% of base salary in the Company's shares during employment. On leaving, an executive director will also be required to retain shares equivalent to 250% of their base salary on leaving for a period of 12 months and then 125% of their base salary for a further period of 12 months.
Changes from previous policy	<p>Increasing the in-employment shareholding requirement from 200% of salary to 250% of salary; and</p> <p>Increasing the post-employment shareholding requirement from 200% to 250% for the first year post-cessation and 125% for the second year.</p> <p>Current Executive Directors will have five years from the date of approval of the Policy at the 2022 AGM to meet the increased shareholding requirements.</p> <p>Our current CEO will be covered by the requirement as well as the CFO.</p>
Details of the Directors' shareholding are shown in the table on page 145.	

Remuneration Report continued

Non-executive directors and chair of the Board/deputy chair fees	
Purpose and link to strategy	To provide a competitive fee for the performance of non-executive director duties, sufficient to attract high-calibre individuals to the role.
Operation	<p>The fees are set to align with the duties undertaken, taking into account market rates, and are normally reviewed on an annual basis. Factors taken into consideration include the expected time commitment and specific experience.</p> <p>Additional fees are payable for acting as the senior independent director or as chair of any Board committee, and for membership of a Board Committee.</p> <p>Non-executive directors do not participate in the Annual performance bonus or the long-term incentive plans or pension arrangements.</p> <p>Any reasonable business-related expenses (including the tax thereon) can be reimbursed if determined to be a taxable benefit.</p> <p>For material, unexpected increases in time commitments, the Board may pay extra fees on a pro-rated basis to reflect additional workload.</p>
Maximum opportunity	Aggregate annual limit of £2,000,000 imposed by the Articles of Association for Directors' fees (not including fees in relation to any executive office or chair of the Board, deputy chair, senior independent director or committee chair fees).
Performance assessment/ targets	Not applicable.
Changes from previous policy	None.

Selection of performance metrics

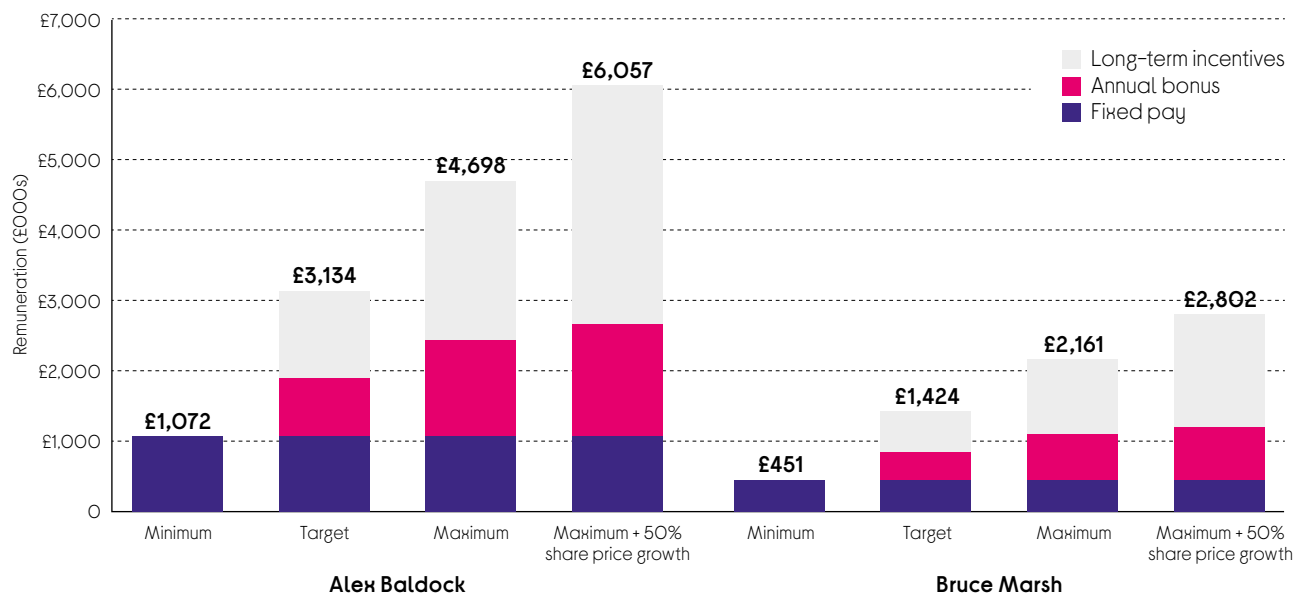
The policy provides flexibility for the Committee to determine the measures to be used in the Annual performance bonus and the LTIP. The measures used currently, and their purposes are set out below.

Measure	Where used	Purpose
EBIT	Annual performance bonus	Key measure of annual financial delivery
Average net debt	Annual performance bonus	Focus on the business's cash position
Net Promoter Score	Annual performance bonus	Captures the overall perception of our business in the eyes of our customers
Employee engagement	Annual performance bonus	Reflects how well we engage our colleagues – a factor which we know to be a key driver of retention and performance
Environmental	Annual performance bonus	Reflects our focus on the climate agenda
Cumulative free cash flow	LTIP	A principal measure of the financial health of the business including the management of working capital, captured over a multiyear period
Relative TSR	LTIP	Seeks to measure the growth in shareholders' investment in Currys (share price movements plus dividends paid) relative to other similar companies

Illustration of Remuneration Policy

The Remuneration Policy scenario chart below illustrates the level and mix of potential total remuneration the ongoing executive directors could receive under the Remuneration Policy at three levels of performance: minimum, target and maximum.

Remuneration Policy scenario chart



- (1) Fixed pay is based on the base salary payable at 1 August 2022, taxable benefits and pension contributions.
- (2) Annual variable pay represents the annual performance bonus entitlement. No bonus is assumed at the minimum performance level. Target performance assumes a payment of 90% of salary (i.e. 60% of maximum) and at maximum performance a payment of 150% of base salary.
- (3) Long-term incentives relate to the LTIP. No awards vest at the minimum performance level. Target performance assumes a vesting of 137.5% of salary (i.e. 55% of maximum award) and maximum performance vesting of 250% of salary.
- (4) The chart above does not take into account the impact of share price appreciation, other than the fourth bar, which assumes a growth in the share price of 50% over the vesting period for LTIP and Deferred Share Bonus Plan awards.

Alignment of the Remuneration Policy to the UK Corporate Governance Code 2018

The table below explains how the Remuneration Committee has addressed the factors set out in Provision 40 of the Code when determining the Remuneration Policy.

Clarity	Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	<p>The Remuneration Committee has aimed to incorporate simplicity and transparency into the design and delivery of our Remuneration Policy. The remuneration structure is simple to understand for both participants and shareholders and is aligned to the strategic priorities of the business.</p> <p>We aim for disclosure of the policy and how it is implemented to be in a clear and succinct format.</p>
Simplicity	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	Our remuneration arrangements for executive directors are purposefully simple, comprising fixed pay (salary, benefits, pension/pension allowance), a short-term incentive plan (annual performance bonus) and a long-term incentive plan (LTIP).

Remuneration Report continued

Risk	Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Remuneration Policy includes a number of points to mitigate potential risks: <ul style="list-style-type: none"> • There are defined limits on the maximum opportunity levels under incentive plans. • Performance targets are calibrated at appropriately stretching but sustainable levels. • The Remuneration Committee considers formulaic incentive outcomes and determines whether to make any adjustments, including to take into account the experience of wider stakeholders such as employees and shareholders. • Incentive plans include provisions to allow malus and clawback to be applied, where appropriate. • The use of bonus deferral, LTIP holding periods, in-employment and post-employment shareholding requirements ensure that there is an alignment of interests between executive directors and shareholders and encourage sustainable performance.
Predictability	The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	We aim for our disclosure to be clear to allow shareholders to understand the range of potential values which may be earned under the remuneration arrangements. Our Remuneration Policy clearly sets out relevant limits and potential for discretion.
Proportionality	The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	A significant part of an executive's reward is linked to performance with a clear line of sight between business performance and the delivery of shareholder value. The Remuneration Committee may adjust formulaic outcomes of incentive arrangements if they do not appropriately align with performance achieved or the experience of wider stakeholders such as employees and shareholders.
Alignment to culture	Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	The incentive arrangements and the performance measures used are strongly aligned to those that the Board considers when determining the success of the implementation of the Company's purpose, values and strategy. Please see our Strategic Report for an explanation of our strategy and key performance Indicators.

Remuneration Committee discretions

The Committee operates the Annual performance bonus plan, LTIP and all-employee plans in accordance with their respective rules, the Listing Rules and HMRC rules (or overseas equivalent) where relevant. The Committee retains discretion, consistent with market practice, over a number of areas relating to the operation and administration of these plans. These include but are not limited to:

- entitlement to participate in the plan;
- when awards or payments are to be made;
- size of award and/or payment (within the rules of the plans and the approved policy);
- determination of a good leaver for incentive plan purposes and the appropriate treatment based on the rules of each plan;
- discretion as to the measurement of performance conditions and pro-rating in the event of a change of control;
- any adjustment to awards or performance conditions for significant events or exceptional circumstances; and
- the application of recovery and withholding provisions.

Shareholder consultation

The Committee has a policy to consult with its major shareholders when making any significant changes to the Remuneration Policy of the Company. Any feedback received is taken into consideration when determining future policy. The Committee also takes into consideration remuneration guidance issued by leading investor bodies, in addition to the principles of good governance relating to directors' remuneration as set out in the Code.

The review of the Remuneration Policy during the year included consultation with several of the Company's major shareholders and the leading investor bodies. The Committee explained the proposed approach to the 2022 Remuneration Policy and sought shareholder views. The Committee received constructive feedback and consulted further in respect of some of the feedback received. Although there was a mix of perspectives between our different shareholders, in general, the balance of investors were supportive of our approach to keep the policy largely the same aside from some adjustments to align to evolving corporate governance best practice.

The consensus of feedback is reflected in the Remuneration Policy to be submitted to shareholders for approval in 2022.

Employee engagement and consultation

When considering remuneration arrangements for executive directors, the Committee takes into account, as a matter of course, the pay and conditions of colleagues at all levels throughout the Company, to ensure appropriate alignment. The Committee receives regular updates regarding any major changes to colleague remuneration during the year and also reviews information on internal measures, including details of our gender pay gap and the ratio of the Group Chief Executive remuneration to UK colleague remuneration and considers how these compare externally and change over time. The Committee is also kept informed of general employment conditions across the Group, including the annual pay review outcomes.

The Company communicates regularly with colleagues by way of email updates, live Q&A sessions and intranet posts to provide information about our strategy, our performance and on operational matters as well as asking for feedback from colleagues via regular employee surveys.

The Committee and the Board places great importance on listening to the views of our colleagues on a range of issues including pay and benefits, and the International Colleague Forum is in place to unify country forums into a single listening and engagement forum for colleagues. Tony DeNunzio, the Remuneration Committee Chair, attends UK forum meetings with the Chief People Officer and Andrea Gisle Joosen, Independent Non-Executive Director and Remuneration Committee member, attends the Nordics Colleague Forum meetings. Attendance at these forums provides a welcomed opportunity to directly engage with the wider workforce and to bring colleagues' views to both the Committee and Board discussions. Colleague feedback from this forum has been used to develop the Company culture and values and resulted in a range of initiatives including, for example, the establishment of colleague mental health first aiders.

Many of our colleagues are also shareholders and as such are able to attend annual general meetings, vote on all of the resolutions and share their views on the policy in the same way as other shareholders. In the coming year, we intend to use the colleague forums mentioned above to hold a session on how executive remuneration aligns with wider Company pay policy.

Remuneration policy for the wider workforce

Currys employs a large number of colleagues across different countries. Our reward framework is structured to suit the needs of the different businesses, employee groups and locations. Reward packages differ for a variety of reasons including the impact on the business, local practice, custom and legislation.

For management, the current bonus and LTIP structure cascades down to around 200 managers ensuring management are focused on delivering on strategic objectives and are aligned to overall shareholders' experience.

In determining salary increases to apply across the wider workforce, the Company takes into consideration Company performance and other market metrics as necessary. When determining salary increases for executive directors, the Committee takes into consideration salary increases throughout the Company as a whole.

The Company actively encourages wide employee share ownership. The Colleague Shareholder Scheme has provided the opportunity for all colleagues, subject to eligibility criteria, to become shareholders in the Company. In addition, the Group's UK employees, who meet the eligibility criteria, are invited to join the Company's UK-approved SAYE scheme.

Discretionary share plans are also extended to both senior management and other key members of the workforce, as the Company feels that it is important to incentivise and retain these employees over the longer-term in order for the Company to continue to grow.

Recruitment or promotion policy

On appointment or promotion, base salary levels will be set taking into account a range of factors including market levels, experience, internal relativities and cost. If an individual is appointed on a base salary below the desired market positioning, the Committee retains the discretion to realign the base salary over one to three years, contingent on individual performance, which may result in a higher rate of annualised increase above ordinary levels. If the Committee intends to rely on this discretion, it will be noted in the first Remuneration Report following an individual's appointment. Other elements of annual remuneration will be in line with the policy set out in the Remuneration Policy table. As such, variable remuneration will be capped as set out in the Remuneration Policy table.

The following exceptions will apply:

- in the event that an internal appointment is made or an executive director joins as a result of a transfer of an undertaking, merger, reconstruction or similar reorganisation, the Committee retains the discretion to continue with existing remuneration provisions and the provision of benefits. This discretion will not be used in respect of pension contributions in excess of the Committee's commitment to ensure that any newly appointed executive director will receive a pension contribution in line with the level paid to the majority of the UK workforce across the Group;
- as deemed necessary and appropriate to secure an appointment, the Committee retains the discretion to make additional payments linked to relocation (including any tax thereon);
- for an overseas appointment, the Committee will have discretion to offer cost-effective benefits and pension provisions which reflect local market practice and relevant legislation;
- the Committee may set alternative performance conditions for the remainder of the initial annual bonus performance period, taking into account the circumstances and timing of the appointment; and
- the Committee retains the discretion to provide an immediate interest in Company performance by making a long-term incentive award on recruitment (or shortly thereafter if in a prohibited period) in accordance with the Remuneration Policy Table under its existing long-term incentive schemes or such future schemes as may be introduced by the Company with the approval of its shareholders. The Committee will determine, at the time of award, the level of the award, the performance conditions and time horizon that would apply to such awards, taking into account the strategy and business circumstances of the Company.

Service contracts will be entered into on terms similar to those for the existing executive directors, summarised in the recruitment table below. However, the Committee may authorise the payment of a relocation and/or repatriation allowance, as well as other associated international mobility terms and benefits, such as tax equalisation and tax advice.

In addition to the annual remuneration elements noted above, the Committee may consider buying out, on a like-for-like basis, bonuses and/or incentive awards that an individual forfeits from a previous employer in accepting the appointment.

Remuneration Report continued

The Committee will have the authority to rely on Listing Rule 9.4.2(2) or exceptional limits of awards of up to 375% of base salary within the LTIP. If made, the Committee will be informed by the structure, time horizons, value and performance targets associated with any forfeited awards, while retaining the discretion to make any payment or award deemed necessary and appropriate. The Committee may also require the appointee to purchase shares in the Company in accordance with its shareholding policy.

With respect to the appointment of a new chair of the Board or non-executive director, terms of appointment will be consistent with those currently adopted. Variable pay will not be considered

and as such no maximum applies. With respect to non-executive directors, fees will be consistent with the policy in place at the time of appointment. If necessary, to secure the appointment of a new chair of the Board not based in the UK, payments relating to relocation and/or housing may be considered.

Elements of remuneration on appointment are set out in the recruitment table below.

A timely announcement with respect to any director's appointment and remuneration will be made to the regulatory news services and posted on the Company's corporate website.

Recruitment table for executive directors

Area	Feature	Policy
Service contract and incentive plan provisions	<ul style="list-style-type: none"> • Notice period • Entitlements on termination • Restrictive covenants • Variable elements 	<ul style="list-style-type: none"> • Up to 12 months from either side. • As summarised in the policy on loss of office. • Provisions for mitigation and payment in lieu of notice. • Garden leave provisions. • Non-compete, non-solicitation, non-dealing and confidentiality provisions. • The Committee has the discretion to determine whether an individual shall participate in any incentive in the year of appointment. • The Committee shall have the discretion to determine appropriate bonus performance targets if participating in the year of appointment.
Annual remuneration	Base salary	<ul style="list-style-type: none"> • To be determined on appointment, taking into account factors including market levels, experience, internal relativities and cost.
	Salary progression	<ul style="list-style-type: none"> • If appointed at below market levels, salary may be realigned over the subsequent one to three years subject to performance in role. In this situation, the Committee reserves the discretion to make increases above ordinary levels. • This initial market positioning and intention to increase pay above the standard rate of increase in the Remuneration Policy table (subject to performance) will be disclosed in the first Remuneration Report following appointment.
	Benefits and allowances	<ul style="list-style-type: none"> • The Committee retains the discretion to provide additional benefits as reasonably required. These may include, but are not restricted to, relocation payments, housing allowances and cost of living allowances (including any tax thereon).

Policy on loss of office

Service contracts contain neither liquidated damages nor a change of control clause.

The Company shall have a right to make a payment in lieu of notice in respect of base salary and benefits, including car allowance and pension contributions, only for the director's contractual period of notice or, if termination is part way through the notice period, the amount relating to any unexpired notice to the date of termination. There is an obligation on directors to mitigate any loss which they may suffer if the Company terminates their service contract. The Committee will take such mitigation obligation into account when determining the amount and timing of any compensation payable to any departing director.

A director shall also be entitled to a payment in respect of accrued but untaken holiday and any statutory entitlements on termination. No compensation is paid for dismissal, save for statutory entitlements.

A director shall be entitled to receive a redundancy payment in circumstances where, in the judgement of the Committee, they satisfy the statutory tests governing redundancy payments. Any redundancy payment shall be calculated by reference to the redundancy payment policy in force for all employees in the relevant country at the time of the redundancy and may include modest outplacement costs.

If a director's employment terminates prior to the relevant Annual performance bonus payment date, ordinarily no bonus is payable for that financial year. The Committee shall retain discretion to make a pro-rated bonus payment in circumstances where the Committee considers them to be a 'good leaver' and it would be appropriate to do so having regard to the contribution of the director during the financial year, the circumstances of the departure and the best interests of the Company.

Any entitlements under long-term incentive schemes operated by the Company shall be determined based on the rules of the relevant scheme. The default position of the LTIP is that awards will lapse on termination of employment, except where certain good leaver circumstances exist (e.g. death, ill-health, injury, disability, redundancy, transfer of an undertaking outside of the Group or retirement, or any other circumstances at the Committee's discretion) whereby the awards may vest on cessation, or the normal vesting date, in both cases subject to performance and time pro-rating. Although, the Committee can decide not to pro-rate an award (or pro-rate to a lesser extent) if it regards it as appropriate to do so in the particular circumstances.

The Committee shall be entitled to exercise its judgement with regard to settlement of potential claims, including but not limited to wrongful dismissal, unfair dismissal, breach of contract and discrimination, where it is appropriate to do so in the interests of the Company and its shareholders.

In the event that any payment is made in relation to termination for an executive director, this will be fully disclosed in the following Annual Remuneration Report.

A timely announcement with respect to the termination of any director's appointment will be made to the regulatory news service and posted on the Company's corporate website.

Service agreements

Service agreements for executive directors

Each of the executive directors' service agreements provides for:

- the reimbursement of expenses incurred by the executive director in performance of their duties;
- 25 days' paid holiday each year;
- sick pay; and
- a notice period of 12 months from either party.

In situations where an executive director is dismissed, the Committee reserves the right to make additional exit payments where such payments are made in good faith, such as:

- in discharge of a legal obligation; and
- by way of settlement or compromise of any claim arising in connection with the termination of the director's office and employment.

Letters of appointment

Each of the non-executive directors has a letter of appointment. The Company has no age limit for directors. Non-executive directors derive no other benefit from their office, except that the Committee retains the discretion to continue with existing remuneration provisions, including pension contributions and the provision of benefits, where an executive director becomes a non-executive director. It is Company policy not to grant share options or share awards to non-executive directors. The Chair of the Board, Deputy Chair and the other non-executive directors have a notice period of three months from either party.

Appointments to the Board are reviewed by the Nominations Committee and recommendations made to the Board accordingly.

External appointments

The Board supports executive directors should they choose to take non-executive directorships as a part of their continuing development and agrees that the executive directors may retain their fees from one such appointment. Further details on current external directorships and fees can be found in the Annual Remuneration Report on page 142.

Dilution limits

All the Company's equity-based incentive plans incorporate the current Investment Association Share Capital Management Guidelines ('Guidelines') on headroom which provide that overall dilution under all plans should not exceed 10% over a ten-year period in relation to the Company's issued share capital (or reissue of treasury shares). In addition, the LTIP operates with a 5% in ten-year dilution limit (excluding historic discretionary awards). The Company regularly monitors the position and prior to making any award the Company ensures that it will remain within these limits. Any awards which will be satisfied by market purchase shares are excluded from such calculations. As at 6 July 2022, the Company's dilution position, which remains within the current Guidelines, was 4.4% for all plans (against a limit of 10%) and 2.1% for the LTIP (against a limit of 5%).

Remuneration Committee report

Committee members	Meeting Attendance*	Number of meetings
Tony DeNunzio (Chair)	6/6	6
Andrea Gisle Joosen	6/6	
Gerry Murphy	6/6	

* Five scheduled and one ad hoc

2021/22 HIGHLIGHTS

- Developing the 2022 Directors' Remuneration Policy;
- Consulting with shareholders on the proposed 2022 Directors' Remuneration Policy;
- Approving the vest of the first tranche of the Colleague Shareholder Award.

Remuneration Committee purpose

The Board has delegated to the Remuneration Committee (the 'Committee') responsibility for determining policy in relation to the remuneration packages for executive directors, the Chair of the Board and other senior management. Remuneration needs to promote the long-term sustainable success of the business through the attraction and retention of executives who have the ability, experience and dedication to deliver outstanding returns for our shareholders. This delegation includes their terms and conditions of employment in addition to the operation of the Group's share-based employee incentive schemes. The Committee also makes recommendations and monitors the level and the overall reasonableness of the structure of remuneration for the general workforce. The Committee approves the service agreements of each executive director, including termination arrangements and considers the achievement of the performance conditions under annual and long-term incentive arrangements.

Meetings

Only members of the Committee are entitled to attend Committee meetings. The Chair of the Board, Group Chief Executive, Group Chief Financial Officer, General Counsel and Company Secretary, Chief People, Communications and Sustainability Officer, Group Reward Director, Head of Executive Reward and Share Plans and other members of senior management, and representatives from the Company's remuneration advisor (Willis Towers Watson) attended the relevant Committee meetings by invitation.

No directors participate in discussions about their own remuneration.

The Company Secretary, or their nominee, acts as Secretary to the Committee and attends all meetings. The Committee's deliberations are reported by its Chair at the subsequent Board meeting and the minutes of each meeting are circulated to all members of the Board following approval.

The Committee meets as and when required and at least twice a year. The biographical details for each Committee member are available on pages 82 and 83.

The Committee has the following principal duties:

- making recommendations to the Board on the Company's framework of executive remuneration;
- determining the fees of the Chair of the Board and Deputy Chair;
- considering and making recommendations to the Board on the remuneration of the executive directors and senior management relative to performance and market data;
- approving contracts of employment which exceed defined thresholds of total remuneration or have unusual terms or termination periods;
- considering and agreeing changes to the Remuneration Policy or major changes to employee benefit structures;
- reviewing the reward and benefits structures across the group for all levels of colleagues; and
- approving and operating employee share-based incentive schemes and associated performance conditions and targets.

Activities during the year

The principal activities of the Committee during 2021/22 included:

Executive directors remuneration and governance

- **2022 Directors' Remuneration Policy** including development and consultation with shareholders;
- **Directors' Remuneration Report** reviewed and approved;
- **Annual performance bonus:**
 - 2020/21 – assessed the performance of executive directors against targets;
 - 2021/22 – agreed the design including the performance measures and targets including the approval of the inclusion of an environmental measure;
 - 2022/23 – reviewed annual performance bonus design;
- **LTIP:**
 - 2021/22 – agreed the design including the performance measure;
 - 2022/23 – reviewed TSR peer group and approved change to FTSE 250;
- benchmarking and approving base pay changes for Executive Committee roles;
- monitoring the developments in the corporate governance environment and investor expectations; and
- approving the grant of the Group Chief Financial Officer's buy-out award.

FURTHER INFORMATION



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→ Committee Terms of Reference last approved: 18 January 2022.

→ The biographical details for each Committee member are available on pages 82 and 83.

Wider workforce pay across the Group

- reviewing the 2021/22 Nordics' colleague engagement score and assessing the impact on the Group engagement target;
- agreeing the good leaver treatment for the Colleague Shareholder Award relating to the closure of the Portuguese office;
- approval of the February 2019 Colleague Shareholder Award vesting;
- approving the UK Gender Pay Gap Report and reviewing similar international reporting obligations;
- reviewing and approving various arrangements for senior managers leaving the Company;
- approving share awards to senior management under the 2016 LTIP and SAYE and Colleague Shareholder for the wider workforce;
- reviewing the wider workforce pay and bonus arrangements; and
- monitoring and ensuring alignment of remuneration practices across the Group.

Remuneration details for 2021/22

The following sections set out how the Remuneration Policy was implemented during 2021/22 and how it will be implemented for the following year.

Single figure of directors' remuneration for the year ended 30 April 2022 (audited information)

	Base salary and fees £'000	Pension contributions ⁽³⁾ £'000	Taxable benefits ⁽⁴⁾ £'000	Total fixed remuneration £'000	Annual performance bonus £'000	Deferred Share Bonus Plan award £'000	LTIP payments £'000	Total variable remuneration £'000	Total remuneration £'000
Executive									
Alex Baldock	877	88	75	1,040	735	367	469 ⁽⁵⁾	1,571	2,611
Bruce Marsh ⁽¹⁾	337	10	11	358	279	140	680 ⁽⁶⁾	1,099	1,457
Former directors									
Jonny Mason ^(1, 2)	397	9	4	410	0	0	169 ⁽⁵⁾	169	579
	1,611	107	90	1,808	1,014	507	1,318	2,839	4,647
Non-executive									
Eileen Burbidge	65	-	0	65	-	-	-	-	65
Tony DeNunzio	140	-	1	141	-	-	-	-	141
Andrea Gisle Joosen	70	-	2	72	-	-	-	-	72
Lord Livingston of Parkhead ⁽⁷⁾	300	-	1	301	-	-	-	-	301
Fiona McBain	75	-	1	76	-	-	-	-	76
Gerry Murphy	70	-	0	70	-	-	-	-	70
	720	0	5	725	0	0	0	0	725
	2,331	107	95	2,533	1,014	507	1,318	2,839	5,372

(1) Remuneration is shown for the period served on the Board. Jonny Mason stepped down from the Board on the 9 July 2021. Bruce Marsh was appointed to the Board on 12 July 2021.

(2) Jonny Mason was on a 12-month notice period to be given by the Company, and notice was given on 20 January 2021. After termination, payment in lieu of notice of £291,064, was paid in instalments until the end of his notice period. He also received accrued holiday pay of £16,226. These amounts are included in the base salary figure.

(3) Pension contributions comprise the Company's contribution or allowance in lieu. The contribution amount was 10% of salary for Alex Baldock and Jonny Mason, and 3% for Bruce Marsh.

(4) Taxable benefits for executive directors include private medical insurance and car allowance or driver benefit amounts. £73,937 for Alex Baldock relates to the grossed-up element payable to cover the tax liability for his car and driver, arising from business activities considered taxable by HMRC. For non-executive directors they include routine travel expenses relating to travel, accommodation and subsistence costs incurred in connection with attendance at Board meetings and other Board business during the year, which are considered taxable by HMRC.

(5) Share plans vesting represent the value of LTIP awards where the performance period ends on 30 April 2022 and are based on a share price of £0.9464, being the three-month average to 30 April 2022 and an estimate of the accrued dividend equivalent up to 30 April 2022 using the same share price. Jonny Mason's award has been pro-rated for service to his termination date. The proportion of the value of the LTIP that is attributable to share price depreciation (the depreciation being the difference between the face value at the date of award and the vested value of the award) is 23%.

(6) Bruce Marsh received a buy-out award and cash payment to compensate for bonus and awards lost from his previous employer. The total value of £680,231, reported in the table is made up from the cash payment of £271,449 paid on joining and the buy-out award value of £408,782. The buy-out award comprised of nil cost options over 410,366 shares, 72,693 vested immediately on grant on 22 October 2021, valued at £89,194 using the share price of £1.227, being the mid-market price on the day of grant and the remaining award over 337,673 shares is valued at £319,588, using a share price of £0.9464, being the three-month average to 30 April 2022.

(7) Ian Livingston has a deferred pension in the Dixons Retirement and Employee Security Scheme.

Single figure of directors' remuneration for the year ended 1 May 2021 (audited information)

	Base salary and fees ⁽¹⁾ £'000	Pension contributions ⁽³⁾ £'000	Taxable benefits ⁽⁴⁾ £'000	Total fixed remuneration £'000	Annual performance bonus £'000	Deferred Share Bonus Plan award £'000	LTIP payments ⁽⁵⁾ £'000	Total variable remuneration £'000	Total remuneration £'000
Executive									
Alex Baldock ⁽²⁾	843	85	34	962	763	381	778	1,922	2,884
Jonny Mason ⁽²⁾	466	47	13	526	422	211	558	1,191	1,717
	1,309	132	47	1,488	1,185	592	1,336	3,113	4,601
Non-executive									
Eileen Burbidge ⁽²⁾	63	–	–	63	–	–	–	–	63
Tony DeNunzio ⁽²⁾	136	–	–	136	–	–	–	–	136
Andrea Gisle Joosen	68	–	–	68	–	–	–	–	68
Lord Livingston of Parkhead ^(2, 6)	292	–	–	292	–	–	–	–	292
Fiona McBain ⁽²⁾	73	–	–	73	–	–	–	–	73
Gerry Murphy ⁽²⁾	68	–	–	68	–	–	–	–	68
	700	0	0	700	0	0	0	0	700
	2,009	132	47	2,188	1,185	592	1,386	3,113	5,301

(1) Due to the impact of Covid-19, all members of the Board agreed to a temporary 20% reduction in base pay and fees from 5 April 2020 to 28 June 2020. Base pay amounts waived by Alex Baldock and Jonny Mason for the period from 3 May 2020 to 28 June 2020 were £26,654 and £14,738, respectively.

(2) On 6 August 2020, in order to align all payroll dates across the UK & Ireland business, all colleagues who were paid on a monthly payroll moved onto a four weekly payroll cycle. On this basis, those executive directors and non-executive directors previously on a monthly pay frequency also changed their pay frequency.

(3) Pension contributions comprise the Company's contribution or allowance in lieu. The contribution amount was 10% of salary for Alex Baldock and Jonny Mason.

(4) Taxable benefits for executive directors include private medical insurance and car allowance or driver benefit amounts. £30,798 for Alex Baldock relates to the grossed-up element payable to cover the tax liability for his car and driver, arising from business activities considered taxable by HMRC. In addition, for Alex Baldock the benefits also includes the gain resulting from the 2020 Sharesave grant, in which he participates on the same basis as all eligible employees.

(5) Share plans vesting represent the value of LTIP awards and associated accrued dividend equivalents, where the performance period ends on 1 May 2021 and are based on a share price of £1.167 for Alex Baldock's award and £1.407 for Jonny Mason's award, being the share price on the vesting date of 19 July 2021 and 13 August 2021 respectively. Jonny Mason's award has been pro-rated for service to his termination date. The proportion of the value of the LTIP that is attributable to share price depreciation (the depreciation being the difference between the face value at the date of award and the vested value of the award) is 40% for Alex Baldock's award and 22% for Jonny Mason's award.

(6) Ian Livingston has a deferred pension in the Dillons Retirement and Employee Security Scheme.

Remuneration details for 2021/22 continued

Annual performance bonus for 2021/22 (audited information)

The maximum bonus opportunity for executive directors was 150% of base salary based on performance in the 12-month period to the end of the financial year. The maximum is payable at the maximum level of performance, 20% of the maximum opportunity is payable on achievement of threshold performance (30% of base salary) and 60% on achievement of target performance (90% of base salary). No bonus is payable if the minimum EBIT threshold is not achieved.

The Committee determined at the beginning of the year that the disclosure of performance targets was commercially sensitive and therefore these were not disclosed in last year's Directors' Remuneration Report. This was because targets were set within the context of a longer-term business plan and this disclosure could give information to competitors to the detriment of business performance. The Committee has, however, disclosed in the table below the targets on a retrospective basis and the actual performance against these. The Committee has a robust process for considering and calibrating performance targets, taking into account internal and external expectations including the anticipated impact of Covid-19-related store closures, which ensures that they represent a significant stretch which corresponds to the creation of value for shareholders.

Measure	As a percentage of maximum bonus opportunity	Threshold	Target	Maximum	Actual	Potential Bonus % Achieved
Adjusted EBIT	45%	£228m	£253m	£278m	£277m (vs £213m 2020/21)	44.28%
Average net (debt)/funds	15%	£175m	£235m	£295m	£290m (vs £207 2020/21)	14.50%
Customer Net Promoter Score	15%	64.10%	65.60%	67.10%	66.12% (vs 65% 2020/21)	11.02%
Employee engagement score	15%	75	77	78	77 (vs 67.8 2020/21)	9.00%
Environmental:						
• E-waste take back volumes (tonnes)	5%	106,897	108,394	111,230	102,839 (vs 104,173 2020/21)	0%
• Progress to Net Zero (tonnes of CO ₂ e emitted)	5%	35,195	34,470	32,656	21,221 (vs 35,321 2020/21)	5.00%
Total						83.80%
Total Awarded						83.80%

Although it was another challenging year in a rapidly changing business and economic environment, the continuing impact of Covid-19, the war in Ukraine, supply chain disruptions and high inflation, financial performance was strong, with both the Adjusted EBIT and average net cash outcomes significantly improved compared to 2020/21.

A focus on customer satisfaction and employee engagement resulted in improved scores in these areas (although it should be noted that the figures are not directly comparable with 2020/21 results due to a change in engagement survey provided/measurement basis).

The two environmental measures were introduced in the annual performance bonus plan for the first time in 2021/22. These measures are reflected and deeply embedded in our strategy, and meet the growing expectation from our colleagues, customers and shareholders to focus on the climate agenda, as discussed in the sustainable business section of the Strategic Report. Significant progress has been made in 2021/22 in our Scope 1 and 2 emission reduction due to the alignment across the Group to procure renewable electricity (as much as practically possible). This is reflected in the positive outcome of the Progress to Net Zero measure.

The 'Treating Customers Fairly' ('TCF') withholding condition applies to all executive directors. This states that the company must perform at a rate of 90% or better on the 'Must Do' assessment regarding regulated products. If this isn't met, then 10% of the bonus must be withheld. The TCF outcome for 2021/22 was 93.37%, and therefore, no withholding is required.

The Committee considered whether or not to adjust the formulaic outcome of 83.80% of maximum and decided it was satisfied that the outcome is both fair and appropriate given the strong financial performance delivered and the wider stakeholder experience outlined in the Remuneration in context section on pages 114 and 115. The Committee took into consideration the non-recurring nature of the £22m year on year network debtor revaluation to the UK & Ireland EBIT. However, this was more than counterbalanced by the negative impacts of business rate tax (£39m), changes to the iD contract terms (£20m) and to changes in IT cloud expenditure (£15m). Therefore, for the avoidance of doubt no Committee discretion was exercised in respect of the formulaic outcome outlined above.

LTIP and other share awards (audited information)

LTIP Awards made during 2021/22

Nil cost option awards of 250% of base salary were made to the executive directors on 2 August 2021.

The performance period for the awards is the three financial years up to the end of the 2023/24 financial year and they have two equally weighted performance conditions. Half of the awards are subject to the achievement of a relative TSR performance condition, measured against a bespoke comparator group comprised of 21 European Special Lines Retailers and other comparable companies at the start of the performance period. The list of companies included in the group is provided below.

The relative TSR condition will be assessed over the three-year performance period, with vesting determined as follows:

Rank of Company TSR against comparator group TSR	% of TSR element vesting
Below Median	0%
Median	25%
Between Median and Upper-Quartile basis	Pro-rata between 25% and 100% on a straight-line basis
Upper Quartile or above	100%

Comparator group: AO World, Ceconomy AG, Dufry AG, Dunelm Group, Fenix Outdoor International AG, Fielmann AG, FNAC Darty SA, Frasers plc, Grandvision N.V., JD Sports Fashion, Kingfisher, Maisons Du Monde S.A., Marks & Spencer Group, Mobilezone Holding AG, Pets At Home Group, SMCP S.A.S., Superdry, Valora Holding AG, WH Smith, XFL ASA, Zur Rose Group AG.

The free cash flow performance condition is measured cumulatively over the three-year performance period. The percentage of the award vesting will be as follows:

Cumulative free cash flow up to the end of the 2023/24 financial year	% of the free cash flow element vesting
Below £504m	0%
£504m	10%
Between £504m and £593m basis	Pro-rata between 10% and 25% on a straight-line basis
£593m	25%
Between £593m and £682m	Pro-rata between 25% and 100%
Above £682m	100%

The free cash flow targets were set taking into account a number of inputs including market consensus at the time of the award and the external environment within which the Company is operating. As always, the Committee will consider the level of performance achieved at the end of the performance period and would be prepared to exercise discretion if the formulaic outcome was not appropriate or aligned with the shareholder experience.

Calculations of the achievement against the targets will be independently performed and approved by the Committee. Free cash flow is defined in the Glossary and definitions section on page 240; however, the Committee retains discretion to adjust for exceptional items which impact cash flow during the performance period and will make full and clear disclosure of any such adjustments in the Directors' Remuneration Report, together with details of the achieved levels of performance, as determined by the above definitions, at the end of the performance period.

Awards will be subject to recovery and withholding provisions for material misstatement, misconduct, calculation error, reputational damage and corporate failure, enabling performance adjustments and/or recovery of sums already paid. These provisions will apply for up to three years after vesting.

The awards are subject to a two-year post-vesting holding period, during which the executive director is not permitted to sell any shares vesting, other than those required to settle any tax obligations.

The table below sets out the LTIP awards made to the executive directors in 2021/22:

	Nil cost options awarded	Share price at date of award £	Face value ⁽¹⁾ £	End of performance period	Vesting date	Minimum value at threshold vesting ⁽²⁾ £
Alex Baldock – 250% of salary ⁽³⁾	1,677,632	1.296	2,167,500	4 May 2024	2 August 2024	380,487
Bruce Marsh – 250% of salary ⁽³⁾	803,018	1.296	1,037,500	4 May 2024	2 August 2024	182,124

(1) The face value is calculated based on the number of options awarded multiplied by the share price on the business day prior to grant, being 30 July 2021 (129.2p).

(2) The minimum value at threshold vesting is calculated on 50% of the award operating with a threshold vesting of 25% of maximum, and 50% with a threshold vesting of 10% of maximum. Value calculated using the share price at the grant date of the award being 2 August 2021 (129.6p).

(3) Nil cost option awards were made to Alex Baldock and Bruce Marsh on 2 August 2021 and the share price used to calculate the number of shares granted was the mid-market price on the business day prior to grant, being 30 July 2021 (129.2p).

Remuneration details for 2021/22 continued

Buy-out awards made during 2021/22

In addition to the LTIP awards, as described in last year's report, Bruce Marsh received a buy-out award and cash payment to compensate for bonus and awards lost from his previous employer. The cash payment of £271,449 was paid on joining. The buy-out award comprised of a nil cost option over 410,366 shares in the Company and was granted on the 22 October 2021. The award was calculated based on a reference value of £504,340, with the number of shares subject to the award based on the price of £1.229, being the mid-market price on the dealing day prior to the grant (21 October 2021). The buy-out award was entered into without prior shareholder approval in accordance with LR 9.4.2(2) and will be limited to settlement with market purchase ordinary shares.

The buy-out award was divided into two awards.

Award A, of equal value to Bruce Marsh's annual base salary of £415,000, will ordinarily vest on 12 July 2024 ('Vesting Date'), subject to his continued service with the Company and that neither party has served notice to terminate employment prior to the Vesting Date.

Award A will be exercisable in three equal tranches as follows:

As from an exercise period commencing	No. of related vested shares exercisable
12 July 2024	112,557 (Tranche 1)
12 July 2025	112,558 (Tranche 2)
12 July 2026	112,558 (Tranche 3)

Award B, equal to 72,693 shares in the Company, vested immediately on grant.

In addition, immediately on vest Bruce exercised the 72,693 options, and sold 34,287 shares to cover the tax liability arising on the transaction. The remaining 38,406 shares were retained.

Other significant terms of the awards are as follows:

Once exercisable, the respective tranches shall ordinarily remain exercisable until the tenth anniversary of the grant date.

Additional shares may be added to each tranche on exercise, by reference to the value of dividends that would have been payable between the grant of the award and the commencement of the relevant exercise period.

The award is non-pensionable and will be satisfied with existing shares other than treasury shares.

In the event of cessation of service or notice being served prior to the vesting date, the award shall lapse unless in exceptional circumstances the Committee determines otherwise (in which case, it shall specify to what extent and on what terms the award may continue).

In the event of cessation of service or notice on or following the vesting date, the award shall remain capable of becoming exercisable on normal timetable, but the exercise period for each tranche shall be shortened to six months.

In the event of a qualifying change of control prior to the vesting date, the award shall vest early, to such extent as the Committee determines appropriate but as to no less than a pro-rata extent based on time elapsed into the normal vesting period. In the event of a qualifying change of control on or following the vesting date, the award shall become exercisable early (as relevant) at such time. Early vesting may also exceptionally arise at the discretion of the Committee in response to a demerger, delisting, special dividend or similar event which, in the opinion, would affect the market price of the Company's shares to a material extent.

The number of shares subject to the award may be adjusted in the event of a variation of share capital.

No further award will be made under this arrangement and no amendments will be made to the advantage of Bruce Marsh in relation to (i) the basis for determining his entitlement to, and the terms of, shares to be provided under the award; and (ii) any adjustment that may be made for any variation of share capital or special dividend without prior shareholder approval in general meeting except for minor amendments to benefit the administration of the award, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment.

The award is personal to Bruce Marsh and cannot be transferred, assigned or otherwise disposed of by him (other than to his personal representative following his death).

Deferred Share Bonus Plan awards made during 2020/21

On 6 July 2021 the following nil cost options were granted to Alex Baldock and Jonny Mason under the Company Deferred Share Bonus Plan ('DSBP'):

	Nil cost options awarded	Share price used to grant award ⁽¹⁾ £	Face value ⁽²⁾ £	Vesting date
Alex Baldock	278,249	1.371	381,480	6 July 2023
Jonny Mason	153,856	1.371	210,936	6 July 2023

(1) The share price used to calculate the numbers of shares granted was using the mid-market price on the day prior to grant, being 5 July 2021.

(2) The face value is calculated based on the number of options awarded multiplied by the share price used to grant the award.

The awards represent one-third of the 2020/21 annual performance bonus entitlement granted in accordance with the Company's approved Remuneration Policy, approved by shareholders at the annual general meeting in 2019. Details of the 2020/21 annual performance bonus were disclosed in the 2020/21 Directors' Remuneration Report.

Each award (a nil cost option) will be satisfied using market purchase shares and will ordinarily vest and become exercisable on the second anniversary of grant.

Vesting of awards made under 2016 LTIP (audited information)

Nil cost option awards equivalent to 250% of base salary were made to Alex Baldock and Jonny Mason on 25 July 2019. The performance period for the awards was the three financial years up to the end of the 2021/22 financial year and there were two equally weighted performance conditions. Half of the awards are subject to the achievement of a relative TSR performance condition, measured against a bespoke comparator group comprised of 21 European Special Lines Retailers and other comparable companies at the start of the performance period. The list of companies included in the group is provided below.

The remaining half of the awards was subject to the achievement of a cumulative free cash flow target. The performance period for these awards ended on 30 April 2022.

The performance measures for the award and the outcomes are shown below.

TSR target

Level of performance	Below threshold	Threshold	Maximum	Achieved
TSR performance over performance period	Below Median	Median	Upper Quartile	Below Median
Vesting level	0%	25%	100%	0%

Comparator group: AO World, Ceconomy AG, Dufry AG, Dunelm Group, Esprit, Fenix Outdoor International AG, Fielmann AG, FNAC Darty SA, Grandvision N.V., JD Sports Fashion, Kingfisher, Maisons Du Monde S.A., Marks & Spencer Group., Mobilezone Holding AG, Pets At Home Group, SMCP S.A.S., Sports Direct International, Superdry, Valora Holding AG, WH Smith, XHL ASA, Zur Rose Group AG.

Cumulative free cash flow

Level of performance	Below threshold	Threshold	Target	Maximum	Achieved
Cumulative free cash flow over the performance period	Below £500m	£500m	£586m	£674m	£619m
Vesting level	0%	10%	25%	100%	53%

Based on the achieved level of performance, the threshold required for vesting for the TSR element was not met but the free cash flow achieved a vesting percentage of 53%. Overall vesting was therefore 26.5%. The Committee reviewed whether any discretion should be applied to the vesting outcomes and determined that it was satisfied that the outcome is both fair and appropriate given the overall performance and the wider stakeholder experience outlined in the Remuneration in context section on pages 114 and 115. On this basis, the Committee determined that the awards should be paid in accordance with the vesting outcome.

All the awards are subject to a two-year post-vesting holding period, during which the executive director is not permitted to sell any shares vesting, other than those required to settle any tax obligations.

Remuneration details for 2021/22 continued

	Nil cost options awarded	Overall vesting %	Overall vesting awards	Vesting date
Alex Baldock	1,737,350	26.5%	460,445	25 July 2022
Jonny Mason ⁽¹⁾	627,072	26.5%	166,174	25 July 2022

(1) Jonny Mason's award has been pro-rated for service to his termination date.

Accrued dividend equivalents, calculated by reference to the value of dividends that would have been payable between the grant of the award and the start of the exercise period will be added to each award.

Vesting of 2018/19 Deferred Share Bonus Plan awards (audited information)

On 25 July 2019 the following nil cost options were granted to Alex Baldock and Jonny Mason under the Dixons Carphone 2018/19 Deferred Share Bonus Plan ('DSBP'). The awards were granted in respect of 100% of the 2018/19 annual bonus entitlement, which both Alex Baldock and Jonny Mason voluntarily deferred into a share award which vested two years from the grant date:

	Nil cost options awarded	Share price used to grant award ⁽¹⁾ £	Face value ⁽²⁾ £	Vesting date
Alex Baldock	506,490	1,223	619,438	26 July 2021
Jonny Mason	199,494	1,223	243,981	26 July 2021

(1) The share price used to calculate the numbers of shares granted was using the mid-market price on the day prior to grant, being 24 July 2019.

(2) The face value is calculated based on the number of options awarded multiplied by the share price used to grant the award.

The awards vested on 26 July 2021.

Accrued dividend equivalents, calculated by reference to the value of dividends that would have been payable between the grant of the award and the start of the exercise period were added to each award.

Vesting of buy-out award granted in accordance with the Listing Rule 9.4.2(2) of the Listing Rules (audited information)

Jonny Mason

On 13 August 2018, the Company granted Jonny Mason a buy-out award to facilitate his recruitment and compensate for awards lost from his previous employer. The award was granted under a one-off award agreement in accordance with Listing Rule 9.4.2(2) of the Listing Rules.

The award comprised of a nil cost option over 81,435 shares in the Company and vested three years from the grant date (the 'Vesting Date'), subject to continued service and that neither party has served notice to terminate employment prior to such time. On the basis that Jonny Mason was deemed to be a good leaver by the Committee, it was determined that the award, pro-rated for service to 78,835 shares, vested on the 13 August 2021. Following vesting, the award then ordinarily becomes exercisable in three tranches as set out below:

As from an exercise period commencing	No. of related vested shares exercisable
13 August 2021	24,546 (Tranche 1)
13 August 2022	27,145 (Tranche 2)
13 August 2023	27,145 (Tranche 3)

Jonny exercised Tranche 1 of the award on 17 August 2021. An additional 2,997 shares were added to the tranche on exercise as accrued dividend equivalents, calculated by reference to the value of dividends that would have been payable between the grant of the award and the start of the exercise period.

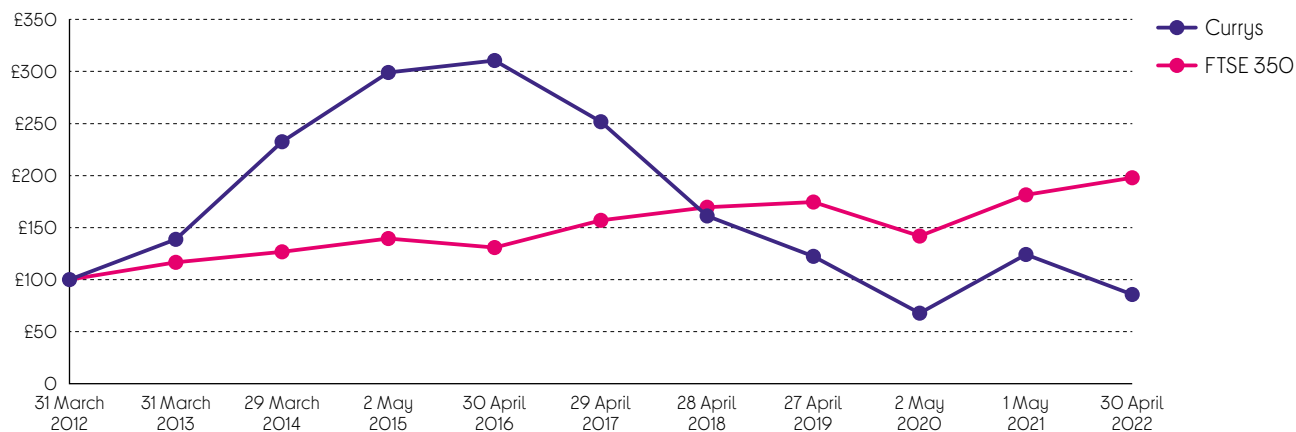
Jonny exercised a total of 27,543 options, made up of 24,546 options and 2,997 accrued dividend equivalents, and then sold all the shares.

Full details relating to the award were disclosed in the 2018/19 Remuneration Report.

Performance graph

The graph below shows the value, by 30 April 2022, of £100 invested in Currys on 31 March 2012, compared with the value of £100 invested in the FTSE 350 Index on the same date. The other points plotted are the values at intervening financial year ends.

The FTSE 350 has been used as it is a broad market which includes the Company and a number of its competitors.



Data is sourced from S&P CapitalQ.

Group Chief Executive pay

The following table shows, over the same ten-year period as the performance graph, the Group Chief Executive's single total figure of remuneration, the amount of bonus earned as a percentage of the maximum remuneration possible, and the vesting of long-term awards as a percentage of the maximum number of shares that could have vested, where applicable.

Year		CEO single figure of remuneration £'000	Annual bonus payout against maximum %	Long-term incentive vesting rates against maximum opportunity %
2021/22	Alex Baldock	2,611	83.8%	26.5%
2020/21	Alex Baldock ⁽²⁾	2,884 ⁽¹⁾	88%	50%
2019/20	Alex Baldock ⁽²⁾	1,038	0%	n/a
2018/19	Alex Baldock	1,619	58% ⁽³⁾	n/a
2017/18	Alex Baldock	1,946 ⁽⁴⁾	0%	n/a
2017/18	Sebastian James	2,716 ⁽⁵⁾	0%	n/a
2016/17	Sebastian James	1,795	83%	n/a
2015/16	Sebastian James	1,616	68%	n/a
2014/15	Sebastian James	1,687	100%	n/a
2014/15	Andrew Harrison	420	100%	n/a
2013/14	Andrew Harrison	679	54%	n/a
2013/14	Roger Taylor	159	n/a	n/a
2012/13	Roger Taylor	958	55%	n/a

(1) The 2020/21 CEO single figure has been restated to account for the LTIP value on the vesting date.

(2) As a result of Covid-19, Alex Baldock voluntarily agreed to a temporary 20% base pay reductions with effect from 5 April 2020 to 28 June 2020.

(3) Alex Baldock voluntarily deferred 100% of his annual performance bonus into a share award, vesting two-years from grant.

(4) The single figure has been restated to include the value of the buy-out award, of 989,078 nil cost options, which was granted on 3 April 2018. The face value of the award at the date of grant was £1,871,336, using the share price on the date of grant of £1.8920. As there were no performance conditions attached to this award other than continued employment the value of the award at grant should have been included in the 2017/18 CEO single figure. Full details of the award were detailed in the 2017/18 Remuneration Report.

(5) The single figure includes the taxable benefit relating to the waiving of the loan from the Dixons Share Plan award.

Remuneration details for 2021/22 continued

Annual percentage change in remuneration

The table below provides the percentage change in the annual remuneration of directors and the average UK colleague from 2019/20 onwards.

As the parent company only employs a small number of the workforce, the average UK colleague was deemed to be the most appropriate comparator group, as the UK has the largest employee base, and the Committee considers remuneration levels in the UK when setting salaries and fees for the executive and non-executive directors and the Group Chief Executive is based in the UK.

	Percentage change from 2020/21 to 2021/22			Percentage change from 2019/20 to 2020/21		
	Salary and fees ⁽²⁾	Taxable benefits ⁽⁵⁾	Annual bonuses	Salary and fees ⁽²⁾	Taxable benefits ⁽⁵⁾	Annual bonuses ⁽⁶⁾
Executive directors						
Group Chief Executive – Alex Baldock	3.9%	123%	-3.7%	-0.8%	-67%	100%
Group Chief Financial Officer – Jonny Mason	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	-0.8%	-0.8%	100%
Group Chief Financial Officer – Bruce Marsh	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾
Non-executive directors						
Eileen Burbidge	2.8%	0%	N/A	-1.3%	-100%	N/A
Tony DeNunzio	2.8%	100%	N/A	-1.3%	-100%	N/A
Andrea Gisle Joosen ⁽³⁾	3.1%	100%	N/A	-3.2%	-100%	N/A
Lord Livingston of Parkhead	2.8%	100%	N/A	-1.3%	-100%	N/A
Fiona McBain	2.8%	100%	N/A	-1.3%	-100%	N/A
Gerry Murphy	2.8%	0%	N/A	-1.3%	0%	N/A
Employees	2.0% ⁽⁴⁾	0%	N/A ⁽⁷⁾	-6.5% ⁽⁴⁾	0%	N/A ⁽⁷⁾

(1) No figures have been included for Jonny Mason and Bruce Marsh, as they left and joined during the 2021/22 year.

(2) No pay increases were applied for 2020/21 for the Group Chief Executive, Group Chief Financial Officer and non-executive directors, however they voluntarily agreed to a temporary 20% base pay reductions with effect from 5 April 2020. Pay was reinstated to the full 100% on 28 June 2020 and the Group Chief Executive received an annual pay increase of 1.5% on 1 August 2021.

(3) Andrea Gisle Joosen is paid on a four weekly payroll cycle and therefore the impact of the 20% reduction on basic fees paid was different than for the other non-executive directors, who were paid on a monthly payroll cycle up to 10 July 2020. From 11 July 2020 all non-executive directors moved to a four weekly payroll cycle. The same reduction of 20% was applied for all across the same period.

(4) The average employee percentage change is materially impacted by the grade mix of our colleagues, and therefore the percentage change has been calculated using the median pay data collated for CEO pay ratio reporting purposes. As referenced in the Chair's statement on pages 114–116, our UK corporate colleagues received an average pay increase of 2% on 1 August 2021, and our hourly paid UK colleagues received an average increase of 9% in October 2021.

(5) The percentage change in taxable benefits for the UK workforce is considered to be 0% since there have been no material changes in UK benefits. The Group Chief Executive and non-executive directors' taxable benefit figure includes the variable expenses relating to travel and subsistence costs deemed taxable by HMRC as referenced in the Single Figure tables on pages 132 and 133. No expenses were claimed by the non-executive directors in 2020/21 due to travel restrictions, claims were made in 2019/20 and 2021/22, therefore a 100% decrease and 100% increase has been applied.

(6) No annual performance bonus was paid out for 2019/20 for UK or Group, due to the EBIT performance threshold not being met by the business areas, so a 100% increase has been applied for 2020/21, as an annual performance bonus has been paid for 2020/21.

(7) The median UK colleague is not eligible for an annual performance bonus.

Relative importance of spend on pay

The following table sets out both the total cost of remuneration for the Group compared with adjusted EBIT and profits distributed for 2021/22 and the prior year. Adjusted EBIT was chosen by the Committee as it is the most appropriate measure of the Group's performance. Adjusted EBIT is defined in the Glossary and definitions section on page 234.

Year	2021/22 £million	2020/21 £million	Change %
Dividends ⁽¹⁾	46	Nil	100%
Share buybacks ⁽²⁾	32	Nil	100%
Adjusted EBIT ⁽³⁾	274	262	4.58%
Total staff costs – continuing operations⁽⁴⁾	1,008	1,075	-6.23%
	Number	Number	Change %
Average employee numbers – continuing operations ⁽⁴⁾	33,532	36,087	-7.1%

(1) Extracted from note 23 to the Group financial statements.

(2) The Company completed a £32m share buyback in 2021/22. There were no share buybacks in 2020/21.

(3) Extracted from note A2.

(4) Extracted from note 4 to the Group financial statements.

CEO pay ratio

The legislation requires the publishing of the ratio of total remuneration of the Group Chief Executive to the 25th, 50th and 75th equivalent percentile of full-time equivalent colleagues.

The ratio is shown in the table below:

Financial year	Methodology	P25 (Lower Quartile)	P50 (Median)	P75 (Upper Quartile)
2021/22	Option A	133:1	116:1	86:1
2020/21 ⁽¹⁾	Option A	167:1	142:1	107:1
2019/20	Option A	54:1	48:1	37:1
2018/19	Option A	79:1	65:1	50:1

(1) The 2020/21 CEO pay ratio has been restated to account for the actual value of the LTIP at the vesting date.

Of the three calculation approaches available in the regulations, we have chosen Methodology A because we believe it to be the most appropriate and robust way for the Company to calculate the ratio.

In determining the figures, the following should be noted:

- The single total figure of remuneration of our UK colleagues was calculated as at 30 April 2022 and ranked using 2021/22 P60 and P11D data, employer pension contributions and payments under the Company share schemes, in line with the reporting regulations. P60 data was used as it also includes the value of any overtime payments made in the year.
- Part time colleagues' earnings have been annualised on a full-time equivalent basis.
- Joiners and leavers were excluded from the ranking.
- The 25th, 50th and 75th percentile colleagues' single total figure of remuneration was then identified and compared to the CEO pay, as shown in the single total figure of remuneration table on page 132.

The following table provides base salary and total remuneration information in respect of the 25th, 50th and 75th percentile colleagues, on a full-time equivalent basis.

Financial Year	Remuneration	Group Chief Executive (£)	P25 (Lower Quartile) (£)	P50 (Median) (£)	P75 (Upper Quartile) (£)
2021/22	Base salary	876,571	19,266	19,266	26,912
	Total remuneration	2,610,134	19,690	22,437	30,317

The Committee has confirmed that the ratio is consistent with the Company's wider policies on colleague pay and reward, taking into account a range of factors including market practice, experience and National Living Wage requirements.

The pay ratio has decreased from 2020/21, primarily due to headcount reductions in lower paid areas of the business. In particular, a large part of Supply Chain was outsourced to GXO in August 2021, reducing headcount by 1,500 colleagues. Additionally, the closure of Dixons Travel in December 2021 resulted in a headcount reduction of 150 colleagues. Another significant factor was that the Company increased pay rates for almost 12,000 colleagues in October 2021, in line with the Real Living Wage (RLW).

The ratio of the CEO's pay to that of all colleagues is likely to be a volatile number, mainly resulting from the Group Chief Executive having a larger proportion of his total remuneration linked to business performance than other colleagues in the UK workforce and therefore it does not necessarily shed any light on the alignment or otherwise with regard to pay, reward and progression for the UK workforce. This alignment is, however, something that the Committee considers as part of its overall responsibilities.

The Company continues to take its responsibilities to all stakeholders seriously. Our achievements this year and renewed financial strength has allowed us to invest in our colleagues and announce substantial pay increases for our hourly paid colleagues. From 1 August 2022, we plan to pay a minimum base hourly rate of £10 to all hourly paid UK colleagues. This is above the Real Living Wage for colleagues outside London. The new London rate will continue to align to the RLW rate of £11.05 per hour. This will result in an average increase of 5.2% for our hourly paid UK colleagues.

Remuneration details for 2021/22 continued

Service agreements

Service contracts

The following table summarises key terms of the service contracts in place with the executive directors:

	Date of contract
Alex Baldock	3 April 18
Bruce Marsh	12 July 21

More details are set out in the Service agreements section of the report on page 129.

Letter of appointment

Non-executive directors are normally appointed for three-year terms, subject to annual re-election at the annual general meetings, although appointments may vary depending on length of service and succession planning considerations. Appointments are reviewed annually by the Nominations Committee and recommendations made to the Board accordingly. The contracts in respect of the Chair of the Board's, Deputy Chair's and non-executive directors' services can be terminated by either party, the Company or the director, giving not less than three months' notice.

The date of the letters of appointment are shown below:

	Letter of appointment
Eileen Burbidge	1 Jan 19
Tony DeNunzio	16 Dec 15
Andrea Gisle Joosen	6 Aug 14
Lord Livingston of Parkhead	16 Dec 15
Fiona McBain	1 Mar 17
Gerry Murphy	6 Aug 14

External directorships

The policy relating to external directorships is outlined in the Remuneration Policy; the following external directorship was undertaken and fee retained:

- Alex Baldock was appointed a non-executive director of RS Group plc on 1 September 2021 and was paid a fee of £41,133 from appointment to 30 April 2022.

Leavers and joiners (audited information)

Bruce Marsh

In January 2021, the Board announced the appointment of Bruce Marsh as Group Chief Financial Officer, with effect from 12 July 2021. Bruce had been Finance Director, UK & Ireland, at Tesco plc since 2015. Before that he was at Kingfisher plc, where he was Managing Director of Kingfisher Future Homes and Group Strategy Director, and previously held a number of senior finance roles at Dixons Retail plc.

His salary from the date of appointment was £415,000. In line with policy, he is eligible to receive a pension allowance of 3% of base salary and a maximum bonus of 150% of base salary, with one-third deferred into shares for two years. His normal LTIP will be 250% of base salary per annum. Bruce is on a 12-month notice period from either party.

Upon joining, Bruce received 250% of base salary under the 2016 LTIP for the financial year 2021/22. In addition, he received a buy-out award and cash payment to compensate for bonus and awards lost from his previous employer. Details of the buy-out are set out on page 136. The cash payment of £271,448 was paid on joining. The buy-out award of Currys plc shares was granted on 22 October 2021 with a face value of £504,340. The buy-out award was granted under the Listing Rule 9.4.2 (2), and full details of the award were disclosed at grant.

The payment and award are consistent with our Remuneration Policy and, we believe, represent an excellent investment in securing a leader with Bruce's experience and capabilities.

Jonny Mason

The Committee considered the appropriate termination terms for Jonny on his departure. His termination arrangements were in line with the approved Remuneration Policy.

Jonny was on a 12-month notice period to be given by the Company, and notice was given on 20 January 2021. After termination, payment in lieu of notice of £291,064, was paid in instalments until the end of his notice period. He also received accrued holiday pay of £16,226.

Jonny received payment of the 2020/21 bonus of £632,808, which was assessed on the same performance criteria as other participants at the year end. Two-thirds of the bonus was paid in cash and one-third in deferred shares vesting in two years; details of the award are set out on page 137. He was not eligible for a 2021/22 bonus or LTIP grant.

The Committee has determined that Jonny will receive good leaver status in respect of his outstanding buy-out, LTIP and DSBP awards, taking account of his significant contribution to the strong profit and cash flow performance in the year and ongoing efforts supporting a successful transition to the new Chief Financial Officer. The buy-out and LTIP awards have been pro-rated for his period of employment.

Payments to past directors (audited information)

No payments were made to past directors during 2021/22.

Directors' interests in LTIP (audited information)

	Date of grant	At 1 May 2021	Awarded in the year	Lapsed or forfeited in the year	Exercised in the year	At 30 April 2022	Date from which first exercisable	Expiry of the exercise period	Exercise Price (p)
Alex Baldock									
2016 LTIP	2 Aug 2021	0	1,677,632	–	–	1,677,632	2 Aug 2024	2 Aug 2031	–
2020/21 DSPB	6 Jul 2021	0	278,249	–	–	278,249	6 Jul 2023	6 Jul 2031	–
2016 LTIP	19 Aug 2020	1,991,959	–	–	–	1,991,959	19 Aug 2023	19 Aug 2030	–
2016 LTIP	25 Jul 2019	1,737,530	–	–	–	1,737,530	25 Jul 2022	25 Jul 2029	–
2018/19 DSPB	25 Jul 2019	506,490	26,900 ⁽¹⁾	–	533,390	0	26 Jul 2021	25 Jul 2029	–
2016 LTIP	22 Jun 2018	1,197,182	68,258 ⁽¹⁾	598,591	666,849	0	26 Jul 2021	22 Jun 2028	–
Section 9.4.2	3 Apr 2018	659,386	44,961 ⁽¹⁾	–	374,654	329,693	3 Apr 2021	3 Apr 2028	–
Total (with performance conditions)						5,407,121			
Total (without performance conditions)						607,942			
Bruce Marsh									
2016 LTIP	2 Aug 2021	0	803,018	–	–	803,018	2 Aug 2024	2 Aug 2031	–
Section 9.4.2	22 Oct 2021	0	410,366	–	72,693	337,673	22 Oct 2021	22 Oct 2031	–
Total (with performance conditions)						803,018			
Total (without performance conditions)						337,673			

Remuneration details for 2021/22 continued

	Date of grant	At 1 May 2021	Awarded in the year	Lapsed or forfeited in the year	Exercised in the year	At 30 April 2022	Date from which first exercisable	Expiry of the exercise period	Exercise Price (p)
Jonny Mason									
2020/21 DSPB	6 Jul 2021	0	153,856	–	–	153,856	6 Jul 2023	6 Jan 2024	–
2016 LTIP	19 Aug 2020	1,101,436	–	774,825	–	326,611	19 Aug 2023	19 Feb 2024	–
2016 LTIP	25 Jul 2019	960,752	–	333,680	–	627,072	25 Jul 2022	25 Jan 2024	–
2018/19 DSPB	25 Jul 2019	199,494	10,959 ⁽¹⁾	–	210,453	0	26 Jul 2021	–	–
2016 LTIP	13 Aug 2018	734,583	40,546 ⁽¹⁾	379,011	396,118	0	13 Aug 2021	–	–
2016 LTIP	13 Aug 2018	267,121	–	267,121	–	0	13 Aug 2021	–	–
Section 9.4.2	13 Aug 2018	81,435	2,997 ⁽¹⁾	2,599	27,543	54,290	13 Aug 2021	13 Feb 2024	–
Total (with performance conditions)						953,683			
Total (without performance conditions)						208,146			

(1) Accrued dividend equivalents were granted on exercise of the relevant awards.

Directors' interests in Sharesave (audited information)

	Date of grant	Exercise Price (p)	At 1 May 2021	Awarded in the year	Lapsed or cancelled in the year	Exercised in the year	At 30 April 2022	Date from which first exercisable	Expiry of the exercise period
Alex Baldock									
Sharesave	28 Aug 2020	66.64	6,662	–	–	–	6,662	1 Oct 2025	1 Apr 2026
Sharesave	10 Sept 2019	97.28	13,939	–	–	–	13,939	1 Oct 2024	1 Apr 2025
			20,601	–	–	–	20,601		

Directors' shareholding (audited information)

The Company share ownership guidelines are designed to encourage shareholding in the Company for executive directors.

The current level of shareholding requirement for executive directors is 200% of base salary to be achieved five years from their appointment date. On approval of the Remuneration Policy at the 2022 AGM the shareholding requirement will increase to 250%, with executive directors having five years from this date to meet the increased shareholding requirement.

Beneficially owned shares (including any interests held by connected persons, e.g. spouse) count towards the guidelines, together with:

- invested awards, on a 'net-of-tax' basis, granted under any deferred bonus arrangement or other plan/arrangement with no post-grant performance conditions; and
- shares subject to an unexpired holding period (including any shares held under a vested but unexercised option), on a 'net-of-tax' basis and provided that no further performance targets must be met.

Details of directors' interests in shares of the Company as at 30 April 2022 are shown in the following table:

	Beneficially owned shares (including any interests held by connected persons)	Shares subject to performance conditions	Shares without performance conditions	Scheme interests	
				Total beneficial interests under share ownership guidelines ⁽¹⁾	Total beneficial share interests as a % of salary ⁽²⁾
Executive directors					
Alex Baldock	1,483,454	5,407,121	628,543	1,824,136	196%
Bruce Marsh	86,406	803,018	337,673	264,191	60%
Non-executive directors					
Eileen Burbidge	4,200	–	–	4,200	N/A
Tony DeNunzio ⁽⁴⁾	280,000	–	–	280,000	N/A
Andrea Gisle Joosen	24,976	–	–	24,976	N/A
Lord Livingston of Parkhead	205,631	–	–	205,631	N/A
Gerry Murphy	100,000	–	–	100,000	N/A
Fiona McBain	28,129	–	–	28,129	N/A

(1) This figure is calculated on a 'net of tax and commission basis', as appropriate.

(2) The percentage is based on base salary as at 30 April 2022 and an average share price over the month to 30 April 2022 of £0.9468.

(3) Executive directors have five years from their appointment date to reach their shareholding requirement of 200%. On approval of the Remuneration Policy at the 2022 AGM the shareholding requirement will increase to 250%, with executive directors having five years from this date to meet the increased shareholding requirement.

(4) Tony DeNunzio purchased 80,000 shares on 22 July 2021. The purchase price was £1.217188 per share.

There were no changes in the directors' share interests between 30 April 2022 and the date of this report.

Non-executive directors' and Chair of the Board's fees

The fees for the independent non-executive directors, including the Deputy Chair, are determined by the Board (excluding non-executive directors) after considering external market research and are reviewed on an annual basis. Factors taken into consideration include the required time commitment, specific experience and/or qualifications. A base fee is payable and additional fees are paid for chairing and membership of committees. The Chair of the Board is not involved in the setting of his own salary, which is dealt with by the Committee annually. Non-executive directors receive no variable pay and receive no additional benefits, except in situations where an executive director becomes a non-executive director, and benefit and pension arrangements continue.

The fees for 2021/22 remain unchanged. The Chair of the Board and Deputy Chair receive all-inclusive fees reflecting their duties. Other independent non-executive directors received a basic fee of £60,000 and additional fees as set out in the table below for chairing or membership of committees.

	2021/22 £'000	2020/21 ⁽⁴⁾ £'000
Chair of the Board ⁽¹⁾	300	300
Deputy Chair ⁽²⁾	140	140
Chair of Audit Committee ⁽³⁾	15	15
Member of Audit Committee	5	5
Member of Nominations Committee	5	5
Member of Remuneration Committee	5	5
Base Board fee	60	60

(1) The Chair of the Board's fee includes the Nominations Committee Chair fee.

(2) The Deputy Chair's fee includes the Senior Independent Director, the Remuneration Committee Chair fee, and the Nominations Committee member fee.

(3) The Chair of the Audit Committee fee includes a fee for attending the board meetings of the two main operating subsidiaries.

(4) Due to the impact of Covid-19, all non-executive directors agreed to a temporary 20% reduction in fees with effect from 5 April 2020 to 28 June 2020. The figures represented do not reflect this 20% reduction, as it is temporary in nature.

Following a review in 2021/22 the Board decided to increase fee levels for the non-executive directors by 2%, effective 1 May 2022, as detailed on page 147. This is the first increase in fees to the non-executive directors since the merger of Dixons and Carphone in 2014. The Chair of the Board and Deputy Chair waived the increase to their fees and their fees remain unchanged.

Remuneration details for 2021/22 continued

How the Remuneration Policy will be applied in 2022/23

Subject to shareholder approval at the AGM in September, the Remuneration Policy arrangements for 2022/23 will be implemented in line with the new policy.

Executive directors

i) Base salary

The following salaries will apply during the 2022/23 financial year:

	Salary at 30 April 2022 £'000	% Increase in salary in 2022/23	Salary at 1 August 2022 £'000
Current Directors			
Alex Baldock	880	3%	906
Bruce Marsh	415	3%	427

ii) Pension contributions

Company pension contributions or allowance in lieu of 10% of base salary will be paid to Alex Baldock. Bruce Marsh will receive a 3% pension allowance in line with the wider workforce. The Committee also confirms that Alex Baldock's pension allowance will be aligned with the majority of the wider workforce by the end of 2022.

iii) Annual performance bonus

The maximum annual performance bonus for 2022/23 will be 150% of base salary. Measures are selected to reflect the Group's key objectives and for 2022/23 the bonus will include a clawback facility in order to demonstrate the Company's objective to reinforce a culture of 'Treating Customers Fairly'. A minimum EBIT threshold must be achieved before any bonus is paid out. One-third of any bonus earned will be deferred into shares for two years after payment. The Committee feels that specific targets relating to the 2022/23 bonus scheme are commercially sensitive and as such will not be disclosed. Retrospective disclosure of the targets and performance against them will be provided in next year's Remuneration Report.

The performance metrics and their weightings for 2022/23 are shown in the table below:

	Weighting (as a percentage of maximum bonus opportunity)
Adjusted EBIT	45%
Average net debt	15%
ESG metrics (40%):	
Customer Net Promoter Score	15%
Employee engagement	15%
Environmental to include:	
- Focusing on recycling by increasing e-waste take-back	5%
- Progress to Net Zero – reducing Scope 1 and 2 emissions	5%

Recovery and withholding provisions apply for material misstatement, misconduct, calculation error, reputational damage and corporate failure, material failure of risk management and internal controls and unreasonable failure to protect the interests of employees and customers, enabling performance adjustments and/or recovery of sums already paid. These provisions will apply for up to three years after payment.

iv) LTIP

In line with the Remuneration Policy approved by shareholders in 2019, the Committee intends to make an LTIP award to Alex Baldock and Bruce Marsh shortly after the announcement of the results for the 2021/22 financial year. As in prior years, the awards will be subject to two equally weighted performance conditions. Half of the awards will be subject to the achievement of a cumulative free cash flow target. The remaining half will be subject to the achievement of a relative TSR performance condition, measured against the FTSE 250 comparator group. The Committee is mindful of the current volatility in the market and ensuring LTIP awards are aligned with shareholder experience. As at the date of this report, the Committee has not yet finalised the decisions on LTIP award levels (within the Policy limits) or the calibration of applicable free cash flow targets. We will confirm the conditions and make the awards after we have announced our annual results, to ensure that we have targets in place that are both stretching for participants and also fully reflective of how shareholders and the market view the long-term performance of the business. We will fully disclose the award details and targets at the time of the grant announcement and also include them in next year's Remuneration Report.

These awards will vest after three years based on continued service and will be subject to a further two-year post-vesting holding period, during which the executive director is not permitted to sell any shares vesting, other than those required to settle any tax obligations.

Awards will be subject to recovery and withholding provisions for material misstatement, misconduct, calculation error, reputational damage and corporate failure, material failure of risk management and internal controls and unreasonable failure to protect the interests of employees and customers, enabling performance adjustments and/or recovery of sums already paid. These provisions will apply for up to three years after vesting.

v) Non-executive directors' and Chair of the Board's fees

As discussed on page 145, following a review in 2021/22 the Board decided to increase fee levels for the non-executive directors by 2%, effective 1 May 2022. This is the first increase in fees to the non-executive directors since the merger of Dixons and Carphone in 2014. The basic fee of £60,000 therefore increases to £61,200 and the increase in additional fees for chairing or membership of committees is set out below. The Chair of the Board and Deputy Chair waived the increase to their fees and their fees remain unchanged.

As announced in May 2022, we are pleased to confirm the appointment of Ian Dyson to succeed Ian Livingston as Chair of the Board. Ian Dyson will join the Board as a Non-Executive Director on 1 September 2022 and will become Chair of the Board and Nominations Committee following the AGM on 8 September 2022, with Ian Livingston stepping down from the Board on that date. There will be no change to the annual Chair of the Board's fee, remaining at £300,000.

	2022/23 £'000	% Increase effective 1 May 2022	2021/22 £'000
Chair of the Board ⁽¹⁾	300	–	300
Deputy Chair ⁽²⁾	140	–	140
Chair of Audit Committee ⁽³⁾	15.3	2%	15
Member of Audit Committee	5.1	2%	5
Member of Nominations Committee	5.1	2%	5
Member of Remuneration Committee	5.1	2%	5
Base Board fee	61.2	2%	60

(1) The Chair of the Board's fee includes the Nominations Committee Chair fee.

(2) The Deputy Chair's fee includes the Senior Independent Director, the Remuneration Committee Chair fee, and the Nominations Committee member fee.

(3) The Chair of the Audit Committee fee includes a fee for attending the board meetings of the two main operating subsidiaries.

Statement of voting at shareholder meetings

The Company is committed to ongoing shareholder dialogue in respect of directors' remuneration and takes an active interest in voting outcomes. Where there are substantial votes against resolutions, explanatory reasons will be sought, and any actions in response will be communicated to shareholders.

The following table sets out the voting results in relation to the approval of the Remuneration Policy when it was last put to shareholders at the annual general meeting 2019:

Resolution	Votes for	%	Votes against	%	Withheld
Approval of Directors' Remuneration Policy	831,610,451	89.26	100,031,252	10.74	33,572,688

The following table sets out the voting results in relation to the Annual Remuneration Report resolution put to the annual general meeting 2021:

Resolution	Votes for	%	Votes against	%	Withheld
Approval of annual remuneration report	855,375,711	92.78	66,608,140	7.22	174,770

Advice

The Committee retained Willis Towers Watson throughout 2021/22 as independent advisors. Willis Towers Watson, who were appointed by the Committee in 2020 following a competitive tender process, are engaged to provide advice to the Committee and to work with the directors on matters relating to the Group's executive remuneration and its long-term incentives. They are members of the Remuneration Consultants Group and operate under its code of conduct in relation to the provision of executive remuneration advice in the UK and have confirmed that they adhered to the Code during 2021/22 for all remuneration services provided to the Group. Willis Towers Watson received fees of £109,350 (2020/21: £74,745) in relation to the provision of those services. Fees are charged on a time and expenses basis. During the year, Willis Towers Watson also provided other ad hoc remuneration services outside the scope of the Committee to the Company.

Compliance

As required by the Regulations, resolutions to approve the new Remuneration Policy and this Remuneration Report will be proposed at the AGM 2022.



Tony DeNunzio CBE
Chair of the Remuneration Committee

6 July 2022

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare the consolidated financial statements in accordance with UK-adopted international accounting standards and applicable UK law. The consolidated financial statements are also prepared in accordance with IFRS as issued by the International Accounting Standards Board. The directors have also elected to prepare the Company financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law, the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period.

In preparing the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the consolidated financial statements, IAS 1: 'Presentation of Financial Statements' requires that directors:

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

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

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

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group and the Company's performance, business model and strategy.

By Order of the Board



Alex Baldock
Group Chief
Executive
6 July 2022



Bruce Marsh
Group Chief
Financial Officer
6 July 2022

Independent Auditor's Report to the Members of Currys plc (Formerly known as Dixons Carphone plc)

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Currys plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 April 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 32 of the Group financial statements and notes C1 to C9 of the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and parent company for the year are disclosed in note 3 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report continued

3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- revenue recognition – valuation of UK network receivables;
- impairment of UK capitalised development costs;
- impairment of UK & Ireland goodwill;
- tax provisioning; and
- UK deferred tax asset recoverability.

Within this report, key audit matters are identified as follows:

- ❗ Newly identified
- ⬆️ Increased level of risk
- ⚖️ Similar level of risk
- ⬇️ Decreased level of risk

Materiality

The materiality that we used for the Group financial statements was £10.5m (FY20/21: £10.5m). Consistent with the prior year, this was determined on the basis of considering a number of different metrics used by investors and other users of the financial statements. These included adjusted profit before tax, net assets and revenue.

For further details refer to section 6 of this report.

Scoping

Our full scope audit procedures provided coverage at the Group's key locations, being the retail operations in the UK and Nordics, representing 95% of the Group's revenue.

Significant changes in our approach

There have been developments during the period in respect of provisioning for uncertain tax positions. As such the extent of our audit procedures in respect of this audit matter has increased compared to the previous period. We have therefore identified this as a key audit matter in the current period.

We have identified a key audit matter in respect of the recoverability of deferred tax assets relating to UK losses carried forward. The recoverability of the deferred tax asset is based on a number of forward-looking assumptions. This is an inherently judgemental area and small changes in these assumptions can have a significant impact on the level of deferred tax recognised on the balance sheet.

We continue to identify a key audit matter in respect of the impairment of UK and Ireland goodwill. However, we have revised our impairment key audit matter to no longer include store assets. Whilst there remains potential uncertainty, the store assets are less exposed to the current challenges in the macro-economic climate when compared to the online business and so the level of associated judgement has decreased.

We have refined our key audit matter relating to impairment of UK & Ireland assets in the course of construction to focus on the completeness of impairments recognised in respect of development costs that have historically been capitalised. This reflects the increased level of management judgement required as a result of recent strategic changes made by the Group and the broader macro-economic conditions in which the Group operates.

4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- consideration of the nature of the Group, its business model and related risks, the requirements of the applicable financial reporting framework and the system of internal control;
- evaluation of the underlying data and key assumptions used, such as forecast revenue and operating costs, against historical and forward looking data;
- evaluation of the directors' plans for future actions in relation to their going concern assessment;
- evaluation of mitigations in place and further mitigations available to the Group beyond those included within the forecast. This included challenging the extent to which these mitigations are within the control of management in the context of historical performance and costs included in management's underlying forecasts;
- assessment of the Group's financing agreements, covenant calculations and forecast covenant compliance over the relevant outlook period; and
- assessment of the appropriateness of the going concern disclosures in the financial statements.

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

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report continued

5.1. Revenue recognition – Valuation of UK network receivables



Key audit matter description

The Group sells mobile phone contracts on behalf of mobile operators. There is significant management judgement in the valuation of gross network commission receivables and contract assets of £281m (2020/21: £405m), being commission for which there is a contractual entitlement based on mobile phone connections already made, and for which there are no ongoing performance obligations.

Included within the gross value are contract assets of £175m (2020/21: £207m). These are recognised where the performance obligations have been met but the quantum of consideration from the customer is variable due to factors other than the passage of time. The valuation of these assets is based on management's estimate of the extent to which it is highly probable that recognised revenue will not be subject to a material reversal in the future.

As described in note 14, the valuation of the expected receivable is determined by four assumptions:

- the forecast customer default rate within the contract period;
- the forecast rate of customer renewals with the same network provider;
- the expected customer behaviour beyond the initial contract period (the propensity of customers to 'sleep'); and
- the expected level of customer spend in excess of their current contracted amount (known as 'out of bundle' spend).

We considered that there was a high level of risk related to the valuation of contract assets in the determination of the assumptions in relation to the customer default rate, customer renewals and the number of customers who 'sleep'. This is on the basis that small changes in these assumptions could have a material impact on the value of the debtor. Due to the level of judgement involved, we have determined that there is potential for manipulation of this balance by management.

These assumptions influence the level of network commission revenue that the Group recognises. A change in these assumptions can also lead to the adjustment of revenue that has been recognised in prior periods. In determining these assumptions the Group considers historical activity by customers and operators and makes an assessment as to how this activity will change in the future, taking into account other factors such as new regulations and the macro-economic conditions. These future variations can be influenced by external factors, including customer behaviour, operator behaviour and changes to market regulations.

The current year revenue includes an out-of-period revaluation gain of £22m (2020/21: £14m) as set out in note 14(iv). In addition, the Group has also recognised £11m (2020/21: £6m) in relation to an uplift in the profit share the Group receives as a result of updating for the changes in Retail Price Index (RPI) in the period, and income of £10m (2020/21: expense of £17m) in respect of settlements with Mobile Network Operators that have been reached in the year but relate to prior period transactions. These two transactions result in income of £21m (2020/21: expense of £11m) and further detail is provided in note 14(v).

As described in note 3 to the Group financial statements, remeasurements of prior period assumptions due to changes in consumer behaviour, or where more recent information becomes available, are recognised as revenue in the income statement. Any changes in prior period assumptions, and their consequential impact on revenue, are eliminated from the Group's adjusted profit before tax; this is an alternative performance measure, which can be found in Appendix A5 on page 236. The key judgements and estimates involved are described in more detail in the Audit Committee report on page 104, in the key sources of estimation uncertainty disclosed in note 1(d) and in note 14 to the Group financial statements.

5.1. Revenue recognition – Valuation of UK network receivables continued

How the scope of our audit responded to the key audit matter

We obtained an understanding of the management review control of the key assumptions used to determine the UK network receivables balance.

We assessed the valuation of revenue recognised through review of the contractual agreements, comparison of data used by management to data submitted by the mobile operators, and assessed the reasonableness of the key assumptions. We challenged:

- the forecast customer default rate by comparison to the actual rates of default seen in the latest data from the networks and default rates observed in external market data;
- the forecast rate of customer renewals with the same network provider by comparison to the latest renewals data from the network operators and with reference to other external market data; and
- the expected customer behaviour beyond the initial contract period by comparison to actual rates of customers continuing their contract after their fixed contract term and with reference to external market data.

In addition, we analysed existing and forthcoming changes in regulation and the wider macro-economic environment. We considered whether these could lead to behavioural changes which would impact the amount of revenue recognised in the current year. Specifically, we considered expected behavioural changes relating to evolving trends in the macro-economic environment, such as the increasing cost of living in the UK and how that may influence consumer behaviour, and challenged the quantum of constraint applied to the contract asset recognised at the year end. We considered whether management's assumptions in respect of the impact of possible behavioural changes and the resulting impact on the valuation of the UK network receivables balance were reasonable.

We assessed the changes in assumptions in relation to the revenue recognised for current year connections between consumers and operators, and in relation to revenue recognised in previous accounting periods. In doing so we assessed whether the amount of revenue recognised in each circumstance is consistent with the disclosure in note 14. We assessed the adequacy of the disclosures relating to the treatment of out of period revaluations as an adjusting item in the reconciliation of adjusted profit before tax, an alternative performance measure.

Key observations

We consider the treatment adopted in relation to the valuation of the UK network commission receivable and the related assumptions applied by management to be appropriate.

We agree that the disclosures relating to network commissions, summarised in note 14, provide an appropriate understanding of the estimates taken by management and how changes in these estimates have influenced the total revenue recognised from network commissions in the year.

Independent Auditor's Report continued

5.2. Impairment of UK capitalised development costs



Key audit matter description

The Group invests significant amounts in both tangible and intangible assets in order to develop the Group's asset base to meet their strategic priorities. Since 1 May 2018, £376m of software and licenses intangible assets has been capitalised. These projects are typically multiyear and therefore significant capitalised development costs are held on the balance sheet.

During the year, and following a review of the Group's mobile strategy, a £32m impairment charge was recognised in relation to intangible assets, related to software development costs, as described in note 9 to the financial statements. The cumulative impairments to Software and Licenses intangible assets recognised following strategic changes since 1 May 2018 is £79m. Given the recent strategic changes in the business, and subsequent asset impairments recognised, there remains a risk that there are assets held on the balance sheet relating to previous key strategic projects which will not deliver value for the Group. Where the business case is no longer viable, an impairment of the corresponding asset value is recorded. Given that the major strategic projects were initiated in April 2018, we identified a risk that, whether due to fraud or error, further impairment charges should be recognised against development costs capitalised since that date.

Further information in this area is discussed in the Audit Committee report on page 104 and in note 9 to the Group financial statements.

How the scope of our audit responded to the key audit matter

We obtained an understanding of relevant controls relating to management review of the assets in the fixed asset register and associated business approval controls.

For a sample of the largest and most aged projects, as well as any impaired strategic projects with remaining value, we have obtained the investment cases prepared by management and assessed whether there continues to be a valid rationale to continue to hold the asset or whether some or all of the asset value required impairment. We challenged the viability of each of these projects with reference to the evolved strategy of the Group. In performing this procedure we made enquiries of management and members of the Executive Committee to further understand each project. This included discussions with the project owners in order to understand the value the Group could derive from the project and the ability and intention of the Group to complete it.

We have reviewed assets capitalised over the prior three financial periods to assess the completeness of impairments relating to key strategic projects where other previously capitalised costs may have a connection to ceased strategies and therefore no longer deliver an economic benefit to the Group. This included performing an assessment of the additions to assets under construction to evaluate whether the projects continued to deliver in line with the business case approved at that time. Where impairments have arisen in the year, we have understood why the project costs have been written-off and challenged management on whether this constitutes a prior period error.

Key observations

We concur with management's conclusion that the impairment recognised in the year is appropriate. We did not identify any further assets that required impairment based on the Group's current strategic priorities.

5.3. Impairment of UK&I goodwill



Key audit matter description

£1,840m of goodwill arising from the legacy merger of Dixons and Carphone is reviewed by management for impairment within the UK&I group of cash generating units (CGUs). As set out in note 8(b) to the Group financial statements, management assesses the recoverable amount of the Group of CGUs by calculating its value in use using projections covering a three-year period. These projections are determined by probability-weighting different medium term projections based on Board approved forecasts and additional downside scenarios that take account of the risks presented by current and potential economic trading conditions. Following their impairment review, management did not identify any impairment of goodwill being required.

There is judgement required by management in determining forecast cash flows, particularly in respect of the later and terminal years of their three-year period projections. There has been a downturn in trading results between the year-end date and the signing date of the financial statements. This is largely driven by the drop in performance of the online business. Given this performance, there is a heightened risk that future performance could adversely deviate from the projections used for the purposes of assessing the impairment judgement in respect of the UK&I goodwill.

As disclosed in note 8 a reasonably possible change in management's forecast annual operating profit throughout the assessment period would result in headroom of the UK&I combined groups of CGUs being eroded to nil. There is uncertainty in the assumptions underlying these forecasts, particularly in respect of forecast EBIT margin. Management has included a key source of estimation uncertainty in note 1(d), and provided associated sensitivity disclosures in respect of the UK&I group of CGUs as set out in note 8 to the financial statements.

Further information in this area is discussed in the Audit Committee report on page 104 and in note 8 to the Group financial statements.

How the scope of our audit responded to the key audit matter

We have completed the following procedures in respect of goodwill impairment:

- obtained an understanding of relevant controls relating to the review and approval of the impairment reviews;
- tested the mechanical accuracy of the value in use models and cash flow forecasts and assessed whether the methodology used in determining the recoverable amount is consistent with IAS 36 *Impairment of Assets*;
- challenged the key assumptions used by management in the impairment reviews through comparison to historical performance and external evidence. In particular, we challenged management in respect of the forecast improvement in operating profit. We assessed this by:
 - challenging management on the key reconciling items that bridge between the EBIT margin generated in the current and prior periods to the EBIT margin that is forecast over the term of the strategic plan and into perpetuity;
 - considering the reasonableness of management's short term cash flow forecasts, including cost savings which forms a key part of management's value in use model. We assessed whether the Group was committed to these plans to the extent that the cost savings can be included in an impairment assessment under IAS 36; and
 - evaluating management's assessment of the sensitivity to forecast EBIT margin required to indicate an impairment. We compared the breakeven EBIT margin to the margins achieved by comparator companies, the Nordics operating segment and historically in the UK Electricals business.
- challenged the reasonableness of management's forecast revenue and profit growth assumptions including an assessment in the context of the latest trading results of the business. This included evaluating management's downside scenarios and whether the value in use model represented management's best estimate of the forecast profitability of the UK&I group of CGUs;
- challenged management's rationale for the premium of the net assets of the Group above the market capitalisation of the Group by evaluating the reconciling amounts in management's analysis;
- assessed the completeness of assets being included in the asset base and the appropriateness of any liability balances included by management; and
- assessed the completeness and accuracy of disclosures against the requirements of IAS 1 and IAS 36 respectively.

Key observations

We considered that the related disclosures appropriately summarise the uncertainties associated with management's impairment reviews. We concur with management's conclusion that no impairment of goodwill is required.

Independent Auditor's Report continued

5.4 Tax provisioning

Key audit matter description The nature of the Group's historical operations and related transactions can give rise to uncertain tax treatments, thereby requiring the use of estimates and assumptions which may be subsequently challenged by the relevant tax authorities. In some instances, the Group has recognised a provision or disclosed a contingent liability in relation to certain historical treatments.

The Group is currently engaged with HMRC in relation to open tax enquiries arising from pre-merger legacy corporation transactions associated with the former Carphone Warehouse Group. As set out in note 31 and note 1d, in respect of these enquiries, the Group has disclosed a potential range of unprovided tax exposures in respect of one of these enquiries of £nil to £214m, excluding penalties and interest. Interest on the top end of this range would amount to approximately £61m up to 30 April 2022 and any penalties could be up to 30% of the principal tax amount. We identified a key audit matter relating to the judgement that this enquiry represents a contingent liability, and to the accuracy of the disclosed potential range of tax exposure.

In reaching this conclusion management have been advised by a number of third-party experts with a specialism in tax law. These specialists have reviewed the individual circumstances of the case and reviewed relevant correspondence in order to assess the likelihood of success in this case.

Further information in this area is discussed in the Audit Committee report, in the key sources of estimation uncertainty disclosed in note 1d and in note 31 to the Group financial statements.

How the scope of our audit responded to the key audit matter

In responding to the identified key audit matter we completed the following audit procedures:

- obtained an understanding of the relevant controls over management's review of the technical tax accounting papers, which summarise the latest correspondence and meetings with HMRC in respect of the High Risk Corporates Programme investigation and latest advice from management's external advisors in respect of the probable outcome of each matter;
- working with our internal tax specialists, we evaluated and assessed management's assumptions in respect of this matter. This included an assessment against local tax legislation and review of supporting documentation prepared by management and their advisors. In assessing the disclosures we have considered the tax environment in which the Group operates, the outcome of past settlements and the status of matters being discussed with tax authorities; and
- working with our specialists we also held discussions with, and assessed the competency, capabilities and objectivity of, management's experts who have assisted the Group in their determination of the likelihood of the Group's success in this matter and the extent of any amount that could become payable if they are not.

Key observations We concur with the directors' judgement that this matter represents a contingent liability and that the disclosure is appropriate, as set out in note 31.

5.5 UK deferred tax asset recoverability

Key audit matter description The valuation of the net UK deferred tax asset ('DTA'), £61m at 30 April 2022 (1 May 2021: £86m), is subject to management estimation, particularly in respect of forecast taxable profits within the UK. As set out in Note 6 to the financial statements, and in line with IAS 12 Income Taxes, management recognise deferred tax assets to the extent that it is probable that they will be utilised against future profits. In estimating the balance at the 30 April 2022, management's assessment is based on the forecast profitability of the UK business per the board approved three year projections.

There is judgement required by management in determining forecast cash flows, particularly in respect of the later and terminal years of their three-year projection periods. The FY23 trading results to date in the UK are down on the comparative period. Given this performance, there is a heightened risk that future performance could adversely deviate from the projections used for the purposes of assessing the value of the DTA.

As disclosed in note 1d, a reasonably possible change in assumptions underlying the Board approved projections could result in a change in the UK deferred tax asset that is recognised within the next year. Therefore, the valuation of the UK deferred tax asset has been disclosed by management as a key source of estimation uncertainty. Management has modelled different scenarios to assess the impact on the deferred tax asset and, based on these, the deferred tax asset could range from £52m to £68m.

5.5 UK deferred tax asset recoverability *continued*

How the scope of our audit responded to the key audit matter	<p>We have completed the following procedures in respect of the valuation of the UK deferred tax asset:</p> <ul style="list-style-type: none"> • obtained an understanding of the controls over the processes for the recognition and measurement of UK DTAs; • challenged management's assumptions and estimates to support the recognition of the net UK deferred tax asset with reference to forecast taxable profits. Our challenge of management's forecast profitability in the UK is described in further detail above within the UK&I goodwill impairment key audit matter procedures; • involved our tax specialists to assess the methodology adopted by management against the requirements of IAS 12 <i>Income Taxes</i>; • verified the mathematical and logical accuracy of the DTA model; • evaluated the range of sensitised outcomes determined by management against the latest trading results and management's historical forecasting accuracy; • assessed the valuation of the UK DTA against our own independent range of reasonable estimates; • tested the accuracy of the underlying data within the UK DTA model by comparison to the board approved forecasts and audited UK ledgers; and • assessed the adequacy of disclosures in the financial statements in relation to deferred tax assets, and the respective sensitivity disclosures provided.
Key observations	<p>We consider that the key source of estimation uncertainty disclosure and related sensitivities set out in note 1(d) appropriately summarise the uncertainties associated with the recoverability of the deferred tax asset. While overall we were satisfied with the valuation of the deferred tax asset, we reported to the directors that we considered, in our judgement, recording a deferred tax asset towards the lower end of the range disclosed would be more appropriate.</p>

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Consolidated financial statements	Company financial statements
Materiality	£10.5m (2020/21: £10.5m)	£10.0m (2020/21: £10.0m)
Basis for determining materiality	<p>We considered the following metrics:</p> <ul style="list-style-type: none"> • Adjusted profit before tax (see note A5); • Net assets; and • Revenue. <p>Using professional judgement, we determined materiality to be £10.5m (2020/21: £10.5m).</p> <p>Materiality for the current year represents 6.9% of adjusted profit before tax (2020/21: 8.6%), 0.15% of total assets (2020/21: 0.15%) and 0.10% of revenue (2020/21: 0.12%).</p> <p>This approach is consistent with the prior year.</p>	<p>Company materiality is determined as a percentage of net assets and capped at 95% (2020/21: 95%) of Group materiality. Determined company materiality equates to 0.38% (2020/21: 0.36%) of net assets.</p>
Rationale for the benchmark applied	<p>In determining our benchmark for materiality, we considered a number of different metrics used by investors and other users of the financial statements.</p>	<p>Net assets was selected as an appropriate benchmark for determining materiality, as the Company acts as a holding company.</p>

Independent Auditor's Report continued

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% (2019/20: 70%) of group materiality	70% (2020/21: 65%) of parent company materiality
Basis and rationale for determining performance materiality	<p>In the prior period we reduced performance materiality as a percentage of materiality from 70% to 65% to respond to the potential impact of the Covid-19 pandemic on the Group's control environment of remote working and the associated increased in risk of control failures and error. In the current period we have revised performance materiality as a percentage of materiality back to 70%. In determining performance materiality, we considered the following factors:</p> <ul style="list-style-type: none"> a. the judgements taken by management and the associated disclosures; b. our risk assessment, including our assessment of the Group's overall control environment and our reliance on controls in the Nordics business; and c. our past experience of the audit, including the profit impacting misstatements identified in prior periods and management's willingness to correct any misstatements identified. 	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.5m (2020/21: £0.5m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on the audit work of the significant components, being the retail operations in the UK and the Nordics, which is consistent with the previous year. Each of these components requires a local statutory audit.

In addition to the significant components, we have considered specific balances and classes of transactions included in other components of the Group and performed specified procedures where these balances and classes of transactions present a risk of material misstatement for the Group. Each location was selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above.

These significant components and specified procedure components represent the principal business units and account for approximately 95% of the Group's revenue from continuing operations (2020/21: 94%). Our audit work at these locations was executed at levels of materiality applicable to each individual entity which were lower than Group materiality and ranged from £5.2m to £10.0m (2020/21: £5.3m to £9.9m).

At the Currys plc Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

7.2. Our consideration of the control environment

Currys plc is reliant on the effectiveness of a number of IT applications and controls so that financial transactions are processed and recorded completely and accurately.

UK control environment

We involved our IT specialists to obtain an understanding of the relevant general IT controls. Due to the IT deficiencies identified in prior years, we did not plan to rely on the relevant controls over a number of operating cycles as these rely on automated controls.

We tested and relied upon the operating effectiveness of controls associated with the Currys supplier funding operating cycle, as this does not rely upon IT controls that were subject to the deficiencies noted above.

As a result of the IT deficiencies identified in the prior and current years, we completed additional substantive procedures. Whilst, for audit purposes, the additional procedures performed mitigated the risk presented by the deficiencies, management is in the course of performing further activities in order to stabilise the Group's IT infrastructure.

7.2. Our consideration of the control environment continued

General IT controls continue to be a focus area for management and the Audit Committee. Further information is set out in the risk management and internal control section of the Audit Committee report on page 105.

Nordics control environment

In the Nordics, we relied upon controls across the following operating cycles: inventory, supplier funding, cash, property, plant & equipment, trade payables, revenue and cost of goods sold.

We tested and relied upon the relevant controls of two finance systems associated with these operating cycles. IT deficiencies were identified in our testing of these finance systems. For the purposes of the audit, we performed additional procedures to mitigate the risk presented by the deficiencies. Management is in the course of enhancing the IT infrastructure in order to address these deficiencies.

7.3. Our consideration of climate-related risks

As a part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions with management to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. The results of management's risk assessment process are described in further detail within the Sustainability section of the Annual Report on page 57. No impact on judgements and estimates within the financial statements was identified by management as a result of this process.

We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transaction and did not identify any additional reasonably possible risks of material misstatement. Our procedures included reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit. We have not been engaged to provide assurance over the accuracy of these disclosures.

7.4. Working with other auditors

The same audit team is responsible for both the Group and UK component audit work.

The Group audit team engaged a component audit team from Deloitte Norway to perform an audit of the Nordics sub-consolidation. The Group audit team held regular communication with the component auditor ahead of and during the year end audit process. Oversight of the component audit team included reviewing the audit work of the component audit team.

For the year ended 30 April 2022 members of the Group audit team, including the Group engagement partner, visited the component audit team in Oslo, where the Nordics business is headquartered. Additionally, the lead audit partner separately met with the CFO of the Nordics business.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

Independent Auditor's Report continued

10. Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including fraud, tax, valuations, pensions, IT, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of UK network receivables, impairment of UK capitalised development costs and supplier funding. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pension legislations, tax legislations and FCA regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's health and safety, insurance selling and environmental regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of UK network receivables as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to this key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing management's identification of adjusting items, which are included as key performance indicators in the narrative of the annual report. We have considered management's policy for recognising items as adjusting, and challenged the categorisation of these items against the disclosed group policy.
- enquiring of management, the audit committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;

11.2. Audit response to risks identified continued

- assessing the valuation of UK and Nordics supplier funding related accruals that require the most significant level of management judgement. Our procedures included obtaining a sample of management's direct confirmations with certain suppliers; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

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

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 65;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 65;
- the directors' statement on fair, balanced and understandable set out on page 148;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 65;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 58; and
- the section describing the work of the audit committee set out on page 100.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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 are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Independent Auditor's Report continued

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board on 31 July 2003 to audit the financial statements of the Group for the year ending 29 March 2003 and subsequent financial periods. The period of total uninterrupted engagement as the Group auditors, including previous renewals and reappointments of the firm is 20 years, covering the years ending 29 March 2003 to 30 April 2022. The period of engagement as the Company's auditor, following a Group restructuring, since being incorporated in 2009, is 12 years, covering the years ending 26 March 2011 to 30 April 2022. As set out in the Audit Committee report on page 108, 2021/22 is the final year of our audit tenure.

15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.



David Griffin
Senior Statutory Auditor

for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
06 July 2022

Consolidated Income Statement

	Note	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Continuing operations			
Revenue	2.3	10,144	10,344
Profit before interest and tax	2.3	222	147
Finance income		2	6
Finance costs		(98)	(120)
Net finance costs	5	(96)	(114)
Profit before tax		126	33
Income tax expense	6	(55)	(33)
Profit after tax – continuing operations		71	–
Profit after tax – discontinued operations	24	–	12
Profit after tax for the period		71	12
Earnings per share (pence)			
Basic – continuing operations	7	6.3p	–p
Diluted – continuing operations		6.0p	–p
Basic – total		6.3p	1.0p
Diluted – total		6.0p	1.0p

Consolidated Statement of Comprehensive Income

	Note	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Profit after tax for the period		71	12
<i>Items that may be reclassified to the income statement in subsequent years:</i>			
Cash flow hedges	22		
Fair value movements recognised in other comprehensive income		14	(51)
Reclassified and reported in income statement		(28)	11
Tax on movements on cash flow hedges	6	(3)	–
Exchange (loss)/gain arising on translation of foreign operations		(33)	46
		(50)	6
<i>Items that will not be reclassified to the income statement in subsequent years:</i>			
Actuarial gain on defined benefit pension schemes	21	156	30
– UK			
– Overseas	21	3	–
Tax on movements on defined benefit pension schemes	6	8	13
Gains on financial assets measured at fair value through other comprehensive income		–	8
		167	51
Other comprehensive income for the period (taken to equity)		117	57
Total comprehensive income for the period		188	69

Consolidated Balance Sheet


	Note	30 April 2022 £m	1 May 2021 £m
Non-current assets			
Goodwill	8	2,814	2,851
Intangible assets	9	385	426
Property, plant & equipment	10	162	184
Right-of-use assets	11	1,007	1,051
Lease receivables	12	3	3
Trade and other receivables	14	123	138
Deferred tax assets	6	282	262
		4,776	4,915
Current assets			
Inventory	13	1,286	1,178
Lease receivables	12	1	1
Trade and other receivables	14	696	587
Derivative assets	25	28	24
Cash and cash equivalents	15	126	175
		2,137	1,965
Total assets		6,913	6,880
Current liabilities			
Trade and other payables	16	(2,368)	(2,233)
Derivative liabilities	25	(11)	(42)
Contingent consideration	17	-	(2)
Income tax payable		(64)	(64)
Loans and other borrowings	18	(2)	(6)
Lease liabilities	19	(210)	(216)
Provisions	20	(48)	(58)
		(2,703)	(2,621)
Non-current liabilities			
Trade and other payables	16	(96)	(97)
Loans and other borrowings	18	(80)	-
Lease liabilities	19	(1,057)	(1,110)
Retirement benefit obligations	21	(257)	(482)
Deferred tax liabilities	6	(208)	(162)
Provisions	20	(11)	(27)
		(1,709)	(1,878)
Total liabilities		(4,412)	(4,499)
Net assets		2,501	2,381
Capital and reserves			
Share capital	22	1	1
Share premium reserve		2,263	2,263
Other reserves		(803)	(764)
Accumulated profits		1,040	881
Equity attributable to equity holders of the parent company		2,501	2,381

The financial statements were approved by the directors on 6 July 2022 and signed on their behalf by:



Alex Baldock
Group Chief Executive

Company registration number: 7105905



Bruce Marsh
Group Chief Financial Officer

Consolidated Statement of Changes in Equity

	Note	Share capital £m	Share premium reserve £m	Other reserves* £m	Accumulated profits £m	Total equity £m
At 2 May 2020		1	2,263	(775)	791	2,280
Profit for the period		–	–	–	12	12
Other comprehensive income recognised directly in equity		–	–	14	43	57
Total comprehensive income for the period		–	–	14	55	69
Amounts transferred to the carrying value of inventory purchased during the year		–	–	24	–	24
Net movement in relation to share schemes		–	–	4	17	21
Amounts transferred from investments revaluation reserve		–	–	(18)	18	–
Purchase of own shares – employee benefit trust	22	–	–	(13)	–	(13)
At 1 May 2021		1	2,263	(764)	881	2,381
Profit for the period		–	–	–	71	71
Other comprehensive (expense)/income recognised directly in equity		–	–	(50)	167	117
Total comprehensive (expense)/income for the period		–	–	(50)	238	188
Amounts transferred to the carrying value of inventory purchased during the year		–	–	28	–	28
Net movement in relation to share schemes	4	–	–	24	(1)	23
Purchase of own shares – employee benefit trust	22	–	–	(41)	–	(41)
Purchase of own shares – share buyback	22	–	–	(32)	–	(32)
Cancellation of treasury shares	22	–	–	32	(32)	–
Equity dividend	23	–	–	–	(46)	(46)
At 30 April 2022		1	2,263	(803)	1,040	2,501

* A detailed reconciliation of Other reserves is provided in note 22b.

Consolidated Cash Flow Statement

	Note	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Operating activities			
Cash generated from operations	26	524	926
Contributions to defined benefit pension scheme		(78)	(47)
Income tax paid		(18)	(35)
Net cash flows from operating activities		428	844
Investing activities			
Net cash outflow arising from acquisitions		(2)	(1)
Proceeds from sale of financial assets at FVTOCI		-	18
Proceeds on sale of business		1	2
Acquisition of property, plant & equipment and other intangibles		(133)	(122)
Net cash flows from investing activities		(134)	(103)
Financing activities			
Interest paid		(87)	(101)
Capital repayment of lease liabilities		(208)	(232)
Purchase of own shares – employee benefit trust		(41)	(13)
Purchase of own shares – share buyback		(32)	-
Equity dividends paid		(46)	-
Drawdown/(repayment) of borrowings		80	(326)
Facility arrangement fees paid		(6)	-
Net cash flows from financing activities		(340)	(672)
(Decrease)/increase in cash and cash equivalents and bank overdrafts		(46)	69
Cash and cash equivalents and bank overdrafts at the beginning of the period		169	120
Currency translation differences		1	(20)
Cash and cash equivalents and bank overdrafts at the end of the period	26	124	169

Notes to the Group Financial Statements

1 Significant accounting policies

a) Basis of preparation

Currys plc (the 'Company') is a public company limited by shares incorporated in the United Kingdom, which is registered in England and Wales under the Companies Act 2006.

The consolidated financial statements have been prepared on a going concern basis in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Currys Plc transitioned to UK-adopted International Accounting Standards in its group financial statements on 2 May 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements have been presented in Pound Sterling, based on the Group's primary economic environment, and on the historical cost convention except for the revaluation of certain financial instruments and defined benefit pension obligations, as explained below. All amounts have been rounded to the nearest million (£m), unless otherwise stated.

Significant accounting policies have been included in the relevant notes to the financial statements to which the policies relate. These are presented as text highlighted on pages 174 to 221. Where accounting policies are applied to the financial statements as a whole, they are detailed further below. Unless otherwise stated, the accounting policies are the same as those which have been applied consistently to all periods presented and in previous financial years.

Alternative performance measures ('APMs')

In addition to IFRS measures, the Group uses certain APMs that are considered to be additional informative measures of ongoing trading performance of the Group and are consistent with how performance is measured internally. The APMs used by the Group in addition to IFRS measures are included within the Glossary and definitions on page 231. This includes further information on the definitions, purpose, and reconciliation to IFRS measures of those APMs that are used for internal reporting and presented to the Group's Chief Operating Decision Maker ('CODM'). The CODM has been determined to be the Board.

Going concern

Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least 12 months from the date of approval of the financial statements. The Group and Company's business activities, factors likely to affect future development, performance and position, as well as the principal risks are set out in the Strategic Report on pages 1 to 79. The Group and Company's funding arrangements and processes for managing its exposure to liquidity risk are set out in notes 18 and 25.

In their consideration of going concern, the directors have reviewed the Group's future cash forecasts and profit projections, which are based on market data and past experience. The directors are of the opinion that the Group's forecasts and projections, which take into account reasonably possible changes in trading performance, including the potentially prolonged impact of Covid-19 and the impact from inflation exacerbated by the conflict in Eastern Europe, show that the Group is able to operate within its current facilities and comply with its banking covenants for the foreseeable future. In arriving at their conclusion that the Group has adequate financial resources, the directors considered the level of borrowings and facilities as set out in note 18 to the Group financial statements and that the Group has a robust policy towards liquidity and cash flow management.

As a result of the uncertainties surrounding the forecasts due to the current macroeconomic environment, the Group has also modelled a reverse stress test scenario. The reverse stress test models the decline in sales that the Group would be able to absorb before requiring additional sources of financing in excess of those that are committed. Such a scenario, and the sequence of events which could lead to it, is considered to be remote.

As a result, the Board believes that the Group is well placed to manage its financing and other significant risks satisfactorily and that the Group will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements. The long-term impact of macroeconomic factors are uncertain and should the impacts on trading conditions be more prolonged or severe than what the directors consider to be reasonably possible, the Group would need to implement additional operational or financial measures.

1 Significant accounting policies continued

b) Accounting convention and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and has the ability to use its power to affect its returns.

The results of subsidiaries and joint ventures acquired or sold during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal as appropriate, which is the date from which the power to control passes. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intercompany transactions and balances are eliminated on consolidation.

c) Foreign currency translation and transactions

Foreign currency transactions

Transactions denominated in foreign currencies are translated to the Group's presentational currency using the exchange rate at the date of the transaction. The Group uses foreign exchange forward contracts to hedge material transactions denominated in foreign currencies, as outlined in note 25. Foreign exchange differences arising are recognised in the Group's income statement in the year in which they arise.

Foreign currency translation

Material monetary assets and liabilities denominated in foreign currencies are hedged, mainly using forward foreign exchange contracts to create matching liabilities and assets, and are translated at the rates prevailing at the balance sheet date.

The results of foreign operations are translated each month at the monthly rate, and their balance sheets are translated at the rates prevailing at the balance sheet date. Goodwill and acquisition intangible assets are held in the currency of the operation to which they relate. Exchange differences arising on the translation of net assets, goodwill and results of foreign operations are recognised in the Group statement of other comprehensive income and are included in the Group's translation reserve.

The principal exchange rates against Pound Sterling used in these financial statements are as follows:

	Average		Closing	
	2022	2021	2022	2021
Euro	1.18	1.12	1.19	1.15
Norwegian Krone	11.86	11.90	11.78	11.50
Swedish Krona	12.11	11.56	12.31	11.69
US Dollar	1.35	1.33	1.26	1.38

d) Key sources of estimation uncertainty and critical accounting judgements

Critical accounting judgements and estimates used in the preparation of the financial statements are continually reviewed and revised as necessary. Whilst every effort is made to ensure that such judgements and estimates are reasonable, by their nature they are uncertain, and as such changes may have a material impact.

Key sources of estimation uncertainty

Defined benefit pension schemes

The surplus or deficit in the UK defined benefit pension scheme that is recognised through the consolidated statement of comprehensive income and expense is subject to a number of assumptions and uncertainties. The calculated liabilities of the scheme are based on assumptions regarding inflation rates, discount rates and member longevity. Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes. Refer to note 21 for further information.

Revenue recognition – network commissions

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

Notes to the Group Financial Statements continued

1 Significant accounting policies continued

d) Key sources of estimation uncertainty and critical accounting judgements continued

Key sources of estimation uncertainty continued

Revenue recognition – network commissions continued

For the year ended 30 April 2022, the revenue recognised includes a value of £11m (2020/21: £6m) relating to the application of RPI increases on end consumer contracts by the respective MNOs relating to performance obligations satisfied in prior periods. As a result of the revenue constraints applied to counteract the estimation uncertainty over consumer behaviour, it is reasonably possible that additional revenue may be recognised in the next financial year from performance obligations satisfied in prior periods of between £nil and £20m (2020/21: between £nil and £15m). Further details of the estimations involved with network commissions can be found in note 3 and a reconciliation of the movements in the network commission receivables within the year is included within note 14.

Impairment of non-financial assets

The Group tests whether goodwill has suffered any impairment on an annual basis based on the value of the discounted future cash flows allocated to the group of CGUs to which it is allocated. The methodology and key assumptions used in assessing the carrying value of goodwill are set out further below. The key assumptions made for long term projections, sales growth rates, cost saving initiatives and discount rate all include an element of estimation that may give rise to a difference between the value ascribed and the actual outcomes. Due to the current macroeconomic environment, there is an increased level of risk and therefore a key source of estimation uncertainty with the sales and cost growth assumptions that drive the operating profit forecasts, the long-term growth rate applied beyond the three-year forecast period, and the pre-tax discount rate. It is reasonably possible that a change in these assumptions could lead to a material change in the carrying value of goodwill specifically within the UK & Ireland operating segment, where £1,840m of goodwill is allocated, within the next financial year. Further details of the key assumptions used and the sensitivity analysis in respect of the recoverable amount of UK & Ireland goodwill is disclosed in note 8.

Property, plant & equipment, right-of-use assets, and other non-current assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of an asset or CGU is not recoverable. A CGU is an individual store. The recoverable amount is the greater of the fair value less costs to sell and value in use. In calculating the value in use of each store CGU, order & collect sales (and associated costs) have been included, as well as an allocation of e-commerce sales that have been delivered directly to the consumer (rather than ordered in store or collected in store) based on data obtained from customer surveys that support the allocation to stores. Due to the current macroeconomic environment there is an increased level of risk associated with the forecast operating profit contribution generated by the stores (including the online sales allocations). Therefore, a key source of estimation uncertainty associated with the sales and cost growth assumptions that drive the operating profit forecasts attributable directly to the store portfolio has been identified. It is considered reasonably possible that a change in these operating profit forecast assumptions could lead to a material change in the carrying value of assets specifically attributed to the UK stores, within the next financial year. If the operating profit generated by the store portfolio (including order & collect and an allocation of e-commerce sales delivered directly to the consumer) reduces by a reasonably possible 20% from 2022/23 onwards, this would result in a further impairment of store assets by £10m (2020/21: £18m). The total carrying value of the store assets that have a significant risk and would be impacted by the reasonably possible change of 20% operating profit reduction, is £46m. The directors do not consider that the relevant change in this assumption would have a consequential effect on other key assumptions.

Deferred tax asset – UK losses carried forward

The Group recognises, and regularly remeasures, deferred tax assets for the carry forward of unused tax losses and pension contributions within the UK to the extent that future taxable profit will be available against which the unused tax losses and pension contributions can be utilised. These losses predominantly relate to trading losses incurred in Currys Retail Limited, which is part of a wider tax group in the UK where the losses can be utilised against future profits across the UK business. The Group recognised a total net deferred tax asset of £74m (2020/21: £100m), which includes £61m (2020/21: £86m) in the UK relating to unused tax losses and pension contributions that is subject to significant estimation uncertainty. The deferred tax asset with the estimation uncertainty is based on management's projections over the next 3 years, including sales and costs growth rates and any potential impact of the risks to achieving the Group's objectives, including the risks presented by macroeconomic downturns and supply chain pressures, all of which may give rise to a difference between the value ascribed and the actual outcome.

It is reasonably possible that a change in assumption could result in a material change in the forecast taxable profit that will be available against which the unused tax losses can be utilised, and a subsequent change in the deferred tax asset that is recognised, within the next year. The Group has modelled different scenarios to assess the impact on the deferred tax asset and based on these the deferred tax asset could range from £52m to £68m. For instance, the lower end of the range is aligned to the assumptions applied in the reasonable worst case scenarios used in our going concern modelling and would result in the deferred tax asset reducing to £52m. Conversely, the higher end of the range models the external market assumptions used for sales estimates in the 2022/23 forecast assuming they outperform expectations by a reasonably possible amount, and would result in a larger deferred tax asset of £68m being recognised.

1 Significant accounting policies continued

d) Key sources of estimation uncertainty and critical accounting judgements continued

Critical accounting judgements

Taxation

The Group is subject to income taxes in a number of different jurisdictions and judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. The Group recognises a provision when it is probable that an obligation to pay tax will crystallise as a result of a past event. The quantum of provision recognised is based on the best information available and has been assessed by in-house tax specialists, and where appropriate third-party taxation and legal advisors, and represents the Group's best estimate of the most likely outcome. Where the final outcome of such matters differs from the amounts initially recorded, any differences will impact the income tax and deferred tax provisions in the year to which such determination is made. Tax laws that apply to the Group's businesses may be amended by the relevant authorities, for example as a result of changes in fiscal circumstances or priorities. Such potential amendments and their application to the Group are monitored regularly and the requirement for recognition of any liabilities (or changes in existing provisions) assessed where necessary.

The Group has recognised provisions in relation to uncertain tax positions of £66m at 30 April 2022 (2020/21: £65m). Due to the nature of the provisions recorded, the timing of the settlement of these amounts remains uncertain.

Furthermore, the Group is currently cooperating with HMRC in relation to open tax enquiries arising from pre-merger legacy corporate transactions in the Carphone Warehouse Group. One of the underlying pre-merger transactions under enquiry is considered to have a 'more likely than not' chance of resulting in settlement. The Group therefore determined, due to this level of risk, that a provision was appropriate and this was recognised in the 2018/19 financial statements. This enquiry is still open and the treatment as a provision continues to be deemed appropriate, with £42m (2020/21: £41m) (comprising both the amount of tax due on settlement together with interest up to 30 April 2022) included within the uncertain tax provisions balance explained above as at 30 April 2022. This enquiry is linked to another pre-merger tax risk that has a 'more likely than not' chance of resulting in settlement and has therefore been fully provided for at £18m (2020/21: £17m) (comprising both the amount of tax due together with interest). This provision is included within the uncertain tax provisions balance explained above as at 30 April 2022.

In addition, the Group has a further open tax enquiry arising from a separate pre-merger legacy corporate transaction. Based on the strength of third-party legal advice it is considered 'more likely than not' that this enquiry will not result in an economic outflow to the Group and therefore no provision has been made. The potential range of tax exposures relating to this enquiry is estimated to be approximately £nil – £214m excluding interest and penalties (2020/21: £nil – £214m). Interest on the upper end of the range is approximately £61m up to 30 April 2022 (2020/21: £56m). Penalties could range from nil to 30% of the principal amount of any tax. Any potential cash outflow would occur in greater than one year and less than five years. This potential outflow has been disclosed as a contingent liability within note 31.

e) Recent accounting developments

In the current year, the Group has applied a number of amendments to International Financial Reporting Standards ('IFRSs') and Interpretations issued by the International Accounting Standards Board ('IASB') that are effective for the financial year beginning 2 May 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The Group has considered the following standards whose impact is not deemed to be material:

- Amendments to IFRS 9: 'Financial Instruments', IAS 39: 'Financial Instruments: Recognition and Measurement', IFRS 7: 'Financial Instruments: Disclosures', IFRS 4: 'Insurance Contracts' and IFRS 16: 'Leases' on Phase 2 of interest rate benchmark reform.
- Amendment to IFRS 16: 'Covid-19 Related Rent Concessions beyond 30 June 2021'.

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

- IFRS 17: 'Insurance Contracts'.
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current.
- Amendments to IFRS 3 Reference to the Conceptual Framework.
- Amendments to IAS 16: 'Property, Plant and Equipment' – Proceeds before Intended Use.
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018–2020 Cycle: Amendments to IFRS 1: 'First-time Adoption of International Financial Reporting Standards', IFRS 9: 'Financial Instruments', IFRS 16: 'Leases', and IAS 41: 'Agriculture'.
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.
- Amendments to IAS 8 Definition of Accounting Estimates.
- Amendments to IAS 12: 'Deferred Tax' related to Assets and Liabilities arising from a Single Transaction.

Notes to the Group Financial Statements continued

2 Segmental analysis

The Group's operating segments reflect the segments routinely reviewed by the CODM and which are used to manage performance and allocate resources. This information is predominantly based on geographical areas which are either managed separately or have similar trading characteristics such that they can be aggregated together into one segment.

Changes to operating segments

During the period the operating and reporting segments of the Group have changed and reflect the updated segments reported to the Board, who are considered the CODM under IFRS 8: 'Operating Segments'. Following the closure of the Carphone Warehouse standalone store estate within the UK in April 2020, Carphone Warehouse Ireland business in April 2021, the final legacy network contract with volume commitments ending in June 2021, along with the rebrand in the UK to Currys and mobile becoming a category within the Currys business, the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile segments have been combined into a single UK & Ireland segment.

It was subsequently determined that by including mobile as a category within Currys and the removal of the legacy network volume commitments, that the previously disclosed UK & Ireland Mobile segment incurs expenses in the same manner and sells similar products to that of the UK & Ireland Electricals segment. The Group has therefore consolidated the information presented to the Board to provide greater clarity over the relative performance of the UK & Ireland business and to support decisions related to the allocation of the Group's resources. The restatement of comparative information for these segments has been set out in note 2b.

The Group's operating and reportable segments have therefore been identified as follows:

- UK & Ireland; comprises the operations of Currys, Carphone Warehouse, iD Mobile and B2B operations.
- Nordics; operates in Norway, Sweden, Finland and Denmark with franchise operations in Iceland, Greenland and the Faroe Islands.
- Greece; consisting of our ongoing operations in Greece and Cyprus.

UK & Ireland, Nordics and Greece are involved in the sale of consumer electronics and mobile technology products and services, primarily through stores or online channels.

Transactions between segments are on an arm's length basis.

In accordance with IFRS 5, discontinued operations are disclosed separately as a single amount within the Group's consolidated income statement after profit after tax for continuing operations. Discontinued operations are therefore excluded from the segmental analysis. Further information on the Group's operations classified as discontinued is outlined in note 24.

a) Segmental results

	Year ended 30 April 2022				
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
External revenue	5,485	4,105	554	–	10,144
Inter-segmental revenue	67	–	–	(67)	–
Total revenue	5,552	4,105	554	(67)	10,144
Profit before interest and tax	71	130	21	–	222
	Year ended 1 May 2021 (restated)*				
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
External revenue	5,642	4,186	516	–	10,344
Inter-segmental revenue	56	–	–	(56)	–
Total revenue	5,698	4,186	516	(56)	10,344
Profit/(loss) before interest and tax	(11)	139	19	–	147

* As discussed above, during the period the Group's reportable segments have been changed to reflect the updated segments reported to the Board. As a result, inter-segmental revenue has been restated from £194m to £56m for the year ended 1 May 2021. This is to remove inter-segmental revenue transactions between the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile CGUs. A full restatement of segmental information from what was disclosed in prior periods is presented below in note 2b.

No individual customer represented more than 10% of the Group's revenue within the current or preceding period.

2 Segmental analysis continued

b) Restatement of segmental information

As discussed above, during the period the Group's reportable segments have been changed, and comparatives have been restated accordingly. The below tables provide reconciliations for external revenue and profit/(loss) before interest and tax for the year ended 1 May 2021. The relevant adjustment is a reconciliation of the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile segments to the UK & Ireland segment.

External revenue

	As previously reported £m	Reallocate UK & Ireland Electricals £m	Reallocate UK & Ireland Mobile £m	Total £m
UK & Ireland	–	4,921	721	5,642
UK & Ireland Electricals (as previously reported)	4,921	(4,921)	–	–
UK & Ireland Mobile (as previously reported)	721	–	(721)	–
Nordics	4,186	–	–	4,186
Greece	516	–	–	516
Total revenue	10,344	–	–	10,344

Profit/(loss) before interest and tax

	As previously reported £m	Reallocate UK & Ireland Electricals £m	Reallocate UK & Ireland Mobile £m	Total £m
UK & Ireland	–	78	(89)	(11)
UK & Ireland Electricals (as previously reported)	78	(78)	–	–
UK & Ireland Mobile (as previously reported)	(89)	–	89	–
Nordics	139	–	–	139
Greece	19	–	–	19
Profit/(loss) before interest and tax	147	–	–	147

c) Geographical information

Revenues are allocated to countries according to the entity's country of domicile. Revenue by destination is not materially different to that shown by domicile. Non-current assets exclude financial instruments and deferred tax assets.

	Year ended 30 April 2022					Year ended 1 May 2021				
	UK £m	Norway £m	Sweden £m	Other £m	Total £m	UK £m	Norway £m	Sweden £m	Other £m	Total £m
Revenue	5,299	1,245	1,387	2,213	10,144	5,352	1,269	1,375	2,348	10,344
Non-current assets	2,718	588	457	690	4,453	2,886	581	461	684	4,612
Capital expenditure	64	32	10	27	133	60	36	7	19	122

Notes to the Group Financial Statements continued

3 Revenue and profit before interest and taxation

Accounting policies

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

a) Sale of goods

Revenue from the sale of goods is recognised at the point of sale or, where later, upon delivery to the customer. Where consideration is received, or receivable, in advance of the customer obtaining control and the performance obligations being satisfied, a contract liability is recognised.

It is Group policy to grant customers the right to return their products within a defined period of time. As this does not represent a separate performance obligation, the Group only recognises revenue to which it expects to be entitled. The Group uses the most likely amount method to estimate the expected value of goods to be returned by customers exercising their rights in line with the Group's refund policy based on the prior period return rates.

A refund liability is recognised as a component of trade and other payables for the amount of variable consideration that the Group does not expect to be entitled. A separate right to return asset is recognised within inventory to represent the right to recover goods from customers on settlement of the refund liability. This is measured by reference to the former carrying amount of the goods sold less any recoverability costs and decrease in value.

b) Network commissions

Revenue from network commissions is recognised at a point in time on completion of the performance obligation under the individual contract with the MNO. The Group operates under contracts with a number of MNOs. Over the life of these contracts, the service provided by the Group to each MNO is the procurement of connections to the MNOs' networks. Each connection made to an MNO's network relates to an individual consumer. The consumer enters into a contract with the MNO for the MNO to supply the ongoing airtime over that contract period.

The Group earns a commission for the service provided to each MNO ('network commission'). Revenue is recognised at the point the individual consumer signs a contract with the MNO. Consideration from the MNO becomes receivable over the course of the contract between the MNO and the consumer. A judgement associated with this recognition is the unit of account used in measurement. As there is a large population of homogeneous items, in measuring the amount of revenue to recognise the Group has determined that the number and value of consumers provided to each MNO in any given month (a 'cohort') represents the best unit of account.

The level of network commission earned is based on a share of the monthly payments made by the consumer to the MNO, including contractual monthly line rental payments together with a share of 'out-of-bundle' spend, spend after the contractual term, and amounts due from customer upgrades performed directly by the network. The total consideration receivable is determined by consumer behaviour after the point of recognition. The transaction price includes elements of variability and is therefore an area of estimation.

The method of measuring the value of the revenue and contract asset in the month of connection is to estimate all future cash flows that will be received from the network and discount these based on the expected timing of receipt.

A constrained estimate of the determined commission is recognised in full in the month of connection of the consumer to the MNO as this is the point at which we have completed the service obligation relating to the consumer connection.

Transaction price is estimated based on extensive historical evidence obtained from the networks and an adjustment is made for expected and possible changes in consumer behaviour including as a result of regulatory changes impacting the sector. The consideration for a cohort of consumers is estimated by modelling the expected value of the portfolio of individual sales. Revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of revenue recognised will not occur. Management makes a quarterly, and the directors a twice-yearly, assessment of this data. This is based on the best estimate of expected future trends.

3 Revenue and profit before interest and taxation continued

Accounting policies continued

c) Insurance revenue

Insurance revenue relates to the sale of third-party insurance products. Sales commission received from third parties is recognised when the insurance policies to which it relates are sold. Although there are no ongoing performance obligations, future commission receivable can vary due to consumer behaviour, however, it is only recognised to the extent that it is highly probable that there will not be a significant reversal of revenue. The Group recognises a contract asset in relation to this revenue. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point in which it becomes billable and is no longer conditioned on something other than the passage of time. Revenue from the provision of insurance administration services is recognised over the life of the relevant policies when the Group's performance obligations are satisfied.

d) Support services – customer support agreements

Revenue earned from the sale of customer support agreements is recognised in full as the stand-ready performance obligations are satisfied under the contracts with the customer. Where consideration is received in advance of the performance of the obligations being satisfied, a contract liability is recognised. Due to the cancellation options and customer refund clauses, contract terms have been assessed to either be monthly or a series of day to day contracts with revenue recognised respectively in the month to which payment relates, or on a 'straight-line' basis.

e) Other services

Other services revenue, including delivery and installation, product repairs and product support, is recognised when the obligation to the customer has been fulfilled. Other services revenue also includes revenue recognised through our Mobile Virtual Network Operator ('MVNO') where we are the principal in the arrangement of providing handset and connectivity to the consumer. In estimating the revenue to be recognised when control is transferred to the customer, an assessment is made of the stand-alone selling prices ('SSPs') for handsets and connectivity based on the observable pricing of comparable handset only and SIM only contracts sold by the entity. Transaction prices attributable to performance obligations are calculated by allocating total contract revenue in the proportion to the SSPs for each performance obligation. The handset element is included within 'Sale of goods' and the connectivity element is recognised in 'Other services revenue'.

Revenue is recognised either when the performance obligation in the contract has been performed at a point in time (provision of handset at contract commencement) or 'over time' as control of the performance obligation is transferred to the customer (provision of monthly connectivity service). Customer payments are due monthly over the lifetime of the contract which results in the recognition of accrued income in relation to the performance obligations already satisfied. These amounts are transferred into trade receivables when billed to the customer.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Revenue	10,144	10,344
Cost of sales	(8,356)	(8,592)
Gross profit	1,788	1,752
Operating expenses	(1,566)	(1,605)
Profit before interest and tax	222	147

Notes to the Group Financial Statements continued

3 Revenue and profit before interest and taxation continued

The Group's disaggregated revenues recognised under 'Revenue from Contracts with Customers' in accordance with IFRS 15 relates to the following operating segments and revenue streams:

	Year ended 30 April 2022			
	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sale of goods	4,698	3,756	511	8,965
Commission revenue	423	220	18	661
Support services revenue	239	57	17	313
Other services revenue	124	72	8	204
Other revenue	1	–	–	1
Total revenue	5,485	4,105	554	10,144

	Year ended 1 May 2021			
	UK & Ireland £m	Nordics £m	Greece £m	Total £m
Sale of goods	4,751	3,797	491	9,039
Commission revenue	469	252	1	722
Support services revenue	260	60	17	337
Other services revenue	157	77	7	241
Other revenue	5	–	–	5
Total revenue	5,642	4,186	516	10,344

Revenue from commissions relates predominantly to network and insurance commissions which are further explained within the accounting policies section above.

Income received from suppliers such as volume rebates

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

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

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

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

Supplier funding amounts that have been recognised and not invoiced are shown within accrued income on the balance sheet. Cash inflows for supplier funding received are classified as operating cash flows.

3 Revenue and profit before interest and taxation continued

Profit before interest and taxation for continuing operations is stated after charging/(crediting) the following:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Depreciation of property, plant & equipment	62	79
Impairment of property, plant & equipment*	6	5
Depreciation of right-of-use assets	190	200
Impairment of right-of-use assets*	42	15
Impairment reversal of right-of-use assets*	(15)	–
Amortisation of acquisition intangibles	24	26
Impairment of acquisition intangibles*	–	8
Amortisation of other intangibles	62	57
Impairment of other intangibles*	33	47
Impairment reversal of other intangibles*	(1)	–
Impairment of inventory	72	80
Net impairment on financial assets (see note 14)	6	–
Cost of inventory recognised as an expense	8,013	8,175
Cash flow hedge amounts reclassified and reported in income statement	(28)	11
Government grant income	(1)	(6)
Net foreign exchange gains	(6)	(2)
Share-based payments expense	23	21
Other employee costs (see note 4)	985	1,054
Restructuring costs**	12	54
Other exceptional income**	(18)	(31)
Regulatory income**	(1)	(7)

* Impairment and impairment reversals of fixed assets are all within the UK & Ireland operating segment.

** Restructuring costs, other exceptional income and regulatory income are further detailed within note A5 in the Glossary and definitions.

Auditor's remuneration comprises the following:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	0.1	0.1
Fees payable to the Company's Auditor and its associates for the audit of the Company's subsidiaries	1.7	1.5
Total audit fees	1.8	1.6
Audit-related assurance services:		
Review of interim statement	0.2	0.2
Other assurance services	–	0.2
Total audit and audit-related assurance services	2.0	2.0
Tax compliance services	0.1	0.1
Total audit and non-audit fees	2.1	2.1

Notes to the Group Financial Statements continued

4 Employee costs and share-based payments

a) Employee costs

The aggregate remuneration recognised in the income statement for continuing operations is as follows:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Salaries and performance bonuses	845	901
Social security costs	110	119
Other pension costs	30	34
	985	1,054
Share-based payments	23	21
	1,008	1,075

The average number of employees for continuing operations is:

	Year ended 30 April 2022 number	Year ended 1 May 2021 (restated)* number
UK & Ireland	19,625	23,025
Nordics	10,984	10,399
Greece	2,923	2,663
	33,532	36,087

* Figures for the year ended 1 May 2021 have been restated to reflect the change in operating segments reported to the Board as per IFRS 8: 'Operating Segments'. The average number of employees for continuing operations previously disclosed for the UK & Ireland Electricals of 18,591 and UK & Ireland Mobile of 4,434 have been combined into a single UK & Ireland operating segment.

Compensation earned by key management, comprising the Board of Directors and Executive Committee, is as follows:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Short-term employee benefits	9	9
Termination benefits	1	1
Share-based payments	6	4
	16	14

Further information about individual directors' remuneration, share interests, share options, pensions and other entitlements, which form part of these financial statements, is provided in the Remuneration Report.

4 Employee costs and share-based payments continued

b) Share-based payments

Accounting policies

Equity settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. A Monte Carlo model is used to measure fair value.

For all schemes, the number of options expected to vest is recalculated at each balance sheet date, based on expectations of leavers prior to vesting. For schemes with internal performance criteria such as free cash flow, the number of options expected to vest is also adjusted based on expectations of performance against target. No adjustment is made for expected performance against external performance criteria such as TSR, because the likelihood that the performance criteria will be met is taken into account when estimating the fair value of the award on the grant date. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in reserves.

(i) Share option schemes

The Group offers discretionary awards of nil-priced options under the Long Term Incentive Plan ('LTIP') to senior employees. Awards are granted annually and will usually vest after three years subject to continued service. Some awards are also subject to the achievement of performance conditions.

For awards granted during the years ended 27 April 2019 and 2 May 2020, awards granted to Executive Directors and key management are subject to performance conditions. For awards issued to other senior management, awards are not subject to performance conditions.

For awards granted during the years ended 1 May 2021 and 30 April 2022, all awards issued are subject to performance conditions, detailed below.

For awards granted during the year ended 27 April 2019, performance conditions are based on a combination of relative TSR performance against the constituents of the FTSE 51-150 at the beginning of the performance period and cumulative free cash flow. For awards granted during the years ended 2 May 2020, 1 May 2021 and 30 April 2022, performance conditions are based on a combination of relative TSR performance against a bespoke comparator group of 22 European Special Line Retailers and other comparable companies and cumulative free cash flow.

In February 2019, the Group launched the Colleague Shareholder Award which granted every permanent colleague with 12 months service at least £1,000 of options which will vest after three years. These awards are not subject to performance conditions.

The following table summarises the number and weighted average exercise price ('WAEP') of share options for these schemes:

	Year ended 30 April 2022		Year ended 1 May 2021	
	Number m	WAEP £	Number m	WAEP £
Outstanding at the beginning of the period	78	–	63	–
Granted during the period	20	–	32	–
Forfeited during the period	(13)	–	(12)	–
Exercised during the period	(21)	–	(5)	–
Outstanding at the end of the period	64	–	78	–
Exercisable at the end of the period	3	–	–	–
			Year ended 30 April 2022	Year ended 1 May 2021
Weighted average market price of options exercised in the period			£1.09	£1.01
Weighted average remaining contractual life of awards outstanding			8.3 yrs	8.5 yrs
Exercise price for options outstanding			£nil	£nil

Notes to the Group Financial Statements continued

4 Employee costs and share-based payments continued

b) Share-based payments continued

(ii) SAYE scheme

The Group has SAYE schemes which allow participants to save up to £500 per month for either three or five years. At the end of the savings period, participants can purchase shares in the Company based on a discounted share price determined at the commencement of the scheme.

The following table summarises the number and WAEP of share options for these schemes:

	Year ended 30 April 2022		Year ended 1 May 2021	
	Number m	WAEP £	Number m	WAEP £
Outstanding at the beginning of the period	19	0.82	15	1.19
Granted during the period	8	0.93	14	0.67
Exercised during the period	–	0.81	–	0.86
Forfeited during period	(7)	0.98	(10)	1.1619
Outstanding at the end of the period	20	0.81	19	0.82
Exercisable at the end of the period	–	0.97	1	1.53

	Year ended 30 April 2022	Year ended 1 May 2021
Weighted average market price of options exercised in the period	£1.12	£1.36
Weighted average remaining contractual life of awards outstanding	2.3 yrs	2.7 yrs
Range of exercise prices for options outstanding	£0.67 – £2.52	£0.67 – £3.77

(iii) Fair value model

The fair value of options was estimated at the date of grant using a Monte Carlo model. The model combines the market price of a share at the date of grant with the probability of meeting performance criteria, based on the historical performance of the Group.

The weighted average fair value of options granted during the period was £0.79 (2020/21: £0.56). The following table lists the inputs to the model:

	Year ended 30 April 2022	Year ended 1 May 2021
Exercise price	£nil – £0.93	£nil – £0.67
Dividend yield	0% – 3.8%	0% – 3.8%
Historical and expected volatility	42%	41%
Expected option life	4 – 10 yrs	4 – 10 yrs
Weighted average share price	£1.30	£0.91

The expected volatility reflects the assumption that the historical volatility is indicative of future trends.

(iv) Charge to the income statement and entries in reserves

During the year ended 30 April 2022, the Group recognised a non-cash accounting charge to profit and loss of £23m (2020/21: £21m) in respect of equity-settled share-based payments, with a corresponding credit through reserves.

4 Employee costs and share-based payments continued

c) Employee Benefit Trust ('EBT')

	30 April 2022			1 May 2021		
	Market value £m	Nominal value £m	Number m	Market value £m	Nominal value £m	Number m
Investment in own shares	31	–	33.2	28	–	20.5
Maximum number of shares held during the period	48	–	51.9	28	–	20.5

The number of shares held by the EBT remain held for potential awards under outstanding plans. The costs of administering the EBT are charged to the income statement in the year to which they relate. Investments in own shares are recorded at cost and are recognised directly in equity within other reserves as disclosed in note 22b.

The EBT acquired 34.7m of the Company's shares during the year ended 30 April 2022 via market purchases for cash consideration of £41m. For the comparative period 4.1m shares were acquired at nominal value and 11.6m via market purchases for cash consideration of £13m. During the period the EBT subsequently disposed of 21.9m (2020/21: 5.4m) ordinary shares in the Company by way of share issue. These shares were held at a cost of £24m (2020/21: 4m).

The EBT has waived rights to receive dividends and agrees to abstain from exercising their right to vote. The shares have not been allocated to specific schemes as further disclosed in the Directors' Report. At 30 April 2022, the EBT held 2.9% (2020/21: 1.8%) of the issued share capital of the Company.

5 Net finance costs

Accounting policies

Net finance costs comprise both finance income and finance costs. Finance income for financial assets and finance costs for financial liabilities that are measured at amortised cost is calculated using the effective interest method.

Finance income includes income on cash and cash equivalents and income on the unwind of the network commission contract assets and receivables as further disclosed in note 14. Finance costs include interest costs in relation to financial liabilities, including lease liabilities which represent the unwind of the discount rate applied at the commencement date of the lease, and finance costs related to the Group's defined benefit pension obligation.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Unwind of discounts on trade and other receivables	2	6
Finance income	2	6
Interest on bank overdrafts, loans and borrowings	(6)	(8)
Interest expense on lease liabilities	(70)	(77)
Net interest on defined benefit pension obligations	(8)	(8)
Amortisation of facility fees*	(2)	(11)
Other interest expense	(12)	(16)
Finance costs	(98)	(120)
Total net finance costs	(96)	(114)

* In April 2021, the Group refinanced its existing debt with two new revolving credit facilities. As such, all other facilities were cancelled as part of the refinancing and the fees relating to these facilities were subsequently written off.

All finance costs in the above table represent interest costs of financial liabilities and assets, other than amortisation of facility fees which represent non-financial assets and net interest on defined benefit pension obligations.

Notes to the Group Financial Statements continued

6 Tax

Accounting policies

Current tax

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

Deferred tax

Deferred tax liabilities are recognised for all temporary differences between the carrying amount of an asset or liability in the balance sheet and the tax base value and represent tax payable in future periods. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. No provision is made for tax that would have been payable on the distribution of retained profits of overseas subsidiaries or associated undertakings where it has been determined that these profits will not be distributed in the foreseeable future.

Current and deferred tax is recognised in the income statement except where it relates to an item recognised directly in other comprehensive income or reserves, in which case it is recognised directly in other comprehensive income or reserves as appropriate.

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

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

a) Tax expense

The corporation tax charge comprises:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Current tax		
UK corporation tax at 19% (2020/21: 9%)	14	7
Overseas tax	21	36
	35	43
Adjustments made in respect of prior years*:		
UK corporation tax	1	(12)
Overseas tax	1	(1)
	2	(13)
Total current tax	37	30
Deferred tax		
UK corporation tax	10	5
Overseas tax	5	(6)
	15	(1)
Adjustments in respect of prior years:		
UK corporation tax	5	5
Overseas tax	(2)	(1)
	3	4
Total deferred tax	18	3
Total tax charge	55	33

* This is further disclosed in note 6b(iii).

Tax related to discontinued operations is included in the figures set out in note 24.

6 Tax continued

b) Reconciliation of standard to actual (effective) tax rate

The principal differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to profit/(loss) before taxation are as follows:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Profit before taxation	126	33
Tax at UK statutory rate of 19% (2020/21: 19%)	24	6
Items attracting no tax relief or liability ⁽ⁱ⁾	(4)	12
Movement in unprovided deferred tax ⁽ⁱⁱ⁾	28	16
Effect of change in statutory tax rate	(1)	1
Differences in effective overseas tax rates	2	6
Increase in provisions	1	1
Adjustments in respect of prior years – provisions ⁽ⁱⁱⁱ⁾	1	(13)
Adjustments in respect of prior years – other ^(iv)	4	4
Total tax charge	55	33

(i) Items attracting no tax relief or liability relate mainly to non-deductible depreciation, share-based payments, and reversals of previously non-deductible store closure provisions.

(ii) Deferred tax assets relating principally to tax losses and other short term timing differences in the UK business have not been recognised due to uncertainty over the Group's ability to utilise the losses in the future.

(iii) Provision releases in the prior year are predominantly where the window for recovery has now closed in relation to pre-merger uncertain tax positions.

(iv) Other adjustments in respect of prior years are mainly due to lower tax relief on fixed assets through capital allowances in submitted tax returns.

c) Deferred tax

	Accelerated capital allowances £m	Retirement benefit obligations £m	Losses carried forward £m	Other temporary differences* £m	Total £m
At 2 May 2020	(51)	53	39	56	97
(Charged)/credited directly to income statement	(1)	–	(13)	11	(3)
Credited to equity	–	6	–	–	6
At 1 May 2021	(52)	59	26	67	100
Reclassification	17	1	1	(19)	–
(Charged)/credited directly to income statement	(22)	–	(9)	13	(18)
Charged to equity	–	(5)	–	(3)	(8)
At 30 April 2022	(57)	55	18	58	74

* Other temporary differences predominantly relates to fair value balances from business combinations.

Deferred tax comprises the following balances:

	30 April 2022 £m	1 May 2021 £m
Deferred tax assets	282	262
Deferred tax liabilities	(208)	(162)
	74	100

Analysis of deferred tax relating to items (charged)/credited to equity in the period:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Defined benefit pension schemes	(5)	6
Other temporary differences	(3)	–
	(8)	6

Notes to the Group Financial Statements continued

6 Tax continued

c) Deferred tax continued

The Group has total unrecognised deferred tax assets relating to gross tax losses of £1,456m (2020/21: £1,491m) of which £1,392m relates to the UK (2020/21: £1,459m). £1,052m (2020/21: £1,052m) of these losses relate to carried forward capital losses in the legacy Dixons Group. The balance of the losses relates to carried forward trading losses, principally due to the losses realised in the Carphone Warehouse business in the UK.

A deferred tax asset has not been recognised in respect of the trading losses (£404m), other deductible temporary differences (£118m) and pension contributions (£38m) expected to reverse after the period of the Group's three year plan which is used to determine the availability of future taxable profits.

There were no temporary differences associated with non-distributable earnings of subsidiaries for which deferred tax liabilities had not been recognised at the end of the current period or the prior period.

The Group has a current tax credit of £13m (2020/21: £7m) recognised through equity in relation to pensions.

On 24 May 2021 the Finance Bill 2021 passed through all stages in the House of Commons and became substantively enacted, which included a legislative change to increase the rate of corporation tax to 25% with effect from 1 April 2023.

7 Earnings per share

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Total profit		
Continuing operations	71	–
Discontinued operations	–	12
Total	71	12
	Million	Million
Weighted average number of shares		
Average shares in issue	1,165	1,166
Less average holding by Group EBT and Treasury shares held by Company	(35)	(14)
For basic earnings per share	1,130	1,152
Dilutive effect of share options and other incentive schemes	45	42
For diluted earnings per share	1,175	1,194
	Pence	Pence
Basic earnings per share		
Total (continuing and discontinued operations)	6.3	1.0
Adjustment in respect of discontinued operations	–	(1.0)
Continuing operations	6.3	–
Diluted earnings per share		
Total (continuing and discontinued operations)	6.0	1.0
Adjustment in respect of discontinued operations	–	(1.0)
Continuing operations	6.0	–

Basic and diluted earnings per share are based on the profit for the period attributable to equity shareholders.

8 Goodwill

Accounting policies

On acquisition of a subsidiary or associate, the fair value of the consideration is allocated between the identifiable net tangible and intangible assets and liabilities on a fair value basis, with any excess consideration representing goodwill. At the acquisition date, goodwill is allocated to each group of CGUs expected to benefit from the combination and held in the currency of the operations to which the goodwill relates.

Goodwill is not amortised, but is assessed annually for impairment, or more frequently where there is an indication that goodwill may be impaired. Impairment is assessed by measuring the future cash flows of the group of CGUs to which the goodwill relates, at the level at which this is monitored by management. Where the future discounted cash flows or recoverable amount is less than the carrying value of goodwill, an impairment charge is recognised in the income statement.

On disposal of subsidiary undertakings and businesses, the relevant goodwill is included in the calculation of the profit or loss on disposal.

Cost	£m
At 2 May 2020	3,028
Foreign exchange	48
At 1 May 2021	3,076
Foreign exchange	(37)
At 30 April 2022	3,039
Accumulated impairment	£m
At 2 May 2020 and 1 May 2021	(225)
Impairment	–
At 30 April 2022	(225)
Carrying amount	£m
At 2 May 2020	2,803
At 1 May 2021	2,851
At 30 April 2022	2,814

No impairment charge has been recognised over goodwill in the current or prior period.

a) Carrying value of goodwill

The components of goodwill comprise the following businesses:

	30 April 2022 £m	1 May 2021 £m
UK & Ireland	1,840	1,840
Nordics	974	1,011
	2,814	2,851

As part of the strategic review and change in information reported to the Board as described in note 2, the Group has merged the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile operating segments into the combined UK & Ireland operating segment. As a result of the change, the goodwill previously allocated to the UK & Ireland Electricals CGU of £1,840m has been consolidated into the UK & Ireland CGU. The previously disclosed UK & Ireland Mobile CGU had a carrying value of £nil.

Notes to the Group Financial Statements continued

8 Goodwill continued

b) Goodwill impairment testing

As required by IAS 36, goodwill is subject to annual impairment reviews. These reviews are carried out using the following criteria:

- business acquisitions generate an attributed amount of goodwill;
- the manner in which these businesses are run and managed is used to determine the CGU grouping as defined in IAS 36: 'Impairment of Assets';
- the recoverable amount of each CGU group is determined based on calculating its value in use ('VIU');
- the VIU is calculated by applying discounted cash flow modelling to management's own projections covering a three year period;
- cash flows beyond the three-year period are extrapolated using a long-term growth rate equivalent to long-term forecasts of Gross Domestic Product ('GDP') growth rates for the relevant market; and
- the VIU is then compared to the carrying amount in order to determine whether impairment has occurred.

The key assumptions used in calculating VIU are:

- management's sales and costs projections;
- the long-term growth rate beyond three years; and
- the pre-tax discount rate.

The Group applies an expected cash flow approach by probability-weighting different cash flow scenarios across the three-year outlook period. The probability weightings are applied to medium term projections that are based on Board approved budgets for 2022/23 together with the Board approved three-year strategic plan alongside additional downside scenarios that take account of the risks presented by macroeconomic downturns, and supply chain pressures. These projections have regard to the relative performance of competitors and knowledge of the current market together with management's views on the future achievable growth in market share and impact of the committed initiatives, including long term sustainability targets committed by the Group. The cash flows which derive from these three-year projections include ongoing capital expenditure required to develop and upgrade the store network and e-commerce channels in order to maintain and operate the omnichannel businesses and to compete in their respective markets. In forming the three-year projections, management draws on past experience as a measure to forecast future performance.

A key assumption in determining the three year projections is the forecast operating profit in 2024/25, which is driven by the forecast growth in sales and costs over this time. Other key assumptions comprise the long term growth rate and pre-tax discount rate, as well as the weighted probability assigned to the board approved strategic plan. The compound annual growth rate in sales and costs can rise as well as fall year-on-year depending not only on the year three targets, but also on the current financial year base. These targets, when combined, accordingly drive the resulting profit margins and the profit in year three of the projections, which is in turn used to calculate the terminal value in the VIU calculation. Historical amounts for the businesses under impairment review as well as from other parts of the Group are used to generate the values attributed to these assumptions. In the comparative period ended 1 May 2021, the strategic plan covered a five year period and this was used for the impairment testing however in the current period the outlook was over a three-year period as explained above.

The value attributed to these assumptions for the most significant components of goodwill are as follows:

	30 April 2022				1 May 2021			
	Compound annual growth in sales	Compound annual growth in costs	Growth rate beyond three years	Pre-tax discount rate	Compound annual growth in sales	Compound annual growth in costs	Growth rate beyond three years	Pre-tax discount rate
UK & Ireland	2.7%	2.0%	1.5%	10.6%	(1.8)%	(2.0)%	1.4%	8.7%
Nordics	0.7%	0.5%	1.8%	9.6%	3.2%	3.1%	1.8%	7.8%

Growth rates used were determined based on third-party long-term growth rate forecasts and are based on the GDP growth rate for the territories in which the businesses operate. The pre-tax discount rates applied to the forecast cash flows are based on a risk-free rate of interest appropriate to the geographic location of the cash flows related to the asset being tested. The risks specific to the asset are reflected as an adjustment to the future estimated cash flows. Pre-tax discount rates have been calculated using the capital asset pricing model, the inputs of which include a country risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta). The discount rate is calculated by reference to a weighted average cost of capital (WACC) calculated by reference to an industry peer group of quoted companies using post-tax rates which are subsequently grossed up to a pre-tax rate.

8 Goodwill continued

c) Goodwill impairment sensitivity analysis

In line with the assumptions noted above and highlighted in note 1d, the Group undertook an impairment review of the UK & Ireland group of CGUs, where £1,840m of goodwill is allocated. These impairment tests are prepared using the methodology required by IAS 36. The recoverable amount, based on value in use, shows headroom of £69m above the carrying amount of UK & Ireland CGU. Within the value in use model growth in sales and growth in costs assumptions drive the operating profit forecasts which are derived from expected cash flows which are probability-weighted and include the Group's strategic plan as well as a downside scenario to take account of the risks presented by macroeconomic downturns and global supply chain pressures. One of the key assumptions within the value in use model is therefore the operating profit forecast particularly in 2024/25 which is the year that drives the terminal value in the VIU calculation, and which is underpinned by the successful delivery of a number of key strategic initiatives that are either currently underway or committed. In addition to this, the other key assumptions include the growth rate beyond the three year forecast period and the pre-tax discount rate.

In accordance with IAS 36, the Group performed sensitivity analysis on the estimates of recoverable amounts and found that the excess of recoverable amount over the carrying amount of the UK & Ireland CGU would be reduced to nil as a result of a reasonably possible change in these key assumptions noted above. A summary of the impact of these key assumptions is as follows:

Key assumption for UK & Ireland VIU	Reasonably possible change required to reduce carrying value to nil
Operating profit in 2024/25	If the operating profit in 2024/25, which drives the terminal value in the VIU, reduced by 4%, this would reduce the recoverable amount to equal the carrying amount.
Long-term growth rate	If the long-term growth rate applied to the expected cash flows in the VIU was decreased to 1.1%, this would reduce the recoverable amount to equal the carrying amount.
Pre-tax discount rate	If the pre-tax discount rate applied to the expected cash flows in the VIU was increased to 10.8%, this would reduce the recoverable amount to equal the carrying amount.

As explained above, the recoverable amount, based on value in use, results in headroom of £69m above the carrying amount of UK & Ireland CGU. A summary of the sensitivities applied to these key assumptions and the resulting headroom is as follows:

Key assumption for UK & Ireland VIU	Sensitivity applied	Headroom/(Impairment) £m	Movement £m
Operating profit in 2024/25	Increase of 20%	458	389
	Decrease of 20%	(320)	(389)
Long-term growth rate	Increase of 1.0%	310	241
	Decrease of 1.0%	(124)	(193)
Pre-tax discount rate	Increase of 1.0%	(159)	(228)
	Decrease of 1.0%	352	283

For the Nordics group of CGUs, where £974m of goodwill is allocated, the directors do not consider that any reasonably possible changes to the key assumptions would reduce the recoverable amount to its carrying value.

9 Intangible assets

Accounting policies

Acquisition intangibles

Acquisition intangibles comprise brand names and customer relationships purchased as part of acquisitions of businesses and are capitalised and amortised over their useful economic lives on a straight-line basis. These intangible assets are stated at cost less accumulated amortisation and, where appropriate, provision for impairment in value or estimated loss on disposal. Amortisation is provided to write off the cost of assets on a straight-line basis as follows:

Brands	7.0% – 13.3% per annum
Customer relationships	13.3% per annum

This amortisation is included in the income statement as an administrative expense and, as further described in note A5 in the Glossary and definitions, this is recognised as an adjusting item.

Notes to the Group Financial Statements continued

9 Intangible assets continued

Accounting policies continued

Software and licences

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

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

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

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

Software and licenses 10.0% – 33.3% per annum

Intangible assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the net book value is not supportable. Where assets are to be taken out of use, an impairment charge is levied. Where the intangible assets form part of a separate CGU, such as a store or business unit, and business indicators exist which could lead to the conclusions that the net book value is not supportable, the recoverable amount of the CGU is determined by calculating its value in use. The value in use is calculated by applying discounted cash flow modelling to management's projection of future profitability and any impairment is determined by comparing the net book value with the value in use.

Cloud software licence agreements

Licence agreements to use cloud software are treated as service contracts and expensed in the consolidated income statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases the licence agreement is capitalised as software within intangible assets. Costs to configure or customise a cloud software licence are expensed alongside the related service contract in the consolidated income statement, unless they create a separately identifiable resource controlled by the Group, in which case they are capitalised.

	Acquisition intangibles			Software and licences £m	Total £m
	Brands £m	Customer relationships £m	Sub-total £m		
Balance at 2 May 2021	191	–	191	235	426
Additions*	–	–	–	83	83
Amortisation	(24)	–	(24)	(62)	(86)
Impairment	–	–	–	(32)	(32)
Foreign exchange	(3)	–	(3)	(3)	(6)
Balance at 30 April 2022	164	–	164	221	385
Cost	369	73	442	883	1,325
Accumulated amortisation and impairment losses	(205)	(73)	(278)	(662)	(940)
Balance at 30 April 2022	164	–	164	221	385
Included in net book value as at 30 April 2022					
Assets in the course of construction	–	–	–	9	9

9 Intangible assets continued

	Acquisition intangibles				Total £m
	Brands £m	Customer relationships £m	Sub-total £m	Software and licences £m	
Balance at 3 May 2020	218	2	220	249	469
Additions*	–	–	–	84	84
Amortisation	(24)	(2)	(26)	(57)	(83)
Impairment	(8)	–	(8)	(47)	(55)
Disposals	–	–	–	(1)	(1)
Foreign exchange	5	–	5	7	12
Balance at 1 May 2021	191	–	191	235	426
Cost	372	73	445	802	1,247
Accumulated amortisation and impairment losses	(181)	(73)	(254)	(567)	(821)
Balance at 1 May 2021	191	–	191	235	426
Included in net book value as at 1 May 2021					
Assets in the course of construction	–	–	–	50	50

* Software and licenses additions predominantly relate to internal development costs.

During the year ended 30 April 2022 management took the decision to stop selling its credit-based mobile offer. As a result, software and licenses of £24m which could not be repurposed have been impaired in its UK & Ireland segment.

The Group continues the operational roll out of its long term strategic plan in moving towards a full omnichannel offering, bringing stores and online together, giving customers the best of both worlds at scale. This change, accelerated by the pandemic, has resulted in the identification of a material impairment charge over intangible assets in the UK & Ireland segment of £8m (2020/21: £46m) primarily related to software development costs as the Group moves towards best-in-class cloud-based solutions to achieve operational efficiencies and improve the customer journey. The assets impaired have a recoverable amount based on VIU of £nil.

Management continues to closely monitor the trading performance of the omnichannel business as we emerge from the pandemic and acknowledged a change in consumer shopping habits between our store-mix during the year ended 30 April 2022. This led to the identification and recognition of an impairment charge of £1m (2020/21: £1m) over store assets within the UK. Also in the current period an impairment reversal (credit) of £1m (2020/21: £nil) was recognised on store assets which had been impaired in a prior period but where indicators of impairment no longer exist. Recoverable amounts of the stores CGUs based on VIU is disclosed in note 11.

During the year ended 1 May 2021, an £8m impairment was recognised in the UK & Ireland segment over acquisition intangibles, that arose on the Dixons Retail Merger, following the decision to close the Dixons Travel business during the year ended 1 May 2021.

Further information on the impairments recognised in the year is disclosed in note A5 in the Glossary and definitions.

Individually material intangible assets

Customer relationships and brands include intangible assets which are considered individually material to the financial statements. The primary intangible assets, their net book values and remaining amortisation periods are as follows:

	30 April 2022		1 May 2021	
	Net book value £m	Remaining amortisation period Years	Net book value £m	Remaining amortisation period Years
Currys	83	8	94	9
Elgiganten	36	8	43	9
Elkjøp	27	8	31	9
Gigantti	18	8	22	9

Notes to the Group Financial Statements continued

10 Property, plant & equipment

Accounting policies

Property, plant & equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Assets under construction are held at cost less any accumulated impairment losses. Cost includes the original purchase price of the asset, costs attributable to bringing the asset to the location and condition necessary for intended use and any capitalised borrowing costs. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates while maintenance related costs are recognised in the income statement when incurred.

With the exception of land, depreciation is provided to write off the cost of the assets over their expected useful lives from the date the asset was brought into use or capable of being used on a straight-line basis. Rates applied to different classes of property, plant & equipment are as follows:

Land and buildings	1.7% – 4.0% per annum
Fixtures, fittings and other equipment	10.0% – 33.3% per annum

Property, plant & equipment are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the net book value is not supportable. Where assets are to be taken out of use, an impairment charge is levied. Where the property, plant & equipment form part of a separate CGU, such as a store, and business indicators exist which could lead to the conclusions that the net book value is not supportable, the recoverable amount of the CGU is determined by calculating its value in use. The value in use is calculated by applying discounted cash flow modelling to management's projection of future profitability and any impairment is determined by comparing the net book value with the value in use.

	Land and buildings £m	Fixtures, fittings and other equipment £m	Total £m
Balance at 2 May 2021	28	156	184
Additions	20	30	50
Depreciation	(8)	(54)	(62)
Impairment	(4)	(2)	(6)
Foreign exchange	–	(4)	(4)
Balance as at 30 April 2022	36	126	162
Cost	70	681	751
Accumulated depreciation	(34)	(555)	(589)
Balance as at 30 April 2022	36	126	162
Included in net book value as at 30 April 2022			
Assets in the course of construction	–	8	8

	Land and buildings £m	Fixtures, fittings and other equipment £m	Total £m
Balance at 3 May 2020	25	215	240
Additions	9	17	26
Depreciation	(6)	(73)	(79)
Disposals	–	(2)	(2)
Impairment	–	(5)	(5)
Foreign exchange	–	4	4
Balance as at 1 May 2021	28	156	184
Cost	61	702	763
Accumulated depreciation	(33)	(546)	(579)
Balance as at 1 May 2021	28	156	184
Included in net book value as at 1 May 2021			
Assets in the course of construction	–	15	15

During the year ended 30 April 2022 the Group announced that, as part of its hybrid-working policy, it would close its Acton Campus and relocate to facilities operated by WeWork. As a result of this announcement an impairment charge of £6m on property, plant & equipment was recognised in the UK & Ireland segment.

11 Right-of-use assets

Accounting policies

Right-of-use assets are recognised at the commencement of the lease, when the underlying asset becomes available for use, and comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, any initial direct costs and any dilapidation costs less any lease incentives received upon initial recognition. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any subsequent remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter period of lease term and useful life of the underlying asset.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

	30 April 2022 £m	1 May 2021 £m
Land and buildings	983	1,026
Vehicles, equipment and other	24	25
	1,007	1,051

Additions to the right-of-use assets for the period were £187m (2020/21: £137m).

The total cash outflow for leases amounts to £278m (2020/21: £310m).

	30 April 2022 £m	1 May 2021 £m
Amounts recognised in the consolidated income statement		
Depreciation expense on right-of-use assets:		
Land and buildings	180	191
Vehicles, equipment and other	10	9
Total depreciation on right-of-use assets	190	200
Impairment of right-of-use assets	42	15
Impairment reversal of right-of-use assets	(15)	–
Interest expense on lease liabilities	70	77
Expense relating to short-term leases	11	10
Expense relating to leases of low value assets	1	1
Expense relating to variable lease payments not included in the measurement of the lease liability	2	5
Income from subleasing right-of-use assets	–	(3)

In March 2022 as part of its hybrid-working policy the Group announced it would close its Acton Campus and relocate to facilities operated by WeWork. As a result of this announcement, an impairment of £25m was recognised over right-of-use assets. The lease contains a lessor-only break option which, if exercised, could result in a material lease remeasurement and reversal of impairment in a future period. In addition, during the period the Group negotiated an early termination settlement on a non-trading lease premises which resulted in an impairment to right-of-use assets of £2m.

Management continues to closely monitor the trading performance of the omnichannel business as we emerge from the pandemic and acknowledged a change in consumer shopping habits between our store-mix during the year ended 30 April 2022. This led to the identification and recognition of an impairment charge of £15m (2020/21: £14m) over store assets within the UK. Also in the current period an impairment reversal (credit) of £15m (2020/21: £nil) was recognised on store assets which had been impaired in a prior period but where indicators of impairment no longer exist.

The impaired stores were impaired to their VIU recoverable amount of £33m, which is their carrying value at year end. The stores with impairment reversals were written back to their VIU recoverable amount of £81m. The carrying values of the store assets CGUs predominantly relates to right-of-use assets however also includes other fixed assets.

Notes to the Group Financial Statements continued

12 Lease receivables

Accounting policies

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

The Group as a lessor

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

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

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

	30 April 2022 £m	1 May 2021 £m
Net investment in the lease analysed as:		
Recoverable after 12 months	3	3
Recoverable within 12 months	1	1
	4	4

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

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

	30 April 2022 £m	1 May 2021 £m
Undiscounted amounts receivable under finance leases:		
Year 1	1	1
Year 2	1	1
Year 3	1	1
Year 4	1	1
Year 5	1	1
Onwards	–	–
Undiscounted amounts receivable	5	5
Less: unearned finance income	(1)	(1)
Net investment in the lease	4	4

13 Inventory

Accounting policies

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

Certain purchases of inventories may be subject to cash flow hedges to address foreign exchange risk. Where this is the case a basis adjustment is made; the initial cost of hedged inventory is adjusted by the associated gain or loss transferred from the cash flow hedge reserve.

	30 April 2022 £m	1 May 2021 £m
Finished goods and goods for resale	1,286	1,178

14 Trade and other receivables

Accounting policies

Trade receivables are initially measured at their transaction price. Where there is a significant financing component, trade and other receivables are discounted at contract inception using a discount rate that is at an arm's length basis and such that would be reflected in a separate financing transaction between the Group and the customer. Other receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, trade and other receivables are measured at amortised cost. The loss allowance for trade receivables, accrued income and contract assets is measured using the simplified approach (lifetime expected credit losses). Loss allowance for other debtors is measured using 12-month expected credit losses unless there is a significant increase in credit risk and then the loss allowance is measured using lifetime expected credit losses. See note 25 for further disclosures.

	30 April 2022 £m	1 May 2021 £m
Trade receivables	375	347
Less expected credit loss allowances	(24)	(21)
	351	326
Contract assets	180	220
Prepayments	81	55
Other receivables	56	60
Accrued income	151	64
	819	725
Non-current	123	138
Current	696	587
	819	725

The majority of trade and other receivables are non-interest bearing. Non-current receivables mainly comprise commission receivable on sales, as described below.

The Group has government grants receivable at the end of the period of £nil (2020/21: £3m). In the comparative period this related to compensation for expenses already incurred by the Group that had been pledged by national governments in light of the Covid-19 pandemic. This was included within Other receivables and is further disclosed in note 29.

Notes to the Group Financial Statements continued

14 Trade and other receivables continued

As set out in the table below, adjustments are made in the trade receivables balance for expected credit loss allowances.

	30 April 2022			1 May 2021		
	Gross trade receivables £m	Expected credit loss allowances £m	Net trade receivables £m	Gross trade receivables £m	Expected credit loss allowances £m	Net trade receivables £m
Ageing of gross trade receivables and expected credit loss allowances:						
Not yet due	303	(1)	302	308	(1)	307
Past due:						
Under two months	29	(1)	28	13	(1)	12
Two to four months	6	(1)	5	5	(1)	4
Over four months	37	(21)	16	21	(18)	3
	72	(23)	49	39	(20)	19
	375	(24)	351	347	(21)	326

Movements in the expected credit loss allowances for trade receivables is as follows:

	30 April 2022 £m	1 May 2021 £m
Opening balance	(21)	(26)
Charged to the income statement	(10)	(3)
Receivables written off as irrecoverable	3	4
Amounts recovered during the year	4	3
Disposal of business	–	1
Closing balance	(24)	(21)

Management also consider the counterparty risk relating to its accrued income balance, which comprises amounts where the Group has fulfilled its performance obligations but not yet invoiced the customer. The amounts are primarily due from large multinationals and blue chip companies and hence the loss allowances made are not material. Further details with regards to trade receivables credit risk are included in note 25.

Contract assets

	30 April 2022 £m	1 May 2021 £m
Insurance commission contract assets	5	13
Network commission contract assets	175	207
	180	220

The Group recognises contract assets where the performance obligations have been met but the right to consideration from the customer is conditional on something other than the passage of time. This occurs on both insurance commission revenue and network commission revenue as detailed in the accounting policies in note 3.

Upon the initial recognition of revenue from contracts with customers, the Group considers the risk profile for amounts due from network and insurance customers based on historical experience and forward-looking information in accordance with IFRS 15. As such, credit risk is factored into the initial recognition of revenue, while contract assets are adjusted at each reporting date to reflect the future expected value. Therefore, no further expected credit loss is recognised as it is included within the initial measurement of the Group's contract assets. Further information is disclosed in note 25, while additional information on the measurement of expected consideration is detailed below.

14 Trade and other receivables continued

Network commission contract assets and receivables

As described in the accounting policies in note 3, the revenue earned by the Group for the acquisition of consumers on behalf of third-party network operators is subject to variable consideration. Some consideration is paid by the MNOs at the time of connection with the remainder paid over the duration of the consumer's contractual relationship with the MNO which is usually between one and five years. Whilst the underlying contract with the consumer predominately constitutes a fixed monthly value, variability arises due to future expected behaviour of such consumers after the point of connection.

Under IFRS 15: 'Revenue from Contracts with Customers' the Group only recognises revenue to the extent that it is highly probable that there will not be a significant reversal in the future. Determining the amount of revenue to recognise is judgemental and subject to a degree of estimation uncertainty in particular due to the nature of the variable revenue constraint applied in line with IFRS 15 as described in note 1d. In previous periods, the Group has estimated such revenue with a high level of accuracy, as evidenced and regularly monitored by the level of cash the Group receives from MNOs in the periods subsequent to acquiring consumers on their behalf.

In determining the amount of revenue to recognise, the Group estimates the amount that it expects to receive in respect of each consumer based on historical trends and anticipated changes in consumer behaviour. The Group also discusses and analyses emerging behavioural trends with the respective MNOs, considers external sources of industry and market analysis and models the impact of potential regulatory changes, if any are proposed.

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

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

Having estimated the expected consideration, the Group applies a constraint to reduce to a level where any future significant reversal of revenue would be considered highly improbable. Management makes a regular assessment of historical amounts and market data to ensure that the amounts recognised still meet the requirements of IFRS 15. In the current year ended 30 April 2022, the net revaluation recognised from performance obligations satisfied in previous periods was an increase of £43m (2020/21: £3m).

Notes to the Group Financial Statements continued

14 Trade and other receivables continued

Network commission contract assets and receivables continued

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

	Note	30 April 2022 £m	1 May 2021 £m
Gross network commission receivable and contract asset: opening balance	(i)	405	1,005
Less amounts received in advance from MNOs		(166)	(389)
Net network commission receivable and contract asset: opening balance	(ii)	239	616
Revenue recognised in respect of current year sales	(iii)	337	388
Revaluation of opening network commission contract asset	(iv)	22	14
Revenue recognised/(reversed) in respect of prior period sales not previously included in the estimation of revenue recognised	(v)	21	(11)
Revenue recognised in respect of prior period sales		43	3
Revenue recognised in the period		380	391
Cash received from MNOs	(vi)	(431)	(774)
Movements due to the effect of discounting		2	6
Net network commission receivable and contract asset: closing balance	(vii)	190	239
Comprising:			
Net network commission receivable and contract asset in more than one year		84	100
Net network commission receivable and contract asset in less than one year		106	139
		190	239
Less amount billed (network commission trade receivable)	(viii)	(15)	(32)
Net network commission contract asset	(ix)	175	207

(i) Net of discounting for the time value of money. The unwind of this discounting is recognised as finance income in the relevant period. The amount of related finance income within the year, as shown in the table above, was £2m (2020/21: £6m).

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

(iii) This relates to revenue recognised from connections made in the current year. This revenue is recognised at point of sale as explained within the accounting policies in note 3. This figure includes in-year adjustments to the carrying value of revenue recognised (net of constraints) where the estimated consideration has changed since point of recognition within the year.

(iv) The Group continues to monitor the level of this revaluation as an indicator of estimation uncertainty in respect of previously recognised variable consideration. The current year reflects a positive revaluation of the prior period contract asset and is what the Group would expect as a result of the variable revenue constraint under IFRS 15. This revaluation of £22m (2020/21: £14m) discussed above is the figure that has historically been used by the Group to monitor the accuracy of assumptions made in previous periods and is excluded from measuring the performance of the UK & Ireland segment in our APMs as explained within the Glossary and definitions. This amount is also presented as the Group has received feedback from certain stakeholders that its separate presentation is helpful, in order to present more clearly the underlying performance in year.

(v) These amounts were not previously recognised as revenue due to the application of the constraint (described above) and include a value of £11m (2020/21: £6m) relating to the uplift in the profit share the Group receives associated with RPI on commission receivable where the performance obligations were satisfied in prior periods. These amounts also include other out of period amounts settled with MNOs in respect of prior period transactions of £10m (2020/21: £(17)m). As the Group does not recognise an estimate of these amounts within revenue at the point of sale, they are recognised in revenue within each financial year once the amounts for that period are known. Therefore, the RPI uplift and the other out of period amounts settled with MNOs are included within the Group's APMs as explained within the Glossary and definitions.

(vi) Cash received in the period. For the prior year this includes the cash settlement of £189m received from EE on 1 April 2021 to settle the outstanding EE network debtor receivable. The majority of this payment was previously expected over the course of 2021/22 and 2022/23.

(vii) Gross network receivable and contract asset balance of £281m, offset by amounts received in advance of £91m. This is in line with the explanation in (ii) above.

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

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

15 Cash and cash equivalents

Accounting policies

Cash and cash equivalents are classified as held at amortised cost, comprising cash at bank and in hand, bank overdrafts and short-term highly liquid deposits which have an original maturity of less than three months, are available on demand and are subject to an insignificant risk of changes in value. Bank overdrafts, which form part of cash and cash equivalents for the purpose of the cash flow statement, are shown under current liabilities and further disclosed in note 18.

Cash and cash equivalents include restricted cash which predominantly comprises funds held by the Group's insurance businesses to cover regulatory reserve requirements. These funds are not available to offset the Group's borrowings.

	30 April 2022 £m	1 May 2021 £m
Cash at bank and on deposit	126	175

Included within cash and cash equivalents is £30m (2020/21: £35m) of restricted cash.

16 Trade and other payables

Accounting policies

Trade and other payables are initially recorded at fair value and subsequently measured at amortised cost.

Contract liabilities predominantly relate to the sale of customer support agreements. Revenue is recognised in full as each performance obligation is satisfied under the contracts with the customer. Where consideration is received in advance of the performance of the obligations being satisfied, a contract liability is recognised. Due to the cancellation options and customer refund clauses, contract terms have been assessed to either be monthly or a series of day to day contracts with revenue recognised respectively in the month to which payment relates, or on a straight-line basis.

	30 April 2022		1 May 2021	
	Current £m	Non-current £m	Current £m	Non-current £m
Trade payables	1,614	–	1,420	–
Other taxes and social security	221	–	236	–
Other creditors	1	–	1	–
Contract liabilities	215	88	203	92
Accruals	317	8	373	5
	2,368	96	2,233	97

The carrying amount of trade and other payables approximates their fair value.

Contract liabilities

	30 April 2022 £m	1 May 2021 £m
Opening balance	295	276
Revenue recognised in the period that was included in the opening balance	(196)	(165)
Increase in contract liabilities in the period not yet recognised in revenue	204	184
Closing balance	303	295

Notes to the Group Financial Statements continued

17 Contingent consideration

Accounting policies

On initial recognition, contingent consideration is measured at fair value using the income approach. Contingent consideration that does not qualify as a measurement period adjustment is subsequently remeasured to fair value at each reporting date with changes in fair value recognised in profit or loss.

	30 April 2022 £m	1 May 2021 £m
Opening balance	2	3
Settlements	(2)	(1)
Closing balance	–	2

During the year the Group cash-settled the final instalment of earn-out consideration, totalling £2m, for the previously acquired Epoq kitchen business. For the year ended 1 May 2021 £2m remained contingent on the performance of the Epoq kitchen business against earnings growth targets following the balance sheet date.

18 Loans and other borrowings

Accounting policies

Borrowings in the Group's balance sheet represent bank loans drawn under committed and uncommitted facilities. Borrowings are initially recorded at fair value less attributable transaction costs. Transaction fees such as bank fees and legal costs associated with the securing of financing are capitalised and amortised through the income statement over the term of the relevant facility. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Bank overdrafts, which form part of cash and cash equivalents for the purpose of the cash flow statement, are classified as held at amortised cost.

	30 April 2022 £m	1 May 2021 £m
Current liabilities		
Bank overdrafts	2	6
	2	6
Non-current liabilities		
Loans and other borrowings	80	–
	82	6

18 Loans and other borrowings continued

Committed facilities

In April 2021, the Group refinanced its existing debt with two new revolving credit facilities totalling £543m (2020/21: £551m), which were initially due to expire in April 2025. In April 2022, the Group extended these two facilities by 1 year to expire in April 2026. As part of the refinancing all other facilities available to the Group in April 2021 were cancelled. The Group's facilities available throughout the current and prior year are detailed below.

£200m Revolving credit facility

In April 2021, the Group signed a £200m revolving credit facility ('RCF') with a number of relationship banks which was initially due to expire in April 2025. In April 2022, this facility was extended by one year to expire in April 2026. The interest rate payable for drawings under this facility is at a margin over risk-free rates (or other applicable interest basis) for the relevant currency and for the appropriate period. The actual margin applicable to any drawing depends on the fixed charges cover ratio calculated in respect of the most recent accounting period. A non-utilisation fee is payable in respect of amounts available but undrawn under this facility and a utilisation fee is payable when aggregate drawings exceed certain levels. At 30 April 2022, the Group had drawn down on this facility by £80m. This facility was undrawn as at 1 May 2021.

NOK 4,036m Revolving credit facility

In April 2021, the Group signed a NOK 4,036m (£343m) (2020/21: £351m) RCF with a number of relationship banks which was initially due to expire in April 2025. In April 2022, this facility was extended by one year to expire in April 2026. This is on broadly similar terms to the £200m facility. This facility was undrawn as at 30 April 2022 and 1 May 2021.

Facilities previously available that have now lapsed or been cancelled

£800m Revolving credit facility

In October 2015, the Group signed a five-year £800m RCF with a number of relationship banks; this facility was extended in October 2016 and 2017 by an additional year and the facility was due to expire in October 2022. The interest rate payable for drawings under this facility was at a margin over LIBOR (or other applicable interest basis) for the relevant currency and for the appropriate period. The actual margin applicable to any drawing depended on the fixed charges cover ratio calculated in respect of the most recent accounting period. A non-utilisation fee was payable in respect of amounts available but undrawn under this facility and a utilisation fee was payable when aggregate drawings exceeded certain levels. This facility was cancelled in April 2021.

£250m Revolving credit facility

In October 2016, the Group signed a four-year £250m RCF with a group of relationship banks; this facility was on broadly similar terms to the £800m RCF; this facility was extended in February 2019 by an additional two years and the facility was due to expire in October 2022. This facility was cancelled in April 2021.

£266m Revolving credit facility

In April 2020, the Group signed a one-year £266m RCF to mitigate any potential impact of the Covid-19 pandemic with a group of relationship banks; this facility was on broadly similar terms to the £800m and £250m RCF. The facility was due to expire in April 2021 and was cancelled in February 2021 with no amounts having been drawn down.

€50m term loan

The Group had access to a €50m term loan with BBVA. The terms of this facility were broadly similar to the £800m and £250m RCF. This facility expired in October 2020.

Uncommitted facilities

The Group also has overdrafts and short-term money market lines from UK and European banks denominated in various currencies, all of which are repayable on demand. Interest is charged at the market rates applicable in the countries concerned and these facilities are used to assist in short-term liquidity management. Total available facilities are £70m (2020/21: £70m).

All borrowings are unsecured.

Notes to the Group Financial Statements continued

19 Lease liabilities

Accounting policies

The Group as a lessee

The Group's leasing activities predominantly relate to retail store properties, distribution properties, and distribution vehicle fleet. The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (which comprise IT equipment and small items of office furniture). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease with no corresponding right-of-use asset.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate and subsequently held at amortised cost in accordance with IFRS 9. The incremental borrowing rate is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; and a credit risk adjustment. This is the rate that the Group would have to pay for a loan of a similar term, and with similar security, to obtain an asset of similar value.

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

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

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

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

	30 April 2022 £m	1 May 2021 £m
Analysed as:		
Current	210	216
Non-current	1,057	1,110
	1,267	1,326

Total undiscounted future committed payments due are as follows:

	30 April 2022 £m	1 May 2021 £m
Amounts due:		
Year 1	260	271
Year 2	236	253
Year 3	222	227
Year 4	187	200
Year 5	161	162
Onwards	485	534
	1,551	1,647

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's Treasury function.

20 Provisions

Accounting policies

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

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

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

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

	30 April 2022				
	Reorganisation £m	Sales £m	Property £m	Other £m	Total £m
Balance at 2 May 2021	10	7	51	17	85
Additions	16	55	–	–	71
Released in the period	(1)	–	(17)	(1)	(19)
Utilised in the period	(15)	(49)	(10)	(4)	(78)
Balance at 30 April 2022	10	13	24	12	59
Analysed as:					
Current	9	12	20	7	48
Non-current	1	1	4	5	11
	10	13	24	12	59

	1 May 2021				
	Reorganisation £m	Sales £m	Property £m	Other £m	Total £m
Balance at 3 May 2020	39	7	64	40	150
Additions	54	10	21	5	90
Released in the period	(6)	–	(22)	(19)	(47)
Utilised in the period	(77)	(11)	(12)	(9)	(109)
Foreign exchange	–	1	–	–	1
Balance at 1 May 2021	10	7	51	17	85
Analysed as:					
Current	10	5	34	9	58
Non-current	–	2	17	8	27
	10	7	51	17	85

Notes to the Group Financial Statements continued

20 Provisions continued

Reorganisation

Reorganisation provisions of £3m have been provided for following management's decision to stop selling its credit-based mobile offer. This amount represents the unavoidable costs the Group is obligated to pay for services over the next two years which are not applicable to its post-pay mobile offer.

In addition, £7m relates to redundancy costs for employees who are still employed at the reporting date but will be departing within the following 12 months. Reorganisation provisions are only recognised when a detailed formal plan is in place and it has been communicated to those affected. A further £6m has been recognised and utilised within the financial year as shown above.

Sales

Sales provisions relate to product and service warranties provided for up to one year. The anticipated costs of these are assessed by reference to historical trends and any other information that is considered relevant. Management estimates the related provision for future related claims based on historical information, as well as recent trends that might suggest that past cost information might differ from future claims.

Property

Following the previously announced store closure programmes, the Group has a number of present obligations related to its property portfolio that are explicitly excluded from the measurement of lease liabilities in accordance with IFRS 16. As such, at the reporting date the Group has onerous contracts for unavoidable store closure costs including service fees, legal costs and dilapidations of £23m primarily relating to the Currys PC World 3-in-1 programme and Carphone Warehouse store closures in the UK and Ireland.

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

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

Of the £23m related to closure programmes announced in prior periods, utilisation is to be incurred in conjunction with the profile of the leases to which they relate. The longest lease will unwind over the next eight years. Where appropriate and in the interests of the Group, management will proactively seek to exit any liabilities early. Where there is a substantive expectation that the unavoidable costs provided for will be reduced as a result of exit negotiations, the provision will be remeasured based on the best available information and an amount released, as seen in the period.

In addition and as announced in the prior reporting period, management made the decision to close the Dixons Travel business. The Group has a provision of £1m as at 30 April 2022 which represents its remaining obligations under these contracts, which is expected to be utilised in full within the following 12 months.

Other

Other provisions predominantly relate to regulatory costs. In the year ended 27 April 2019 the Group reported that it was subject to a £29m fine imposed by the FCA following the conclusion of an investigation into historical Geek Squad mobile phone insurance selling processes for a period prior to June 2015. The Group ran two voluntary customer redress programmes which led to the refund of £1.5m paid in the year ended 2 May 2020.

The Group subsequently received claims from a number of customers who believe they were mis-sold Geek Squad policies. All customer claims are carefully considered by the Group on a case by case basis with the majority of claims received being invalid and no new claims having been received during the period. Nevertheless, the volume and value of outstanding claims remains uncertain with utilisation of the provision expected to be incurred over the next two years as the Group continues to cooperate with the relative authorities. Management estimates the related provision based on historical claims information and applying this against any remaining potential claimants using an expected value approach. As at 30 April 2022, this particular provision had a carrying value of £11m (2020/21: £13m), with a release of £1m recognised in the income statement during the period.

In determining the amounts to be provided management have considered the utilisation profile and do not consider the time value of money to be material.

21 Retirement and other post-employment benefit obligations

Accounting policies

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

For defined benefit pension schemes, the difference between the market value of the assets and the present value of the accrued pension liabilities is shown as an asset or liability in the consolidated balance sheet. The calculation of the present value is determined using the projected unit credit method.

Actuarial gains and losses arising from changes in actuarial assumptions together with experience adjustments and actual return on assets are recognised in the consolidated statement of comprehensive income and expensed as they arise. Such amounts are not reclassified to the income statement in subsequent years.

Defined benefit costs recognised in the income statement comprise mainly of net interest expense or income with such interest being recognised within finance costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset taking into account any changes in the net defined benefit obligation during the year as a result of contribution or benefit payments.

		30 April 2022 £m	1 May 2021 £m
Retirement benefit obligations	– UK	257	482
	– Nordics	–	–
		257	482

The Group operates a defined benefit and a number of defined contribution schemes. The principal scheme which operates in the UK includes a funded final salary defined benefit section whose assets are held in a separate trustee administered fund. The scheme is valued by a qualified actuary at least every three years and contributions are assessed in accordance with the actuary's advice. Since 1 September 2002, the defined benefit section of the scheme has been closed to new entrants and on 30 April 2010 was closed to future accrual with automatic entry into the defined contribution section being offered to those active members of the defined benefit section at that time. Membership of the defined contribution section is offered to eligible employees.

In the Nordics division, the Group operates small funded secured defined benefit pension schemes, which are also closed to new entrants, with assets held by a life insurance company as well as an unsecured pension arrangement. In addition, contributions are made to state pension schemes with defined benefit characteristics.

The defined benefit pension schemes expose the Group to actuarial risks such as longer than expected longevity of members, lower than expected return on investments and higher than expected inflation, which may increase the liabilities or reduce the value of assets of the plans.

a) Defined contribution pension schemes

The pension charge in respect of defined contribution schemes was £30m (2020/21: £34m).

b) UK defined benefit pension scheme – actuarial valuation and assumptions

A full actuarial valuation of the scheme was carried out as at 31 March 2019 and showed a shortfall of assets compared with liabilities of £645m. A 'recovery plan' based on this valuation was agreed with the Trustees such that contributions in respect of the scheme were £47m for the 2020/21 financial year, rising to £78m per year from the 2021/22 financial year until 2027/28, with a final payment of £52m in 2028/29. The next triennial actuarial valuation will be carried out as at 31 March 2022.

Notes to the Group Financial Statements continued

21 Retirement and other post-employment benefit obligations continued

b) UK defined benefit pension scheme – actuarial valuation and assumptions continued

The principal actuarial assumptions as at 31 March 2019 were:

	Rate per annum
Discount rate for accrued benefits*	
– Equity portfolio	3.85%
– Multi-asset credit portfolio	3.00%
– Matching portfolio	1.50%
Rate of increase to pensions	0.00% – 3.80%
Inflation	3.40%

* The discount rate is based on a linear de-risking methodology which assumes the Scheme's investment strategy switches investments from growth assets (such as equities) to matching assets (such as bonds) and multi-asset credit over a period of eight years from 2026 to 2034 so that by 2034 the asset portfolio is projected to be 100% invested in matching assets and multi-asset credit.

At 31 March 2019, the market value of the scheme's investments was £1,210m and, based on the above assumptions, the value of the assets was sufficient to cover 65% of the benefits accrued to members with the liabilities amounting to £1,855m.

c) UK Defined benefit pension scheme – IAS 19

The following summarises the components of net defined benefit expense recognised in the consolidated income statement, the funded status and amounts recognised in the consolidated balance sheet and other amounts recognised in the consolidated statement of comprehensive income. The methods set out in IAS 19 are different from those used by the scheme actuaries in determining funding arrangements.

(i) Principal assumptions adopted

The assumptions used in calculating the expenses and obligations are set by the directors after consultation with the independent actuaries.

Rates per annum	30 April 2022	1 May 2021
Discount rate	3.05%	1.90%
Rate of increase in pensions in payment/deferred pensions (pre/post April 2006 accrual)	3.30%/2.25%	3.20%/2.20%
Inflation	3.40%	3.20%

The Group uses demographic assumptions underlying the formal actuarial valuation of the scheme as at 31 March 2019. Post-retirement mortality has been assumed to follow the standard mortality tables 'S3' All Pensioners tables published by the CMI, based on the experience of Self-Administered Pension Schemes ('SAPS') with multipliers of 108% for males and 104% for females. In addition, an allowance has been made for future improvements in longevity by using the new CMI 2021 Core projections with a long term rate of improvement of 1.5% per annum for men and 1.25% per annum for women. Applying such tables results in an average expected longevity of between 86.5 years and 88.1 years for men and between 89.0 years and 90.5 years for women for those reaching 65 over the next 20 years.

(ii) Amounts recognised in the consolidated income statement

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Past service cost	–	1
Net interest expense on defined benefit obligation	8	8
Total expense recognised in the income statement	8	9

On 20 November 2020, the High Court issued a judgement in relation to historical transfer values impacted by Guaranteed Minimum Pensions ('GMPs') equalisation in the Lloyds Banking Group's defined benefits pension schemes. This judgement was in addition to an earlier judgement on unequal GMPs in October 2018. We estimated that this will increase the liability by £1m, and therefore recorded this as a past service cost in the year ended 1 May 2021.

21 Retirement and other post-employment benefit obligations continued

c) UK Defined benefit pension scheme – IAS 19 continued

(iii) Amounts recognised in other comprehensive income

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Remeasurement of defined benefit obligation – actuarial gains/(losses) arising from:		
Changes in demographic assumptions	3	(4)
Changes in financial assumptions	334	(70)
Experience adjustments	(85)	17
Remeasurement of scheme assets:		
Actual return on plan assets (excluding amounts included in net interest expense)	(96)	87
Cumulative actuarial gain	156	30

(iv) Amounts recognised in the consolidated balance sheet

	30 April 2022 £m	1 May 2021 £m
Present value of defined benefit obligations	(1,620)	(1,885)
Fair value of plan assets	1,363	1,403
Net obligation	(257)	(482)

Changes in the present value of the defined benefit obligation:

	30 April 2022 £m	1 May 2021 £m
Opening obligation	1,885	1,850
Past service cost	–	1
Interest cost	35	29
Remeasurements in other comprehensive income – actuarial (gains)/losses arising from changes in:		
Demographic assumptions	(3)	4
Financial assumptions	(334)	70
Experience adjustments	85	(17)
Benefits paid	(49)	(52)
Closing obligation	1,620	1,885

The weighted average maturity profile of the defined benefit obligation at the end of the year is 20 years (2020/21: 20 years), comprising an average maturity of 25 years (2020/21: 25 years) for deferred members and 12 years (2020/21: 12 years) for pensioners.

Changes in the fair value of the scheme assets:

	30 April 2022 £m	1 May 2021 £m
Opening fair value	1,403	1,300
Interest income	27	21
Employer contributions	78	47
Remeasurements in other comprehensive income:		
Actual return on plan assets (excluding interest income)	(96)	87
Benefits paid	(49)	(52)
Closing fair value	1,363	1,403

Notes to the Group Financial Statements continued

21 Retirement and other post-employment benefit obligations continued

c) UK Defined benefit pension scheme – IAS 19 continued

(iv) Amounts recognised in the consolidated balance sheet continued

Analysis of scheme assets:

		30 April 2022 £m	1 May 2021 £m
Multi-asset credit funds	– Listed	215	125
	– Unlisted	226	176
Private equity	– Unlisted	10	18
Corporate bonds	– Listed	–	110
Other credit linked funds*	– Listed	426	345
	– Unlisted	–	41
Liability driven investments ('LDIs')*	– Listed	819	104
	– Unlisted	(599)	(43)
Synthetic equity*	– Unlisted	250	499
Cash and cash instruments	– Listed	–	–
	– Unlisted	15	27
Other	– Unlisted	1	1
		1,363	1,403

* These assets are managed together as part of one investment portfolio.

The table above provides the market value of the scheme assets split into key categories as at 30 April 2022. The scheme's investment strategy is to:

- gain economic exposure to equity markets equivalent to a third of its assets through derivatives;
- invest a third of its assets in credit markets; and
- use a third of its assets to hedge inflation and interest rate risk.

The scheme invests part of its assets in a bespoke fund to achieve this strategy. The fund consists of a synthetic equity portfolio, a credit portfolio and a liability hedging portfolio. The synthetic equity portfolio uses equity total return swaps and equity futures to provide economic exposure to a range of equity markets while the credit portfolio provides economic exposure to short duration global credit. The objective of the liability hedging portfolio is to hedge the scheme's liabilities against inflation and interest rate risk up to the value of the scheme's assets.

In the fair value hierarchy, listed investments are categorised as level 1. Unlisted investments (including unlisted LDIs and synthetic equity) relate to derivatives, which are categorised as level 2, and private credit and private equity funds which are categorised as level 3. Private credit investments are valued by aggregating bid and offer quotes from brokers where this information is available. If this information is not available, investments are valued at amortised cost, with provision for impairment where appropriate. Private equity fund valuations are based on the last audited accounts of each investment plus any known movements including distributions since the last audited accounts.

The investment strategy of the scheme is determined by the independent Trustees through advice provided by an independent investment consultant. The Trustee's objective is to achieve an above average long term return on the scheme's assets from a mixture of capital growth and income, whilst managing investment risk and ensuring the strategy remains within the guidelines set out in the Pensions Act 1995 and 2004 and the scheme's statement of investment principles. In setting the strategy, the nature and duration of the Scheme's liabilities are taken into account, ensuring that an integrated approach is taken to investment risk and both short-term and long-term funding requirements. The scheme invests in a diverse range of asset classes as set out above with matching assets primarily comprising holdings in inflation linked gilts, corporate bonds and liability driven investments.

To reduce volatility risk a liability driven investment ('LDI') strategy forms part of the Trustee's management of the UK defined benefit scheme's assets, including government bonds, corporate bonds and derivatives. Repurchase agreements are entered into with counterparties to better offset the scheme's exposure to interest and inflation rates, whilst remaining invested in assets of a similar risk profile. Interest rate and inflation rate derivatives are also employed to complement the use of fixed and index-linked bonds in matching the profile of the scheme's liabilities.

Actual return on the scheme assets was a loss of £96m (2020/21: gain of £87m).

21 Retirement and other post-employment benefit obligations continued

c) UK Defined benefit pension scheme – IAS 19 continued

(v) Sensitivities

The value of the UK defined benefit pension scheme assets is sensitive to market conditions. Changes in assumptions used for determining retirement benefit costs and liabilities may have a material impact on the 2022/23 income statement and the balance sheet. The main assumptions are the discount rate, the rate of inflation and the assumed mortality rate. The following table provides an estimate of the potential impacts of each of these variables if applied to the current year consolidated income statement and consolidated balance sheet.

Positive/(negative) effect	Net finance costs		Net deficit	
	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Discount rate: 0.5% increase	2	1	139	179
Inflation rate: 0.5% increase*	(3)	(2)	(110)	(147)
Mortality rate: 1-year increase	(1)	(1)	(65)	(75)

* The increase in scheme benefits provided to members on retirement is subject to an inflation cap.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

d) Other post-employment benefits – IAS 19

The Group offers other post-employment benefits to employees in overseas territories, in particular in Greece. These benefits are unfunded. At 30 April 2022 the net obligation in relation to these benefits was £1m (2020/21: £5m) which is included in trade and other payables.

22 Share capital, retained earnings and reserves

a) Share capital

	30 April 2022 million	1 May 2021 million	30 April 2022 £m	1 May 2021 £m
Authorised, allotted, called-up and fully paid ordinary shares of 0.1p each	1,133	1,166	1	1
Ordinary shares of 0.1p each in issue at the beginning of the period	1,166	1,162	1	1
Issued during the period	–	4	–	–
Repurchased and cancelled during the period	(33)	–	–	–
Ordinary shares of 0.1p each in issue at the end of the period	1,133	1,166	1	1

On 4 November 2021 the Group announced its intention to repurchase £75m of ordinary shares as a part of a share buyback programme. During the period the Company bought back an initial tranche of 32,963,792 ordinary shares of 0.1p each. The Company paid cash consideration of £32m at an average price of 98p per ordinary share. The repurchased shares were cancelled in the period, with the nominal value of the cancelled shares transferred to the capital redemption reserve.

At the reporting date the broker had not been contracted to commence the next tranche of the buyback and therefore the Group is under no obligation to purchase further shares for cancellation up to the previously announced amount and as such no liability has been recognised. The next tranche of the buyback is intended to begin in 2022/23.

During the year ended 1 May 2021, 4,098,442 ordinary shares with nominal value of 0.1p each were issued for consideration at nominal value to satisfy awards under the Group's share option schemes.

Notes to the Group Financial Statements continued

22 Share capital, retained earnings and reserves continued

b) Retained earnings and reserves

Movements in retained earnings and reserves during the reported periods are presented in the consolidated statement of changes in equity. Movements within the individual reserves are as follows:

	Hedging reserve £m	Investments revaluation reserve £m	Treasury share reserve £m	Investment in own share reserve £m	Translation reserve £m	Demerger reserve £m	Total £m
As at 2 May 2020	8	10	–	(13)	(30)	(750)	(775)
Other comprehensive income and expense recognised directly in equity	(40)	8	–	–	46	–	14
Amounts transferred to the carrying value of inventory purchased during the year	24	–	–	–	–	–	24
Amounts transferred to accumulated profits	–	(18)	–	4	–	–	(14)
Purchase of own shares – EBT	–	–	–	(13)	–	–	(13)
As at 1 May 2021	(8)	–	–	(22)	16	(750)	(764)
Other comprehensive income and expense recognised directly in equity	(17)	–	–	–	(33)	–	(50)
Amounts transferred to the carrying value of inventory purchased during the year	28	–	–	–	–	–	28
Amounts transferred to accumulated profits	–	–	–	24	–	–	24
Purchase of own shares – EBT	–	–	–	(41)	–	–	(41)
Purchase of own shares – share buyback	–	–	(32)	–	–	–	(32)
Cancellation of treasury shares	–	–	32	–	–	–	32
As at 30 April 2022	3	–	–	(39)	(17)	(750)	(803)

Hedging reserve

The hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate.

Investment revaluation reserve

The Group previously held an equity investment in Unieuro S.p.A, an Italian retailer of consumer electronics and household appliances listed on the Borsa Italiana. The Group subsequently disposed of the equity instruments for consideration of £18m during the year ended 1 May 2021 as it no longer aligned to the Group's long-term strategic direction.

Treasury share reserve

The treasury share reserve represents the repurchase of shares recognised as equity in the parent company, Currys plc. Repurchased shares are classified as treasury shares and presented in the treasury share reserve at cost, inclusive of any directly attributable cost as disclosed above, as a deduction in total equity. When treasury shares are cancelled, the cost of those cancelled is transferred to accumulated profits.

All shares purchased by the Company as treasury shares in the period were done so as part of the buyback programme previously announced on 4 November 2021. All shares purchased in treasury during the period were subsequently cancelled.

Investment in own shares reserve

The investment in own shares reserve is used to recognise the cost of shares in the Company held by the EBT. As further disclosed in note 4c the shares held by the EBT are purchased in order to satisfy share option and SAYE plans issued by the Company as part of employee share incentive schemes.

When shares are issued by the EBT to employees in order to satisfy employee share awards, the cost of these shares is transferred to accumulated profits.

Translation reserve

The translation reserve accumulates exchange differences arising on translation of foreign subsidiaries which are recognised in other comprehensive income. The cumulative amount is reclassified to accumulated profits when the related net investment is disposed of.

Demerger reserve

The demerger reserve arose as part of the demerger of the Group from TalkTalk in 2010.

23 Equity dividends

	30 April 2022 £m	1 May 2021 £m
Final dividend for the year ended 2 May 2020 of nil per ordinary share	–	–
Interim dividend for the year ended 1 May 2021 of nil per ordinary share	–	–
Final dividend for the year ended 1 May 2021 of 3.00p per ordinary share	34	–
Interim dividend for the year ended 30 April 2022 of 1.00p per ordinary share	12	–
Amounts recognised as distributions to equity shareholders in the period – on ordinary shares of 0.1p each	46	–

The following distribution is proposed but has not been effected at 30 April 2022 and is subject to shareholders' approval at the forthcoming Annual General Meeting:

	£m
Final dividend for the year ended 30 April 2022 of 2.15p per ordinary share	24

The payment of this dividend will not have any tax consequences for the Group.

24 Discontinued operations and assets held for sale

Accounting policies

A discontinued operation is a component of the Group which represents a significant separate line of business, either through its activity or geographical area of operation, which has been sold, is held for sale or has been closed.

Where the sale of a component of the Group is considered highly probable at the balance sheet date and the business is available for immediate sale in its present condition, it is classified as held for sale. Such classification assumes the expectation that the sale will complete within one year from the date of classification. Assets and liabilities held for sale are measured at the lower of carrying amount and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

There have been no additional operations classified as discontinued during the year ended 30 April 2022. The following were classified as discontinued in previous years and have continued to incur costs and cash flows in the current financial year:

honeybee

No profit or loss has been recognised in relation to the disposal of the honeybee operation in the current or comparative period. During the year the Group received the final cash payment of £1m for the disposal of trade and assets in relation to the honeybee operations (2020/21: £2m).

Spain

On 29 September 2017, the Group completed the disposal of The Phone House Spain S.L.U., Connected World Services Europe S.L. and Smarthouse Spain S.A., which together represented the trading operations in Spain. For the year ended 1 May 2021, a £2m credit was recognised in relation to the reversal of previously held provisions no longer required. No further costs in relation to the disposal have been recognised during the period. Further information on the contingent liability that the Group has recognised in relation to the disposal can be found in note 31.

Other

No profit or loss or cash flows have been recognised in relation to other previously disposed operations during the period.

In prior periods the Group had deemed it probable that it would need to pay amounts covered by warranties provided under the sale agreement for the previously disposed Phonehouse Germany business. The claim was subsequently settled in the second half of the year ended 1 May 2021. The Group subsequently recorded a cash outflow of £3m and released excess amounts provided, thereby recognising a credit of £5m in the income statement as the provision was reduced to £nil.

As a result of the settlement as set out above the Group does not expect any further warranty claims in respect of tax risks in territories within which the legacy Carphone group used to operate. As such, a further £5m was released during the year ended 1 May 2021.

Notes to the Group Financial Statements continued

24 Discontinued operations and assets held for sale continued

a) Profit after tax from discontinued operations

	Year ended 30 April 2022				Year ended 1 May 2021			
	honeybee £m	Spain £m	Other £m	Total £m	honeybee £m	Spain £m	Other £m	Total £m
Revenue	-	-	-	-	-	-	-	-
Expenses	-	-	-	-	-	2	5	7
Profit before tax	-	-	-	-	-	2	5	7
Income tax	-	-	-	-	-	-	5	5
	-	-	-	-	-	2	10	12

b) Cash flows from discontinued operations

	Year ended 30 April 2022				Year ended 1 May 2021			
	honeybee £m	Spain £m	Other £m	Total £m	honeybee £m	Spain £m	Other £m	Total £m
Operating activities	-	-	-	-	-	-	(3)	(3)
Investing activities	1	-	-	1	2	-	-	2
	1	-	-	1	2	-	(3)	(1)

25 Financial risk management and derivative financial instruments

Accounting policies

Non-derivative financial assets

Financial assets are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the investment. The Group's financial assets comprise cash and cash equivalents, receivables which involve a contractual right to receive cash from external parties, and for the prior period, financial assets designated as at fair value through other comprehensive income ('FVTOCI'). Financial assets comprise all items shown in notes 12, 14 and 15 with the exception of prepayments and contract assets.

When the Group recognises a financial asset, it classifies it in accordance with IFRS 9 depending on the Group's intention with regard to the collection, or sale, of contractual cash flows and whether the financial asset's cash flows relate solely to the payment of principal and interest on principal outstanding. All of the Group's assets measured at amortised cost are subject to impairments driven by the expected credit loss model as further stipulated in note 14 and below.

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

The Group reviews several factors when considering a significant increase in credit risk including but not limited to: credit rating changes; adverse changes in general economic and/or market conditions; and material changes in the operating results or financial position of the debtor. Indicators that an asset is credit-impaired would include: observable data in relation to the financial health of the debtor; significant financial difficulty of the issuer or the debtor; the debtor breaches contract; or it is probable that the debtor will enter bankruptcy or financial reorganisation.

Non-derivative financial liabilities

The Group's financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date. Financial liabilities comprise all items shown in notes 16 to 19 with the exception of other taxes and social security, contract liabilities and accruals for wages, bonuses and holiday pay. Financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. In the event that the terms in which the Group are contractually obliged are substantially modified, the financial liability to which it relates is derecognised and subsequently re-recognised on the modified terms.

Where the Group has the right and intention to offset in relation to financial assets and liabilities under IAS 32, these are presented on a net basis.

25 Financial risk management and derivative financial instruments continued

Accounting policies continued

Derivatives

The Group uses derivatives to manage its exposures to fluctuating interest and foreign exchange rates. These instruments are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured to fair value at each prevailing balance sheet date and are recorded within assets or liabilities as appropriate. The treatment of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. Derivatives that qualify for hedge accounting are treated as a hedge of a highly probable forecast transaction (cash flow hedge) in the case of foreign exchange hedging, and a hedge of the exposure arising from changes in the cash flows of a financial liability due to interest rate risk on a floating rate debt instrument in the case of interest rate hedging.

Cash flow hedge accounting

At inception the relationship between the hedging instrument and the hedged item is documented, as well as an assessment of the effectiveness of the derivative instrument used in the hedging transaction in offsetting changes in the cash flow of the hedged item. This effectiveness assessment is repeated on an ongoing basis during the life of the hedging instrument to ensure that the instrument remains an effective hedge.

The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any gain or loss relating to the ineffective portion is recognised immediately in the income statement within finance costs. Amounts recognised in other comprehensive income and accumulated in the cash flow hedge reserve are recycled to the income statement, in the same line as the recognised hedged item, in the period when the hedged item will affect profit or loss. If the hedging instrument expires or is sold, or no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the income statement. If the forecast transaction is no longer expected to occur, the cumulative gain or loss in other comprehensive income is immediately transferred to the income statement and recognised within finance costs.

Where hedged forecast transactions result in the recognition of a non-financial asset or liability, the gains and losses previously recognised and accumulated in the cash flow hedge reserve are subsequently removed and included in the initial cost of the non-financial asset or liability. Such transfers will not affect other comprehensive income.

Derivatives that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting are classified at fair value through profit or loss. All changes in fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement within the same line as the item that is hedged economically.

The carrying amount of the Group's financial assets, liabilities and derivative financial instruments are as follows:

	30 April 2022 £m	1 May 2021 (restated)* £m
Lease receivables ⁽³⁾	4	4
Cash and cash equivalents ⁽¹⁾	126	175
Trade and other receivables ⁽¹⁾	558	450
Derivative financial assets ⁽²⁾	28	24
Derivative financial liabilities ⁽²⁾	(11)	(42)
Trade and other payables ⁽¹⁾	(1,808)	(1,628)
Contingent consideration ⁽²⁾	–	(2)
Loans and other borrowings ⁽¹⁾	(82)	(6)
Lease liabilities ⁽³⁾	(1,267)	(1,326)

* Trade and other payables has been restated for the comparative period to exclude £171m of accruals that do not meet the definition of financial liabilities.

(1) Held at amortised cost.

(2) Held at fair value through profit or loss.

(3) Measured in accordance with IFRS 16: 'Leases'.

Notes to the Group Financial Statements continued

25 Financial risk management and derivative financial instruments continued

Financial instruments that are measured at fair value in the financial statements require disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Listed investments held are categorised as level 1 in the fair value hierarchy and are valued based on quoted bid prices in an active market.

Contingent consideration is categorised as level 3 in the fair value hierarchy as the valuation requires the use of significant unobservable inputs. An explanation of the valuation methodologies and the inputs to the valuation model are provided in note 17. The fair value of contingent consideration was immaterial in the prior year and £nil in the current year, due to the consideration being settled, therefore no additional disclosure was provided. The impact of Covid-19 has had no material impact on the fair value of contingent consideration.

The significant inputs required to measure the Group's remaining financial instruments at fair value on the balance sheet, being derivative financial assets and liabilities, are observable and are classified as level 2 in the fair value hierarchy. There have also been no transfers of assets or liabilities between levels of the fair value hierarchy.

Fair values have been arrived at by discounting future cash flows (where the impact of discounting is material), assuming no early redemption, or by revaluing forward currency contracts and interest rate swaps to period end market rates as appropriate to the instrument.

Management consider that the carrying amount of financial assets and liabilities recorded at amortised cost and their fair value are not materially different.

Offsetting financial assets and financial liabilities

The Group has forward foreign exchange contracts that are subject to enforceable master netting arrangements. Under these master netting agreements gross assets and liabilities could be offset in the case of a counterparty default.

(i) Financial assets

	30 April 2022				
	Gross amounts of recognised financial assets £m	Gross amounts of recognised financial liabilities set off in the balance sheet £m	Net amounts of financial assets presented in the balance sheet £m	Financial instruments not set off in the balance sheet £m	Net amount £m
Forward foreign exchange contracts*	28	–	28	(11)	17
	28	–	28	(11)	17

	1 May 2021				
	Gross amounts of recognised financial assets £m	Gross amounts of recognised financial liabilities set off in the balance sheet £m	Net amounts of financial assets presented in the balance sheet £m	Financial instruments not set off in the balance sheet £m	Net amount £m
Forward foreign exchange contracts*	24	–	24	(23)	1
	24	–	24	(23)	1

* The forward foreign exchange contract assets and liabilities are recognised within the statement of financial position as derivative assets and derivative liabilities respectively. The change in fair value of the forward foreign exchange contract assets is accounted for as a qualifying cash flow hedge.

25 Financial risk management and derivative financial instruments continued

Offsetting financial assets and financial liabilities continued

(ii) Financial liabilities

	30 April 2022				
	Gross amounts of recognised financial liabilities £m	Gross amounts of recognised financial assets set off in the balance sheet £m	Net amounts of financial liabilities presented in the balance sheet £m	Financial instruments not set off in the balance sheet £m	Net amount £m
Forward foreign exchange contracts*	(11)	–	(11)	11	–
	(11)	–	(11)	11	–

	1 May 2021				
	Gross amounts of recognised financial liabilities £m	Gross amounts of recognised financial assets set off in the balance sheet £m	Net amounts of financial liabilities presented in the balance sheet £m	Financial instruments not set off in the balance sheet £m	Net amount £m
Forward foreign exchange contracts*	(42)	–	(42)	23	(19)
	(42)	–	(42)	23	(19)

* The forward foreign exchange contract assets and liabilities are recognised within the statement of financial position as derivative assets and derivative liabilities respectively. The change in fair value of the forward foreign exchange contract assets is accounted for as a qualifying cash flow hedge.

a) Financial risk management policies

The Group's activities expose it to certain financial risks including market risk (such as foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's Treasury function, which operates under treasury policies approved by the Board, uses certain financial instruments to mitigate potentially adverse effects on the Group's financial performance from these risks. These financial instruments consist of bank loans and deposits, spot and forward foreign exchange contracts, foreign exchange swaps and interest rate swaps.

Throughout the period under review, in accordance with Group policy, no speculative use of derivatives or other instruments was permitted. No contracts with embedded derivatives have been identified and, accordingly, no such derivatives have been accounted for separately.

b) Foreign exchange risk

The Group undertakes certain transactions that are denominated in foreign currencies and as a consequence has exposure to exchange rate fluctuations. These exposures primarily arise from inventory purchases, with most of the Group's exposure being to Euro and US Dollar. The Group uses spot and forward currency contracts to mitigate these exposures, with such contracts designed to cover exposures ranging from one month to one year.

The translation risk on converting overseas currency profits or losses is not hedged and such profits or losses are converted into Pound Sterling at average exchange rates throughout the year. The Group's principal translation currency exposures are the Euro and Norwegian Krone.

At 30 April 2022, the total notional principal amount of outstanding currency contracts was £1,698m (2020/21: £2,872m) and had a net fair value of £17m asset (2020/21: £18m liability). Monetary assets and liabilities and foreign exchange contracts are sensitive to movements in foreign exchange rates.

Notes to the Group Financial Statements continued

25 Financial risk management and derivative financial instruments continued

b) Foreign exchange risk continued

The impact of fluctuations in foreign exchange rates on profit/loss is mitigated by using offsetting exposures and non-hedged derivatives, however there may be residual minimal impact on profit/loss from residual exposures that are not fully matched. This sensitivity can be analysed in comparison to year end rates (assuming all other variables remain constant) as follows:

	Year ended 30 April 2022		Year ended 1 May 2021	
	Effect on profit before tax* £m	Effect on total equity £m	Effect on profit before tax* £m	Effect on total equity £m
10% movement in the US Dollar exchange rate	-	8	-	13
10% movement in the Euro exchange rate	-	22	-	60
10% movement in the Norwegian Krone exchange rate	-	14	-	30
10% movement in the Swedish Krona exchange rate	-	9	-	27
10% movement in the Danish Krone exchange rate	-	6	-	17
10% movement in the Chinese Yuan Offshore exchange rate	-	5	-	6

* Wherever possible the Group offsets foreign exchange fluctuations using matching foreign currency assets or liabilities or unhedged derivatives. The impact of unmatched exposures is immaterial.

c) Interest rate risk

The Group's interest rate risk arises primarily on cash, cash equivalents and loans and other borrowings, all of which are at floating rates of interest and which therefore expose the Group to cash flow interest rate risk. These floating rates are linked to risk-free rates and other applicable interest rate bases as appropriate to the instrument and currency. Future cash flows arising from these financial instruments depend on interest rates and periods agreed at the time of rollover. Group policy permits the use of long-term interest rate derivatives in managing the risks associated with movements in interest rates.

The effect on the income statement and equity of 100 basis point movements in the interest rate for the currencies in which most Group cash, cash equivalents, loans and other borrowings are denominated and on which the valuation of most derivative financial instruments is based is as follows, assuming that the year end positions prevail throughout the year:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Increase/(decrease) on profit before tax		
1% increase in the Pound Sterling interest rate	-	2

d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages its exposure to liquidity risk by reviewing regularly the long-term and short-term cash flow projections for the business against the resources available to it. In the year ended 1 May 2021, the Group cancelled RCFs totalling £1,316m and refinanced with new facilities.

In order to ensure that sufficient funds are available for ongoing and future developments, the Group has committed bank facilities, excluding overdrafts repayable on demand, totalling £543m (2020/21: £551m). The lower amount of facilities reflect strong cash flow generation in financial year ended 1 May 2021 and a lower requirement for debt going forward. Further details of committed borrowing facilities are shown in note 18.

25 Financial risk management and derivative financial instruments continued

d) Liquidity risk continued

The table below analyses the Group's financial liabilities and derivative assets and liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows, including both principal and interest flows, assuming that interest rates remain constant and that borrowings are paid in full in the year of maturity.

	30 April 2022			
	Within one year £m	In more than one year but not more than five years £m	In more than five years £m	Total £m
Lease liabilities	(260)	(806)	(485)	(1,551)
Derivative financial instruments – gross cash outflows:				
Forward foreign exchange contracts	(1,698)	–	–	(1,698)
Derivative financial instruments – gross cash inflows:				
Forward foreign exchange contracts	1,714	–	–	1,714
Loans and other borrowings	(6)	(92)	–	(98)
Trade and other payables	(1,800)	(8)	–	(1,808)
	(2,050)	(906)	(485)	(3,441)
	1 May 2021 (restated)*			
	Within one year £m	In more than one year but not more than five years £m	In more than five years £m	Total £m
Lease liabilities	(271)	(842)	(534)	(1,647)
Derivative financial instruments – gross cash outflows:				
Forward foreign exchange contracts	(2,872)	–	–	(2,872)
Derivative financial instruments – gross cash inflows:				
Forward foreign exchange contracts	2,854	–	–	2,854
Loans and other borrowings	(6)	–	–	(6)
Deferred consideration	(2)	–	–	(2)
Trade and other payables	(1,623)	(5)	–	(1,628)
	(1,920)	(847)	(534)	(3,301)

* Trade and other payables has been restated for the comparative period to exclude £171m of accruals that do not meet the definition of financial liabilities.

e) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations and arises principally from the Group's receivables from consumers. The Group's exposure to credit risk is regularly monitored and the Group's policy is updated as appropriate.

The credit risk associated with cash and cash equivalents and derivative financial instruments are closely monitored and credit ratings are used in determining maximum counterparty credit risk.

Surplus cash is invested in investment grade institutions using only low risk, highly liquid instruments such as overnight deposits and money market funds. The Group only invests in money market funds where cash can be withdrawn the same day, and which are comprised of assets with a weighted-average maturity of less than 90 days.

For the purposes of short-term operational requirements in Greece, local banks which are below investment grade are used to service short-term liquidity needs. Any surplus cash in Greece is moved to an investment grade institution.

Counterparty credit rating	30 April 2022 £m	1 May 2021 £m
AAA to AA-	72	78
A+ to A-	37	81
BBB+ to BBB-	1	6
Cash held for short term operational requirements within Greece	16	10
	126	175

Notes to the Group Financial Statements continued

25 Financial risk management and derivative financial instruments continued

e) Credit risk continued

All derivative assets are considered low risk financial instruments as they are held at banks that are investment grade.

The Group's contract assets of £180m (2020/21: £220m) are generally owed to the Group by major multinational enterprises with whom the Group has well-established relationships and are consequently not considered to add significantly to the Group's credit risk exposure. In addition, credit risk is also inherently associated with the MNO end subscribers. Exposure to credit risk associated with the MNO subscriber is managed through an extensive consumer credit checking process prior to connection with the network. The large volume of MNO subscribers reduces the Group's exposure to concentration of credit risk. Further information for credit risk associated to contract assets and the MNOs is disclosed within note 14.

For the Group's trade receivables in the UK and Nordics, it has adopted the simplified approach to calculating expected credit losses allowed by IFRS 9. Historical credit loss rates are applied consistently to groups of financial assets with similar risk characteristics. These are then adjusted for known changes in, or any forward-looking impacts on creditworthiness. In Greece the Group has adopted both the simplified approach for business to business and a debtor by debtor expected credit loss model based on the probability of default.

Of the Group's £558m (2020/21: £450m) trade and other receivables that fall within the classification of financial assets, £211m (2020/21: £135m) is deemed by the Group to have a material level of credit risk. Other amounts within trade and other receivables are not considered to have a material level of credit risk because they primarily relate to receivables with blue chip multinational companies with no history of default and no concentration of credit risk to the Group. The Group applies the expected credit loss model, as described above, to all financial assets. The areas of risk and corresponding expected credit loss are as follows:

	30 April 2022		1 May 2021	
	Gross carrying amount £m	Expected credit loss £m	Gross carrying amount £m	Expected credit loss £m
UK & Ireland – Business to Business	17	6	13	3
UK & Ireland – Main Sales Ledger	62	4	39	4
UK & Ireland – Concessions	2	2	2	2
UK & Ireland – iD Mobile	44	4	–	–
Nordics – Business to Business	29	2	24	3
Nordics – Franchise Debtors	29	1	30	1
Greece – Business to Business	4	–	4	–
Greece – Franchise Debtors	1	1	2	1
Greece – Consumer Credit	14	1	15	1
Greece – Main Sales Ledger	9	–	6	1
	211	21	135	16

Ageing of the areas of credit risk is set out in the tables below:

	30 April 2022 £m	1 May 2021 £m
Gross amounts of recognised financial assets		
Not yet due	161	108
0 – 90 days	26	13
91 – 180 days	11	2
180+ days	13	12
	211	135

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.

f) Capital risk

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern, whilst maximising the return to shareholders through a suitable mix of debt and equity. The capital structure of the Group consists of cash and cash equivalents, loans and other borrowings, and equity attributable to equity holders of the Company comprising issued capital, reserves and accumulated profits. Except in relation to minimum capital requirements in its insurance business, the Group is not subject to any externally imposed capital requirements. The Group monitors its capital structure on an ongoing basis, including assessing the risks associated with each class of capital.

25 Financial risk management and derivative financial instruments continued

g) Derivatives

Derivative financial instruments comprise forward foreign exchange contracts, foreign exchange swaps and interest rate swaps. The Group has designated financial instruments under IFRS 9 as explained below.

Cash flow hedges

Foreign exchange

The objective of the Group's policy on foreign exchange hedging is to protect the Group from adverse currency fluctuations and to gain greater certainty of earnings by protecting the Group from sudden currency movements. All hedging of foreign currency exposures is managed centrally within the Group Treasury function. The Group analyses its exposure to foreign exchange rate movements without assuming any correlations between currency pairs and uses this analysis to hedge up to the level prescribed in its transactional hedging policy (a target of up to 80% hedged a year in advance). The Group generally prefers to use vanilla forward foreign exchange contracts as hedging instruments for hedges of forecasted transactions. The Group has a policy that all its foreign exchange rate derivatives must be eligible for hedge accounting. The Group can use more complex derivatives including options when management considers that they are more appropriate, based on management's views on potential foreign exchange rate movements.

Any amendments to the Group's policies or strategy on managing foreign currency risk must be approved by the Group's Tax and Treasury Committee.

At 30 April 2022 the Group had forward and swap foreign exchange contracts in place with a notional value of £731m (2020/21: £1,570m) and a net fair value of £7m asset (2020/21: £17m liability) that were designated and effective as cash flow hedges. These contracts are expected to cover exposures ranging from one month to one year. The fair value of derivative foreign exchange contracts and foreign exchange swaps not designated as cash flow hedges was a £10m asset (2020/21: £1m liability).

Possible sources of ineffectiveness are scenarios where future cash flows are delayed to a later period or brought forward to a prior period. Ineffectiveness can also be caused by credit risk (both own risk and that of the counterparty). All hedges are expected to be highly effective.

Supply chain issues have had an impact on the timing and volume of foreign currency purchases into the business. However, all hedged items are considered highly probable, therefore no material ineffectiveness has been recognised. The situation in Ukraine and subsequent sanctions imposed on Russia has had no significant impact on foreign currency purchases.

As of 30 April 2022, the Group holds the following levels of foreign exchange hedging derivatives (foreign exchange forwards) to hedge its exposure to fluctuating foreign exchange rates over the next 12 months:

	Year ended 30 April 2022			Year ended 1 May 2021		
	Maturing hedges in the next 12 months £m	Weighted average hedge rate £m	Change in fair value used to calculate hedge ineffectiveness £m	Maturing hedges in the next 12 months £m	Weighted average hedge rate £m	Change in fair value used to calculate hedge ineffectiveness £m
Hedging USD purchases into GBP (UK)	59	1.3483	4	66	1.3704	(1)
Hedging EUR purchases into GBP (UK)	28	1.1748	–	24	1.1247	–
Hedging CNY purchases into GBP (UK)	52	8.7784	3	61	9.0489	–
Hedging EUR purchases into NOK (Nordics)	305	10.1009	(6)	761	10.4977	(33)
Hedging USD purchases into NOK (Nordics)	30	8.7826	2	84	8.7562	(4)
Hedging SEK sales into NOK (Nordics)	103	1.0237	2	301	0.9787	12
Hedging DKK sales into NOK (Nordics)	73	0.7388	1	189	0.7100	8
Hedging EUR purchases into GBP (Ireland)	81	1.1724	1	84	0.8864	1
	731		7	1,570		(17)

The change in value of hedged items is a total of £7m (2020/21: £(17)m). This is used in assessing the economic relationship between hedged items and hedging instruments. Ineffectiveness caused by foreign currency basis spread and credit risk was highly immaterial during the period.

Notes to the Group Financial Statements continued

25 Financial risk management and derivative financial instruments continued

g) Derivatives continued

Cash flow hedges continued

Interest rate

The Group's interest rate risk management objective is to limit the amount of additional expense incurred if interest rates rise to unexpected levels. To manage the interest rate exposure, the Group generally enters interest rate swaps to fix its floating rate borrowings, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. The Group monitors and manages its interest rate risk individually in each currency and it does not make any assumptions about how interest rates in different currencies may move in tandem.

Any amendments to the Group's policies or strategy on managing interest rate risk must be approved by the Group's Tax and Treasury Committee.

As at the 30 April 2022 there are no interest rate swaps in place. In April 2021, whilst the Group's policy and strategy on interest rate risk has not changed, £60m of interest rate hedges were discontinued because they no longer fulfilled the criteria for hedge accounting under IFRS 9. Following that, all interest rate swap contracts were terminated before 1 May 2021.

IBOR Reform

During the year, the Group adopted the 'Interest Rate Benchmark Reform Phase 2' amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. During the year the Group has established that it has no material contracts that use an IBOR benchmark which would require the remeasurement of any assets, liabilities or derivatives.

In April 2021, the Group extinguished its instruments linked to IBOR. This included the refinancing of the Group's revolving credit facilities which were replaced with new agreements linked to risk-free rate indices as set out in note 18. The Group simultaneously cancelled all of its interest rate hedging as they no longer met with the requirements of IFRS 9. The Group continues to operate with no significant core level of debt and as such has no interest rate hedging arrangements in place.

The Group's interest rate risk management strategy and policies remain unchanged and if circumstances change, the Group's interest rate programme may be recommenced in future.

26 Notes to the cash flow statement

a) Reconciliation of cash and cash equivalents and bank overdrafts at the end of the period

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Cash at bank and on deposit	126	175
Bank overdrafts	(2)	(6)
Cash and cash equivalents and bank overdrafts at end of the period	124	169

26 Notes to the cash flow statement continued

b) Reconciliation of operating profit to cash generated from operations

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Profit before interest and tax – continuing operations	222	147
Profit before interest and tax – discontinued operations	–	7
Depreciation and amortisation	338	362
Share-based payment charge	23	21
Profit on disposal of fixed assets	(1)	(6)
Impairments and other non-cash items	65	76
Operating cash flows before movements in working capital	647	607
Movements in working capital:		
Increase in inventory	(130)	(174)
(Increase)/decrease in receivables	(92)	404
Increase in payables	143	182
Decrease in provisions	(44)	(93)
	(123)	319
Cash generated from operations	524	926

c) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	2 May 2021 £m	Financing cash flows £m	Lease additions, modifications and disposals £m	Foreign exchange £m	Interest £m	30 April 2022 £m
Loans and other borrowings (note 18) ⁽ⁱ⁾	–	(74)	–	–	(6)	(80)
Lease liabilities (note 19) ⁽ⁱⁱ⁾	(1,326)	278	(165)	16	(70)	(1,267)
Total liabilities from financing activities ⁽ⁱⁱⁱ⁾	(1,326)	204	(165)	16	(76)	(1,347)

	3 May 2020 £m	Financing cash flows £m	Lease additions, modifications and disposals £m	Foreign exchange £m	Interest £m	1 May 2021 £m
Loans and other borrowings (note 18) ⁽ⁱ⁾	(324)	348	–	–	(24)	–
Lease liabilities (note 19) ⁽ⁱⁱ⁾	(1,444)	310	(96)	(19)	(77)	(1,326)
Total liabilities from financing activities ⁽ⁱⁱⁱ⁾	(1,768)	658	(96)	(19)	(101)	(1,326)

(i) The Group used interest rate swaps and foreign exchange forward contracts to hedge borrowings. The fair value of these derivatives rounded to £nil (2020/21: £nil).

There were no material cash flows or changes in fair value on these instruments during the year.

(ii) Lease liabilities are secured over the Group's right-of-use assets.

(iii) In addition to the amounts shown above, facility arrangement fees of £6m (2020/21: £nil) are included within cash flows from financing activities in the consolidated cash flow statement.

The consolidated cash flow statement presents the drawdown and repayment of loans and other borrowings on a net basis as these loans and other borrowings are used as a key part of the Group's daily cash management, with daily deposits and repayments, and the entire balance revolving within a matter of days.

Notes to the Group Financial Statements continued

27 Related party transactions

Transactions between the Group's subsidiary undertakings, which are related parties, have been eliminated on consolidation and accordingly are not disclosed. See note 4a for details of related party transactions with key management personnel.

The Group had the following transactions and balances with its associates:

	30 April 2022 £m	1 May 2021 £m
Revenue from sale of goods and services	15	16
Amounts owed to the Group	–	–

Details of the associates are shown within Other significant shareholdings in note C9 to the Company financial statements.

All transactions entered into with related parties were completed on an arm's length basis.

28 Capital commitments

	30 April 2022 £m	1 May 2021 £m
Intangible assets	7	14
Property, plant & equipment	3	5
Contracted for but not provided for in the accounts	10	19

29 Government support

Accounting policies

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses as related costs which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

During the year ended 30 April 2022, the Group received further government support designed to mitigate the impact of Covid-19 in several countries in which the Group operates.

In the UK, the Group received further benefit in the form of business rates relief under the 'Retail Discount' for the year ended 30 April 2022. Under the scheme the business benefited from 100% relief from business rate bills for the first two months of the period and 66% off the remaining bills up to a total of £2m. This has led to a reduction in operating costs totalling £18m (2020/21: £62m).

The Group also benefited from government backed Covid-19 related rent concessions for closed stores in Greece. The Group elected to take the practical expedient related to rent concessions under IFRS 16, subsequently recognising a £1m credit (2020/21: £6m) against rental expense to reflect the variable element of the reduction and a corresponding adjustment to the lease liability.

During the prior period the Group also received government grants to cover the salaries for those employees who had been 'furloughed' through the Coronavirus Job Retention Scheme in the UK. A similar subsidy was also received in Ireland through the Temporary Wage Subsidy Scheme and subsequently the Employment Wage Subsidy Scheme. These were subsequently repaid to the respective governments on 28 April 2021 while no further benefit has been taken in relation to such schemes in the year ended 30 April 2022.

The Group also received £1m (2020/21: £6m) in relation to similar employment cost subsidy schemes in the Nordics. During the year ended 1 May 2021 £2m of social security payments for the Group's Danish operations had been deferred under government-backed schemes.

There are no unfulfilled conditions or contingencies attached to these grants.

30 Operating lease arrangements

Accounting policies

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

The Group as a lessor

The Group is a lessor predominantly when subleasing retail store properties that are no longer open for trading. Leases for which the Group is a lessor are classified as finance or operating leases. All leases that are not finance leases are classified as operating leases. See note 12 for further disclosure where the Group is a lessor and the contracts are classified as finance leases.

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

Under IFRS 16, an intermediate lessor is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease. As such, operating leases in which the Group is a lessor relate to right-of-use assets subleased to external third parties.

Undiscounted amounts receivable under subleases classified as operating leases:

	30 April 2022 £m	1 May 2021 £m
Year 1	-	1
Year 2	-	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
Onwards	-	-

31 Contingent liabilities

The Group continues to cooperate with HMRC in relation to open tax enquiries arising from pre-merger legacy corporate transactions in the former Carphone Warehouse Group. It is possible that a future economic outflow will arise from one of these matters, and therefore a contingent liability has been disclosed. This determination is based on the strength of third-party legal advice on the matter and therefore the Group considers it 'more likely than not' that these enquiries will not result in an economic outflow. The potential range of tax exposures relating to this enquiry is estimated to be approximately £nil – £214m excluding interest and penalties. Interest on the upper end of the range is approximately £61m up to 30 April 2022. Penalties could range from nil to 30% of the principal amount of any tax. Any potential cash outflow would occur in greater than one year and less than five years.

The Group received a Spanish tax assessment connected to a business that was disposed of by the legacy Carphone Warehouse Group in 2014. This issue will enter litigation and is likely to take a minimum of three years to reach resolution. The Group considers that it is not probable the claim will result in an economic outflow based on third-party legal advice. The maximum potential exposure as a result of the claim is £10m.

32 Events after the balance sheet date

There were no material events after the balance sheet date.

Company Balance Sheet


	Note	30 April 2022 £m	1 May 2021 £m
Non-current assets			
Investments in subsidiaries	C4	2,670	2,670
		2,670	2,670
Current assets			
Cash and cash equivalents		12	55
Debtors	C5	3,306	3,583
Derivative assets	C7	39	63
		3,357	3,701
Current liabilities			
Creditors	C6	(3,338)	(3,578)
Derivative liabilities	C7	(30)	(65)
Net current (liabilities)/assets		(11)	58
Total assets less current liabilities		2,659	2,728
Net assets			
		2,659	2,728
Capital and reserves			
Share capital	C8	1	1
Share premium reserve	C8	2,263	2,263
Profit and loss account		395	464
		2,659	2,728

The Company's profit for the year was £50m (2020/21: £20m).

The financial statements of the Company were approved by the Board on 6 July 2022 and signed on its behalf by:



Alex Baldock
Group Chief Executive
Company registration number: 7105905



Bruce Marsh
Group Chief Financial Officer

Company Statement of Changes in Equity

	Share capital £m	Share premium reserve £m	Profit and loss account £m	Total equity £m
At 2 May 2020	1	2,263	456	2,720
Profit for the year	–	–	20	20
Other comprehensive income	–	–	1	1
Total comprehensive income for the year	–	–	21	21
Purchase of own shares – employee benefit trust	–	–	(13)	(13)
At 1 May 2021	1	2,263	464	2,728
Total comprehensive income for the year	–	–	50	50
Purchase of own shares – employee benefit trust	–	–	(41)	(41)
Purchase of own shares – share buyback	–	–	(32)	(32)
Equity dividend	–	–	(46)	(46)
At 30 April 2022	1	2,263	395	2,659

Notes to the Company Financial Statements

C1 Accounting policies

Basis of preparation

The Company is incorporated in the United Kingdom. The financial statements have been prepared on a going concern basis (see note 1 to the Group financial statements).

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, certain related party transactions and standards not yet effective. Where required, equivalent disclosures are given in the Consolidated financial statements.

The financial statements have been prepared on the historical cost basis except for the remeasurement of certain financial instruments to fair value. The principal accounting policies adopted are the same as those set out in the notes to the Group financial statements except as noted below. The directors consider there are no critical accounting judgements or key sources of estimation uncertainty which affect these financial statements.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

The Company had no employees during the year ended 30 April 2022 (2020/21: nil). All directors were remunerated by other Group companies.

On 15 September 2021 the Company changed its name from Dixons Carphone plc to Currys plc.

C2 Profit and loss account

In accordance with the exemption permitted by section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented separately. The profit recognised for the year ended 30 April 2022 was £50m (2020/21: £20m). Included in the profit recognised for the year ended 1 May 2021 is £1m of charitable donations. Information regarding the audit fees for the Group is provided in note 3 to the Group financial statements.

C3 Equity dividends

Details of amounts recognised as distributions to shareholders in the period and those proposed are detailed in note 23 of the Group financial statements.

C4 Investments in subsidiaries

	30 April 2022 £m	1 May 2021 £m
Opening balance	2,670	2,670
Impairments	–	–
Closing balance	2,670	2,670
Cost	2,776	2,776
Accumulated impairments	(106)	(106)
Net carrying amount	2,670	2,670

Balances comprise investments in subsidiary undertakings and other minority investments. Details of the Company's investments in subsidiary undertakings are provided in note C9.

C4 Investments in subsidiaries continued

The directors acknowledged that as at 30 April 2022 the market capitalisation of Currys plc was less than the net assets of the Company, which primarily consists of investments in subsidiaries. This was considered to be an indicator of impairment and an impairment test over the investment in subsidiaries was performed in accordance with IAS 36. The recoverable amounts of the investments have been determined based on value in use calculations where management have prepared discounted cash flows based on the latest three year strategic plan and require the use of estimates.

The recoverable amount, based on the value in use, shows a headroom of £3,225m above the carrying amount of the investments in subsidiaries. As such, no impairment charge was recognised over investment in subsidiaries as a result of the impairment test detailed above.

C5 Debtors

	30 April 2022 £m	1 May 2021 £m
Amounts owed by Group undertakings	3,305	3,582
Other debtors	1	1
Amounts falling due within one year	3,306	3,583

Amounts owed by Group undertakings are unsecured, repayable on demand and any interest charged is at current market rates.

Receivable balances with other Group entities are reviewed for potential impairment based on the ability of the counterparty to meet its obligations. The net current asset/liability position of the entity is considered and where the amount due to the Company is not covered, the estimated future cash flows of the counterparty and subsidiary companies with the ability to distribute cash to it are considered. An impairment of £49m (2020/21: £nil) was recognised in relation to amounts owed by Group undertakings that are non-trading entities across the group, have net liabilities and are in the process of being wound down. Other than the amounts impaired there has been no significant change in credit risk to all of the balances and therefore the 12-month expected credit loss method has been applied.

C6 Creditors

	30 April 2022 £m	1 May 2021 £m
Amounts owed to Group undertakings	3,329	3,576
Overdrafts	9	2
Amounts falling due within one year	3,338	3,578

C7 Derivatives

	30 April 2022 £m	1 May 2021 £m
Foreign exchange contracts	39	63
Derivative assets	39	63
Foreign exchange contracts	(30)	(65)
Derivative liabilities	(30)	(65)

This value is determined using forward exchange and interest rates derived from market sourced data at the balance sheet date, with the resulting value discounted back to present value (level 2 classification). See note 25 to the Group financial statements for further details.

Notes to the Company Financial Statements continued

C7 Derivatives continued

At 30 April 2022 the Company has external forward and swap foreign exchange contracts in place with a notional value of £1,698m (2020/21: £2,872m) and a fair value of £28m asset (2020/21: £24m) and £11m liability (2020/21: £42m). These derivatives will mature in between one month and one year.

Derivatives with a notional value of £731m (2020/21: £1,570m) and a fair value of £17m asset (2020/21: £22m) and £10m liability (2020/21: £39m) were designated by subsidiaries in cash flow hedge relationships. These derivatives were passed down to the hedging subsidiary using an internal derivative with exactly the same (but opposite) terms to external derivatives.

Derivatives with a notional value of £203m (2020/21: £245m) and a fair value of £1m asset (2020/21: £1m) and £1m of liability (2020/21: £nil) were not designated by subsidiaries in cash flow hedge relationships but were passed down to subsidiaries to offset foreign currency balance sheet exposures. These derivatives were passed down using an internal derivative with exactly the same (but opposite) terms to external derivatives.

Derivatives with a notional value of £764m (2020/21: £1,057m) and a fair value of £10m asset (2020/21: £1m asset) and £nil liability (2020/21: £3m) were used by the Company to manage its cash and therefore were not passed down to subsidiaries.

C8 Share capital and share premium

Details of movements in share capital and share premium are disclosed in note 22 to the Group financial statements.

C9 Subsidiary undertakings

a) Principal subsidiaries as at 30 April 2022

The Company has investments in the following principal subsidiary undertakings. All holdings are in equity share capital and give the Group an effective holding of 100% on consolidation.

Name	Registered office address	Country of incorporation or registration	Share class(es) held	% held	Business activity
Currys Group Limited ⁽¹⁾	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100	Retail
Currys Ireland Limited ⁽²⁾	3rd Floor Office Suite, Omni Park Shopping Centre, Santry, Dublin 9	Ireland	Ordinary	100	Retail
Currys Retail Limited ⁽³⁾	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100	Retail
Dixons South East Europe A.E.V.E.	90 Marinou Antypa str., Neo Irakleio, Athens 14121	Greece	Ordinary	100	Retail
Elgiganten Aktiebolag	Box 1264, 164, 29 Kista, Stockholm	Sweden	Ordinary	100	Retail
ElGiganten A/S	Arne Jacobsens Allé 16, 2.sal København S, 2300 Copenhagen	Denmark	Ordinary	100	Retail
Elkjøp Nordic AS	Nydalsveien 18A, NO-0484, Oslo	Norway	Ordinary	100	Retail
Elkjøp Norge AS	Solheimveien 10, NO-1473, Lørenskog	Norway	Ordinary	100	Retail
Gigantti Oy	Töölönlahdenkatu 2, FI-00100, Helsinki	Finland	Ordinary	100	Retail
The Carphone Warehouse Limited	3rd Floor Office Suite, Omni Park Shopping Centre, Santry, Dublin 9	Ireland	Ordinary	100	Retail

(1) Currys Group Limited was called DSG Retail Limited until 27 September 2021.

(2) Currys Ireland Limited was called DSG Retail Ireland Limited until 7 October 2021.

(3) Currys Retail Limited was called The Carphone Warehouse Limited until 4 October 2021.

C9 Subsidiary undertakings continued

b) Other subsidiary undertakings

The following are the other subsidiary undertakings of the Group, all of which are wholly owned unless otherwise indicated. All these companies are either holding companies or provide general support to the principal subsidiaries listed on the previous page.

Name	Registered office address	Country of incorporation or registration	Share class(es) held	% held
Alfa s.r.l.	Via monte Napoleone n. 29, 20121 Milano	Italy	Ordinary	100
Carphone Warehouse Europe Limited	1 Portal Way, London, W3 6RS	United Kingdom	A and B Ordinary	100
Carphone Warehouse Ireland Mobile Limited (in liquidation)	44 Fitzwilliam Place, Dublin 2	Ireland	Ordinary	100
CCC Nordic A/S	Arne Jacobsens Allé 15, 8., 2300 København S.	Denmark	Ordinary	100
Connected World Services Distributions Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
Connected World Services LLC	2711 Centerville Road, Suite 400 Wilmington DE 19808	United States	Ordinary	100
Connected World Services Netherlands BV	Watermanweg 96, 3067 GG, Rotterdam	Netherlands	Ordinary	100
Connected World Services SAS (in liquidation)	26 rue de Cambacérés, 75008 Paris	France	Ordinary	100
CPW Acton Five Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
CPW Brands 2 Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100*
CPW CP Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
CPW Technology Services Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
CPW Tulketh Mill Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100*
Currys CoE s.r.o. ⁽¹⁾	Trnitá, 491/5, 602 00 Brno	Czech Republic	Business shares	100
Currys Holdings Limited ⁽²⁾	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100*
			Deferred	100*
			A Ordinary	84.6**
			B Ordinary	100*
Currys Hong Kong Sourcing Limited ⁽³⁾	31/F, AXA Tower Landmark East, 100 How Ming Street, Kwun Tong Kowloon	Hong Kong	Ordinary	100
Currys Retail Group Limited ⁽⁴⁾	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
			Deferred	100*
Currys Sourcing Limited ⁽⁵⁾	31/F, AXA Tower Landmark East, 100 How Ming Street, Kwun Tong Kowloon	Hong Kong	Ordinary	100
Dixons Deutschland GmbH i.L (in liquidation)	Ottostraße 21, 80333 Munich	Germany	Ordinary	100
Dixons Stores Group Retail Norway AS	Nydalsveien 18A, NO-0484 Oslo	Norway	Ordinary	100
DSG Card Handling Services Limited ⁽⁶⁾	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
DSG Corporate Services Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
DSG European Investments Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
DSG International Holdings Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
DSG International Retail Properties Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
DSG Ireland Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
DSG KHI Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
DSG Overseas Investments Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
DSG Retail Ireland Pension Trust Limited	40 Upper Mount Street, Dublin 2, DO2 PR89	Ireland	Ordinary	100

Notes to the Company Financial Statements continued

C9 Subsidiary undertakings continued

b) Other subsidiary undertakings continued

Name	Registered office address	Country of incorporation or registration	Share class(es) held	% held
Elcare Workshop AS	Industrivegen, 53, 2212, Kongsvinger	Norway	Ordinary	100
Elcare Workshop Oy	Silvastintie 1, 01510, Vantaa	Finland	Ordinary	100
Electrocare Nordic AB	Arabygatan 9, 35246 Värjö, Kronobergs Län	Sweden	Ordinary	100
EL-Giganten Logistik AB	Möbelvägen 51, 556 52 Jönköping	Sweden	Ordinary	100
Elkjøp Holdco AS	Nydalsveien 18A, NO-0484 Oslo	Norway	Ordinary	100
Epoq Logistic DC k.s.	Evropská 868, 664 42 Modřice	Czech Republic	Ordinary	100
iD Mobile Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
Kereru Limited ⁽⁷⁾	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
Kungsgatan Concept Store AB ⁽⁸⁾	Box 1264, 164, 29 Kista, Stockholm	Sweden	Ordinary	100
Mastercare Service and Distribution Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
Mohua Limited ⁽⁹⁾	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
MTIS Limited	Carphone Warehouse, Dixons Unit, 301 Omni Park Shopping Centre, Swords Road, Dublin 9	Ireland	Ordinary	100
New CPWM Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
Petrus Insurance Company Limited	2 Irish Town	Gibraltar	Ordinary	100
Simplify Digital Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
TalkM Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
Team Knowhow Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100
The Carphone Warehouse (Digital) Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100*
The Phone House Holdings (UK) Limited	1 Portal Way, London, W3 6RS	United Kingdom	Ordinary	100

* Interest held directly by Currys plc.

** This is the only interest of Currys plc, directly or indirectly, in this class of shares.

(1) Currys CoE s.r.o. was called Dixons Carphone CoE s.r.o. until 5 October 2021.

(2) Currys Holdings was called Dixons Carphone Holdings Limited until 4 October 2021.

(3) Currys Hong Kong Sourcing Limited was called DSG Hong Kong Sourcing Limited until 5 October 2021.

(4) Currys Retail Group Limited was called Dixons Retail Group Limited until 4 October 2021.

(5) Currys Sourcing Limited was called Dixons Sourcing Limited until 5 October 2021.

(6) DSG Card Handling Services Limited was dissolved on 14 June 2022.

(7) Kereru Limited was called Currys Limited between 13 May 2021 and 15 September 2021 and was subsequently dissolved on 14 June 2022.

(8) Kungsgatan Concept Store AB was disposed of on 10 May 2022.

(9) Mohua Limited was called Currys Retail Limited between 13 May 2021 and 4 October 2021 and was subsequently dissolved on 14 June 2022.

c) Other significant shareholdings

The following are the other significant shareholdings of the Company, all of which are held indirectly.

Name	Registered office address	Country of incorporation or registration	Share class(es) held	% held	Business activity
Elkjøp Fjordane AS	Fugleskjærgata 10, 6905 Florø	Norway	Ordinary	30	Retail

C9 Subsidiary undertakings continued

d) Subsidiary undertakings exempt from audit

The following subsidiaries, all of which are incorporated in England and Wales are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of that Act:

Name	Company registration number
Carphone Warehouse Europe Limited	06534088
Connected World Services Distributions Limited	01847868
CPW Acton Five Limited	05738735
CPW Technology Services Limited	02881162
Currys Holdings Limited ⁽¹⁾	07866062
Currys Retail Group Limited ⁽²⁾	03847921
DSG European Investments Limited	03891149
DSG International Holdings Limited	03887870
DSG International Retail Properties Limited	00476440
DSG Ireland Limited	00240621
DSG KHI Limited	09012752
DSG Overseas Investments Limited	02734677
Simplify Digital Limited	06095563
TalkM Limited	04682207
Team Knowhow Limited	10501628
The Carphone Warehouse (Digital) Limited	03966947
The Phone House Holdings (UK) Limited	03663563

(1) Currys Holdings Limited was called Dixons Carphone Holdings until 4 October 2021.

(2) Currys Retail Group Limited was called Dixons Retail Group Limited until 4 October 2021.

Five Year Record (Unaudited)

	2021/22 £m	2020/21 £m	2019/20 £m	2018/19 £m	2017/18 £m
Adjusted results					
Revenue	10,122	10,330	10,217	10,474	10,555
EBIT	274	262	214	363	430
Interest	(88)	(106)	(98)	(24)	(18)
Profit before tax	186	156	116	339	412
Tax	(51)	(33)	(38)	(70)	(85)
Profit after tax	135	123	78	269	327
Earnings per share					
– Basic	11.9p	10.7p	6.7p	23.2p	28.3p
– Diluted	11.5p	10.3p	6.6p	23.0p	28.2p

Glossary and Definitions

Alternative performance measures ('APMs')

In the reporting of financial information, the Group uses certain measures that are not required under IFRS. These are presented in accordance with the Guidelines on APMs issued by the European Securities and Markets Authority ('ESMA'). These measures are consistent with those used internally by the Group's Chief Operating Decision Maker ('CODM') in order to evaluate trends, monitor performance and forecast results.

These APMs may not be directly comparable with other similarly titled measures of 'adjusted' or 'underlying' revenue or profit measures used by other companies, including those within our industry, and are not intended to be a substitute for, or superior to, IFRS measures.

We consider these additional measures to provide additional information on the performance of the business and trends to shareholders. The below, and supplementary notes to the APMs, provides further information on the definitions, purpose and reconciliations to IFRS measures of those APMs that are used internally in order to provide parity and transparency between the users of this financial information and the CODM in assessing the core results of the business in conjunction with IFRS measures.

Adjusted results

Included within our APMs the Group reports a number of adjusted revenues, profit, and other earnings measures, all of which are described throughout this section. The Group subsequently refers to adjusted results as those which reflect the in-period trading performance of the ongoing omnichannel retail operations (referred to below as underlying operations and trade) and excludes from IFRS measures certain items that are significant in size or volatility or by nature are non-trading or highly infrequent. Those items that the Group consider to be adjusting, as well as the threshold used to determine the departure from IFRS measures is defined below.

Adjusting items

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

- it is non-operating in nature;
- it is one-off in nature, such as material non-cash impairments;
- significant strategic implementation programmes that may span multiple reporting periods, where the classification as adjusting removes volatility and aids comparability between periods; or
- causes significant change to the underlying business operations as a result of acquisition, divestiture or closure of operations.

Management will classify items as adjusting where an item meets one of the above criteria and it is considered more appropriate to depart from IFRS measures.

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

Below highlights the grouping in which management allocate adjusting items and provides further detail on how management consider such items to meet the criteria set out above. Further information on the adjusting items recognised in the current and comparative period can be found in note A5.

Out of period network debtor revaluations

Adjusting items includes the impact of out of period network debtor revaluations due to changes in the initial underlying assumptions, primarily driven by the introduction of new regulations or other external factors that drive significant changes in consumer behaviours, where the original transaction was recorded in periods prior to the current financial reporting year. They do not include the incremental amounts that form part of the constraint as these elements are not recognised initially when the performance obligation is satisfied. Although they can recur each period management consider these out of period network revaluations to be non-operating in nature, and thereby distorting the underlying trading performance within the period. Further information can be found in note 14 of the Group financial statements.

The inclusion of such items is considered to be additional useful information for users to aid the understanding of current year trading.

Acquisition and disposal related items

Includes costs incurred in relation to the acquisition, and income for the disposal of business operations, as the related costs and income reflect significant changes to the Group's underlying business operations and trading performance. Adjusted results do not exclude the related revenues that have been earned in relation to previous acquisitions but continue to exclude the amortisation of intangibles, such as brands, that would not have been recognised prior to their acquisition. Where practically possible amounts are restated in comparative periods to reflect where a business operation has subsequently been disposed.

Glossary and Definitions continued

Alternative performance measures ('APMs') continued

Adjusting items continued

Strategic change programmes

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

Regulatory costs

While ongoing compliance costs are considered to be operating in nature, and included within adjusted results, in certain instances costs are to be incurred following significant one-off events that lead to the Group incurring material one-off charges. As such, these are considered to be included within adjusting items.

Impairment losses and onerous contracts

In order to aid comparability, costs incurred for material non-cash impairments and onerous contracts are included within adjusting items where they are considered so material that they distort the underlying performance of the Group. While the recognition of such is considered to be one-off in nature, the unavoidable costs for those contracts considered onerous is continuously reviewed and therefore based on readily available information at the reporting date as well as managements historical experience of similar transactions. As a result, future cash outflows and total charges to the income statement may fluctuate in future periods.

Other items

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

Net interest income/(costs)

Included within adjusting interest income/(costs) are the finance income/(costs) of businesses to be exited, previously disposed operations, net pension interest costs on the defined benefit pension scheme within the UK and other exceptional items considered so one-off or material that they distort underlying finance costs of the Group. As disclosed above, the disposal of businesses represents a significant change to the underlying business operations, as such, the related interest income/(costs) are removed from adjusted results to assist users' understanding of the trading business.

The net interest charge on defined benefit pension schemes represents the non-cash remeasurement calculated by applying the corporate bond yield rates applicable on the last day of the previous financial year to the net defined benefit obligation. As a non-cash remeasurement cost which is unrepresentative of the actual investment gains or losses made or the liabilities paid and payable, and given the defined benefit section of the scheme having closed to future accrual on 30 April 2010, the accounting effect of this is excluded from adjusted results.

Tax

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

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

The Group also includes the movement of deferred tax recognised in relation to the carry forward of unused tax losses within adjusting items. Management considers that the exclusion from adjusted results aids users in the determination of current period performance as the recognition and derecognition of deferred tax is impacted by management's forecast of future performance and the ability to utilise unused tax losses.

Alternative performance measures ('APMs') continued

Definitions, purpose and reconciliations

In line with the Guidelines on Alternative Performance Measures issued by ESMA we have provided additional information on the APMs used by the Group below, including full reconciliations back to the closest equivalent statutory measure.

EBIT/EBITDA

In the key highlights and Performance review we reference financial metrics such as EBIT and EBITDA. We would like to draw to the user's attention that these are shown to aid comparison of our adjusted measures to the closest IFRS measure. We acknowledge that the terminology of EBIT and EBITDA are not IFRS defined labels but are compiled directly from the IFRS measures of profit without making any adjustments for adjusting items explained above. These measures are: profit for the year before deducting interest and tax, termed as EBIT; and profit for the year before deducting interest, tax, depreciation and amortisation, termed as for EBITDA. These metrics are further explained and reconciled within notes A2 and A3 below.

Currency neutral

Some comparative performance measures are translated at constant exchange rates, called 'currency neutral' measures. This restates the prior period results at a common exchange rate to the current year in order to provide appropriate year-on-year movement measures without the impact of foreign exchange movements.

Like-for-like ('LFL') % change

LFL revenue is calculated based on adjusted store and online revenue (including order & collect, online in-store and ShopLive UK) using constant exchange rates consistent with the currency neutral percentage change measure detailed above. New stores are included where they have been open for a full financial year both at the beginning and end of the financial period. Revenue from franchise stores are excluded and closed stores (where closed by the Group's decision and not where closed due to government restrictions related to the Covid-19 pandemic) are excluded for any period of closure during either period. Customer support agreement, insurance and wholesale revenues along with revenue from other non-retail businesses are excluded from LFL calculations. We consider that LFL revenue represents a useful measure of the trading performance of our underlying and ongoing store and online portfolio.

Year-on-two-year ('Yo2Y')

Within the key highlights and Performance review we present Yo2Y results for certain metrics in order to aid users in making meaningful comparisons of the Group's performance following the influence that government enforced store closures had on the Group in the year ended 1 May 2021.

A1 Reconciliation from revenue to adjusted revenue

Adjusted revenues are adjusted to remove out of period mobile network debtor revaluations and the revenues of those operations in which the Group classifies as exited or to be exited but do not meet the definition of discontinued in accordance with IFRS 5: 'Non-Current Assets Held for Sale and Discontinued Operations'.

The exclusion of such revenues helps management and users with the comparability of results, based on the underlying trading performance of continuing operations within the relevant reporting period.

The below reconciles revenue, which is considered to be the closest equivalent IFRS measure, to adjusted revenue.

	Year ended 30 April 2022				
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
Statutory external revenue	5,485	4,105	554	–	10,144
Out of period mobile network debtor revaluations	(22)	–	–	–	(22)
Adjusted external revenue	5,463	4,105	554	–	10,122
Inter-segmental revenue	67	–	–	(67)	–
Total adjusted revenue	5,530	4,105	554	(67)	10,122

Glossary and Definitions continued

A1 Reconciliation from revenue to adjusted revenue continued

	Year ended 1 May 2021				
	UK & Ireland £m	Nordics £m	Greece £m	Eliminations £m	Total £m
Statutory external revenue	5,642	4,186	516	–	10,344
Out of period mobile network debtor revaluations	(14)	–	–	–	(14)
Adjusted external revenue	5,628	4,186	516	–	10,330
Inter-segmental revenue*	56	–	–	(56)	–
Total adjusted revenue	5,684	4,186	516	(56)	10,330

* As discussed in note 2 to the Group financial statements, during the period the Group's reportable segments have been changed to reflect the updated segments reported to the Board. As a result, inter-segmental revenue has been restated from £194m to £56m for the year ended 1 May 2021. This is to remove inter-segmental revenue transactions between the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile CGUs.

A2 Reconciliation from statutory profit before interest and tax to adjusted EBIT and adjusted PBT

Adjusted EBIT and adjusted PBT are measures of profitability that are adjusted from total IFRS measures to remove adjusting items, the nature of which are disclosed above. A description of costs included within adjusting items during the period and comparative periods is further disclosed in note A5.

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

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

	Year ended 30 April 2022								
	Total profit £m	Mobile network debtor revaluations £m	Acquisition / disposal related items £m	Strategic change programmes £m	Regulatory costs £m	Impairment losses and onerous contracts £m	Other £m	Pension scheme interest £m	Adjusted profit £m
UK & Ireland	71	(22)	13	6	(1)	62	(18)	–	111
Nordics	130	–	12	–	–	–	–	–	142
Greece	21	–	–	–	–	–	–	–	21
EBIT	222	(22)	25	6	(1)	62	(18)	–	274
Finance income	2	–	–	–	–	–	–	–	2
Finance costs	(98)	–	–	–	–	–	–	8	(90)
Profit before tax	126	(22)	25	6	(1)	62	(18)	8	186

	Year ended 1 May 2021								
	Total profit/(loss) £m	Mobile network debtor revaluations £m	Acquisition / disposal related items £m	Strategic change programmes £m	Regulatory costs £m	Impairment losses and onerous contracts £m	Other £m	Pension scheme interest £m	Adjusted profit £m
UK & Ireland	(11)	(14)	14	41	(7)	100	(31)	–	92
Nordics	139	–	12	–	–	–	–	–	151
Greece	19	–	–	–	–	–	–	–	19
EBIT	147	(14)	26	41	(7)	100	(31)	–	262
Finance income	6	–	–	–	–	–	–	–	6
Finance costs	(120)	–	–	–	–	–	–	8	(112)
Profit before tax	33	(14)	26	41	(7)	100	(31)	8	156

A3 Reconciliation from statutory profit before interest and tax to EBITDA

EBITDA represents earnings before interest, tax, depreciation and amortisation. It provides a useful measure of profitability for users by adjusting for the volatility of depreciation and amortisation expense which, due to variable useful lives and timing of capital investment, could distort the underlying profit generated from the Group in relative periods.

The below reconciles profit before interest and tax, which are considered to be the closest equivalent IFRS measures, to EBITDA.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Profit before interest and tax	222	147
Depreciation	252	279
Amortisation	86	83
EBITDA	560	509

A4 Reconciliation from adjusted EBIT to adjusted EBITDA and adjusted EBITDAR

Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation. This measure also excludes adjusting items, the nature of which are disclosed above and with further detail in note A5. It provides a useful measure of profitability for users by adjusting for the items noted in A2 above as well as the volatility of depreciation and amortisation expense which, due to variable useful lives and timing of capital investment, could distort the underlying profit generated from the Group in relative periods.

The depreciation adjusted within adjusted EBITDA includes right-of-use asset depreciation on leased assets under IFRS 16. As some lease expenses fall outside the scope of IFRS 16 due to being short-term, low value or variable, a similar measure of adjusted EBITDAR is provided. Adjusted EBITDAR provides a measure of profitability based on the above adjusted EBITDA definition as well as deducting rental expenses outside the scope of IFRS 16. The purpose of this measure is aligned to the adjusted EBITDA purpose above, with the addition of excluding the full cost base of leases which can vary from year to year of being in scope or out of scope of IFRS 16, for example due to when leases are short term whilst negotiations are in place regarding lease renewals.

The below reconciles adjusted EBIT to adjusted EBITDA and adjusted EBITDAR. The closest equivalent IFRS measures are considered to be profit before interest and tax, the reconciliation of such from adjusted EBIT can be found in note A2.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Adjusted EBIT	274	262
Depreciation	252	279
Amortisation	62	57
Adjusted EBITDA	588	598
Leasing costs in EBITDA	14	13
Adjusted EBITDAR	602	611

Glossary and Definitions continued

A5 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above

	Note	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Included in revenue			
Mobile network debtor revaluation	(i)	(22)	(14)
		(22)	(14)
Included in profit before interest and tax			
Mobile network debtor revaluation	(i)	(22)	(14)
Acquisition/disposal related items	(ii)	25	26
Strategic change programmes	(iii)	6	41
Regulatory costs	(iv)	(1)	(7)
Impairment losses and onerous contracts	(v)	62	100
Other	(vi)	(18)	(31)
		52	115
Included in net finance costs			
Net non-cash finance costs on defined benefit pension schemes	(vii)	8	8
Total impact on profit before tax – continuing operations		60	123
Tax regulatory matters	(viii)	1	1
Tax on other adjusting items	(ix)	3	(1)
Total impact on profit after tax – continuing operations		64	123
Discontinued operations	24	–	(12)
Total impact on profit after tax		64	111

(i) Mobile network debtor revaluations

In the current period changes in consumer behaviour on previously recognised transactions have led to positive revaluations of network receivables of £22m (2020/21: £14m).

Further information can be found in footnote (iv) of the network commission receivables and contract assets reconciliation table within note 14 to the Group financial statements.

(ii) Acquisition/disposal related items

A charge of £25m (2020/21: £26m) relates primarily to amortisation of acquisition intangibles arising on the Dixons Retail Merger.

(iii) Strategic change programmes

During the period, further costs of £28m have been incurred as the Group continues to deliver the long-term strategic plan set back in 2018; becoming clearer simpler and faster, improving the overall customer experience with an omnichannel offering and building customers for life. The Group have included such items within adjusting items as, at the balance sheet date, the projects remain ongoing, with further significant costs and corresponding cash outflows to be recognised. There is expected to be no significant timing difference between the recognition of charges to the income statement and cash outflows. The costs incurred relate to the following strategic change programmes:

- £10m one off implementation costs of the Currys rebrand which was announced and completed within the current period;
- £12m (2020/21: £41m) of restructuring costs for central operations and UK & Ireland retail operations; and
- £6m in relation to costs of implementing the cloud-based omnichannel strategy. The significant one-off costs of the front end omnichannel implementation were initiated and substantially completed in the period.

For the year ended 1 May 2021, £13m of restructuring costs were incurred relating to Carphone Warehouse UK standalone store closures and the strategic decision to close the Carphone Warehouse Ireland business.

A5 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above continued

(iii) Strategic change programmes continued

Property rationalisation

Included within strategic change programmes is a credit of £22m (2020/21: £19m) that primarily relates to the release of lease liabilities and excess property provisions following successful early exit negotiations on stores included within previously announced rationalisation and closure programmes.

For the year ended 1 May 2021 the Group has also incurred £9m of property costs following the announcement to close the Carphone Warehouse Ireland business, £3m of which relates to non-cash impairments over right-of-use assets and £6m for dilapidation and closure related costs.

(iv) Regulatory costs

In periods prior, the Group provided for redress related to the mis-selling of Geek Squad mobile phone insurance policies following the FCA investigation for periods preceding June 2015. All customer claims are carefully considered by the Group on a case by case basis with the majority of claims received being invalid. As a result, the Group reduced the provision in relation to redress by a further £1m during the year ended 30 April 2022 (2020/21: £8m) as, although the outstanding claims remain uncertain, no new claims were received.

For the year ended 1 May 2021, costs of £1m were also recognised in relation to past service costs for the Group's defined benefit pension scheme following an additional judgement on GMP equalisation. This is further disclosed in note 21 to the Group financial statements, with the cumulative adjustment recognised within adjusting items in relation to the judgement totalling £16m to date.

(v) Impairment losses and onerous contracts

Management continues to closely monitor the trading performance of the omnichannel business as we emerge from the pandemic and acknowledged a change in consumer shopping habits between our store-mix during the year ended 30 April 2022. This led to the identification and recognition of a non-cash impairment charge of £16m (2020/21: £14m) over store assets within the UK. Also in the current period a non-cash impairment reversal (credit) of £16m was recognised on store assets which had been impaired in a prior period but where indicators of impairment no longer exist.

In March 2022 as part of its hybrid-working policy the Group announced it would close its Acton Campus and relocate to facilities operated by WeWork. As a result of this announcement, an impairment of £31m was recognised; £25m over right-of-use assets and £6m on other fixed assets. The lease contains a lessor-only break option which, if exercised, could result in a material lease remeasurement and reversal of impairment in a future period. In addition, during the period the Group negotiated an early termination settlement on a non-trading lease premises which resulted in an impairment to right-of-use assets of £2m.

Further, during the year ended 30 April 2022 management took the decision to stop selling its credit-based mobile offer which resulted in a £24m impairment of fixed assets and recognition of a £4m provision for onerous contracts relating to the unavoidable costs the Group is obligated to pay for services which are not applicable to the ongoing post-pay mobile offer.

The Group continues the operational roll out of its long term strategic plan in moving towards a full omnichannel offering, bringing stores and online together, giving customers the best of both worlds at scale. This change, accelerated by the pandemic, has resulted in the identification of a material non-cash impairment charge over intangible assets of £8m (2020/21: £46m), primarily related to software development costs as the Group moves towards best-in-class cloud-based solutions to achieve operational efficiencies and improve the customer journey. In the year ended 1 May 2021, these strategic changes also resulted in the recognition of a one-off £16m contract termination fee.

A credit of £7m has also been recognised within the UK & Ireland operating segment following a release of previously recognised onerous contracts related to the closure of the Dixons Travel business following successful exit negotiations and lower than expected closure costs.

During the year ended 1 May 2021, the Group recognised an £8m impairment over acquisition intangibles and £16m for onerous contracts and store related asset impairments following the announcement to close the Dixons Travel business.

Glossary and Definitions continued

A5 Further information on the adjusting items between IFRS measures to adjusted profit measures noted above continued

(vi) Other

Credits of £18m primarily relate to compensation received following the settlement of a legal case in relation to anti-competitive behaviour engaged by the counterparty.

For the year ended 1 May 2021 the Group recognised a credit of £28m following the settlement of a contractual dispute with the counterparty that caused damage to the Group. A further £5m was also recognised following the settlement of a separate legal case, similar to that of the settlement in the current year but with a different counterparty, in relation to anti-competitive practices engaged. This was marginally offset by £2m of fees incurred.

(vii) Net non-cash financing costs on defined benefit pension schemes

The net interest charge on defined benefit pension schemes represents the non-cash remeasurement calculated by applying the corporate bond yield rates applicable on the last day of the previous financial year to the net defined benefit obligation.

(viii) Tax regulatory matters

As previously disclosed, the Group has been cooperating with HMRC in relation to the tax treatment arising due to pre-merger legacy corporate transactions. The Group maintains the tax treatment was appropriate, however, the likelihood of litigation, and therefore risk associated with this matter is such that the Group holds a provision for the probable economic outflow. There have been no significant developments in the year and as such the principal has been retained while further interest of £1m has accumulated throughout the year.

(ix) Tax on other adjusting items

The effective tax rate on adjusting items is (7)%. The rate is lower than the UK statutory rate of 19% predominantly due to movements in unrecognised deferred tax assets in the UK where it is not considered there are sufficient future taxable profits to recognise all of the deferred tax asset in respect of losses, pensions and other timing differences.

A6 Reconciliation from statutory net finance costs to adjusted net finance costs

Adjusted net finance costs exclude certain adjusting finance cost items from total finance costs. The adjusting items include the finance charges of businesses to be exited, net pension interest costs, finance income from previously disposed operations not classified as discontinued, and other exceptional items considered so one-off or material that they distort underlying finance costs of the Group. Further information on these items being removed from our adjusted earnings measures is included within the definitions above.

The below provides a reconciliation from net finance costs, which is considered to be the closest IFRS measure, to adjusted net finance costs.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Total net finance costs	(96)	(114)
Net interest on defined benefit pension obligations	8	8
Adjusted total net finance costs	(88)	(106)

A7 Adjusted tax expense

a) Tax expense

The corporation tax charge comprises:

	Year ended 30 April 2022			Year ended 1 May 2021		
	Adjusted £m	Adjusting items £m	Statutory £m	Adjusted £m	Adjusting items £m	Statutory £m
Current tax						
UK corporation tax at 19% (2020/21: 19%)	21	(7)	14	5	2	7
Overseas tax	21	-	21	36	-	36
	42	(7)	35	41	2	43
Adjustments made in respect of prior years:						
UK corporation tax	1	-	1	(12)	-	(12)
Overseas tax	1	-	1	(1)	-	(1)
	2	-	2	(13)	-	(13)
Total current tax	44	(7)	37	28	2	30
Deferred tax						
UK corporation tax	(4)	14	10	4	1	5
Overseas tax	8	(3)	5	(3)	(3)	(6)
	4	11	15	1	(2)	(1)
Adjustments made in respect of prior years:						
UK corporation tax	5	-	5	5	-	5
Overseas tax	(2)	-	(2)	(1)	-	(1)
	3	-	3	4	-	4
Total deferred tax	7	11	18	5	(2)	3
Total tax charge	51	4	55	33	-	33

Tax related to discontinued operations is included in the figures set out in note 24 to the Group's financial statements.

b) Reconciliation of standard to actual (effective) tax rate

The principal differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to profit/(loss) before taxation are as follows:

	Year ended 30 April 2022			Year ended 1 May 2021		
	Adjusted £m	Adjusting items £m	Statutory £m	Adjusted £m	Adjusting items £m	Statutory £m
Profit/(loss) before taxation	186	(60)	126	156	(123)	33
Tax at UK statutory rate of 19% (2020/21: 19%)	35	(11)	24	30	(24)	6
Items attracting no tax relief or liability ⁽ⁱ⁾	2	(6)	(4)	4	8	12
Movement in unprovided deferred tax ^(iv)	4	24	28	1	15	16
Effect of change in statutory tax rate	3	(4)	(1)	1	-	1
Differences in effective overseas tax rates	2	-	2	6	-	6
Increase in provisions	1	-	1	1	-	1
Adjustments in respect of prior years – provision ⁽ⁱⁱ⁾	-	1	1	(14)	1	(13)
Adjustments in respect of prior years – other ⁽ⁱⁱⁱ⁾	4	-	4	4	-	4
Total tax charge	51	4	55	33	-	33

The effective tax rate on adjusted earnings for the year ended 30 April 2022 is 27% (2020/21: 21%). The effective tax rate on adjusting items is (7)% (2020/21: nil). The future effective tax rate is likely to be impacted by the geographical mix of profits and the Group's ability to take advantage of currently unrecognised deferred tax assets.

(i) Items attracting no tax relief or liability relate mainly to non-deductible depreciation, share-based payments, and reversals of previously non-deductible store closure provisions.

(ii) Provision releases are predominantly where the window for recovery has now closed in relation to pre-merger uncertain tax positions.

(iii) Other adjustments in respect of prior years are mainly due to lower tax relief on fixed assets through capital allowances in submitted tax returns than originally estimated.

(iv) Deferred tax assets relating principally to tax losses in the UK business have not been recognised due to uncertainty over the Group's ability to utilise the losses in the future.

Glossary and Definitions continued

A8 Adjusted earnings per share

Earnings per share ('EPS') measures are adjusted in order to show an adjusted EPS figure, which reflects the adjusted earnings per share of the Group. We consider the adjusted EPS to provide a useful measure of the ongoing earnings of the underlying Group.

The below table shows a reconciliation of statutory basic and diluted EPS to adjusted basic and diluted EPS on both a continuing and total basis as this is considered to be the closest IFRS equivalent.

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Adjusted profit		
Continuing operations	135	123
Total profit		
Continuing operations	71	–
Discontinued operations	–	12
Total profit	71	12
	Million	Million
Weighted average number of shares		
Average shares in issue	1,165	1,166
Less average holding by Group EBT and Treasury shares held by Company	(35)	(14)
For basic earnings per share	1,130	1,152
Dilutive effect of share options and other incentive schemes	45	42
For diluted earnings per share	1,175	1,194
	Pence	Pence
Basic earnings per share		
Total (continuing and discontinued operations)	6.3	1.0
Adjustment in respect of discontinued operations	–	(1.0)
Continuing operations	6.3	–
Adjustments – continuing operations (net of taxation)	5.6	10.7
Adjusted basic earnings per share	11.9	10.7
Diluted earnings per share		
Total (continuing and discontinued operations)	6.0	1.0
Adjustment in respect of discontinued operations	–	(1.0)
Continuing operations	6.0	–
Adjustments – continuing operations (net of taxation)	5.5	10.3
Adjusted diluted earnings per share	11.5	10.3

Basic and diluted EPS are based on the profit for the period attributable to equity shareholders. Adjusted EPS is presented in order to show the underlying performance of the Group. Adjustments used to determine adjusted earnings are described further in note A5.

A9 Reconciliations of cash generated from operations to free cash flow

Operating cash flow comprises cash generated from/(utilised by) operations, but before cash generated from/(utilised by) discontinued operations, adjusting items (the nature of which are disclosed above), and after repayments of lease liabilities (excluding non-trading stores) and movements in working capital presented within the Performance review. The measure aims to provide users a clear understanding of cash generated from the continuing operations of the Group.

Sustainable free cash flow comprises cash generated from/(utilised by) operations, but before cash generated from/(utilised by) discontinued operations and movements in working capital, and after capital expenditure, capital repayments of lease liabilities, net cash interest paid, and income tax paid. Free cash flow comprises all items contained within sustainable free cash flow but after movements in working capital. Sustainable free cash flow and free cash flow are considered to be useful for users as they represent available cash resources after operational cash outflows and capital investment to generate future economic inflows. We consider it useful to present both measures to draw users' attention to the impact of movements in working capital on free cash flow.

A9 Reconciliations of cash generated from operations to free cash flow continued

The below provides a reconciliation of cash generated from operations, which is considered the closest equivalent IFRS measure, to operating cash flow, sustainable free cash flow and free cash flow.

Reconciliation of cash inflow from operations to free cash flow

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Cash generated from operations	524	926
Operating cash flows from discontinued operations*	–	3
Capital repayment of leases cost and interest	(278)	(310)
Less adjusting items to cash flow	33	173
Less movements in working capital presented within the Performance review (note A11)	88	(454)
Facility arrangement fees	(6)	–
Operating cash flow	361	338
Capital expenditure	(133)	(122)
Add back adjusting items to cash flow	(33)	(172)
Taxation	(18)	(35)
Cash interest paid	(17)	(24)
Sustainable free cash flow	160	(16)
Add back movements in working capital presented within the Performance review (note A11)	(88)	454
Free cash flow	72	438

* Operating cash flows from discontinued operations are removed in the above reconciliation as free cash flow is presented on a continuing basis.

Reconciliation of adjusted EBIT to free cash flow and sustainable free cash flow

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Adjusted EBIT (note A2)	274	262
Depreciation and amortisation (note A4)	314	336
Working capital presented within the Performance review (note A11)	(88)	454
Share-based payments*	23	21
Capital expenditure	(133)	(122)
Taxation	(18)	(35)
Interest	(17)	(24)
Repayment of leases	(249)	(275)
Profit on disposal of fixed assets*	(1)	(6)
Free cash flow before adjusting items to cash flow	105	611
Adjusting items to cash flow	(33)	(173)
Free cash flow	72	438
Less working capital presented within the Performance review (note A11)	88	(454)
Sustainable free cash flow	160	(16)

* Other non-cash items in EBIT, as disclosed within the Performance review, comprises share-based payments and profit on disposal of fixed assets in the above reconciliation to free cash flow.

Glossary and Definitions continued

A10 Reconciliation from liabilities arising from financing activities to total indebtedness and net cash

Total indebtedness is a new measure used for the first time this reporting period and represents period end net cash, pension deficit, lease liabilities and lease receivables, less any restricted cash. The purpose of this is to evaluate the liquidity of the Group with the inclusion of all interest-bearing liabilities.

Net cash comprises cash and cash equivalents and short-term deposits, less loans and other borrowings. Lease liabilities are not included within net cash. We consider that this provides a useful alternative measure of the indebtedness of the Group and is used within our banking covenants as part of the leverage ratio.

The below provides a reconciliation of total liabilities from financing activities, which is considered the closest equivalent IFRS measure, to total indebtedness and net cash.

	30 April 2022 £m	1 May 2021 £m
Loans and other borrowings (note 18)	(80)	–
Lease liabilities* (note 19)	(1,267)	(1,326)
Total liabilities from financing activities (note 26c)	(1,347)	(1,326)
Cash and cash equivalents less restricted cash (note 15)	96	140
Overdrafts (note 18)	(2)	(6)
Lease receivables* (note 12)	4	4
Pension liability	(257)	(482)
Total indebtedness	(1,506)	(1,670)
Restricted cash	30	35
Add back pension liability	257	482
Add back lease liabilities	1,267	1,326
Less lease receivables	(4)	(4)
Net cash	44	169

* Net Lease liabilities within the Performance review relates to lease liabilities less Lease receivables.

Within the Performance review on page 78, management also refer to average net cash/(debt) and total average indebtedness. Average net cash/(debt) and total average indebtedness comprises the same items as included in net cash and total indebtedness as defined above, however with the net cash element calculated as the arithmetic mean average between April – April for the full year to align to the Group's Remuneration Committee calculation and as reported internally.

A11 Reconciliation of statutory working capital to working capital presented within the Performance review

Within the Performance review on page 76, a reconciliation of the adjusted EBIT to free cash flow is provided. Within this, the working capital balance of £(88)m (2020/21: £454m) differs to the statutory working capital balance of £(123)m (2020/21: £319m) as cash flows on adjusting items are separately disclosed.

Working capital presented within the performance review is a measure of working capital that is adjusted from total IFRS measures to remove the working capital on adjusting items, the nature of which are disclosed above. A description of costs included within adjusting items during the period and comparative periods is further disclosed in note A5.

As discussed above, the Group uses adjusted profit measures in order to provide a useful measure of the ongoing performance of the Group. A reconciliation of the disclosed working capital balance is as follows:

	Year ended 30 April 2022 £m	Year ended 1 May 2021 £m
Working capital cash (outflow)/inflow (note 26b)	(123)	319
Adjusting items provisions	53	93
Network debtor out of period revaluation	22	14
Exceptional receivable – legal settlement (note A5(vi))	(34)	28
Facility arrangement fees	(6)	–
Working capital presented within the Performance review	(88)	454

A12 Summary of working capital presented within the Performance review

Within the Performance review on page 77, a summary balance sheet is provided which includes a working capital balance of £(532)m (2020/21: £(684)m). The below table provides a breakdown of how the summary working capital balance ties through to the statutory balance sheet. Network commission receivables are excluded from the breakdown as they are presented separately in order to provide users additional information and visibility on a receivable balance that is subject to a key source of estimation uncertainty. Further information on network commission receivables can be found in note 14 to the Group financial statements.

	Note	30 April 2022 £m	1 May 2021 £m
Non-current assets			
Trade and other receivables*	14	39	38
Current assets			
Inventory	13	1,286	1,178
Trade and other receivables*	14	590	448
Derivative assets	25	28	24
Current liabilities			
Trade and other payables	16	(2,368)	(2,233)
Derivative liabilities	25	(11)	(42)
Non-current liabilities			
Trade and other payables	16	(96)	(97)
Working capital presented within the Performance review		(532)	(684)

* Trade and other receivables excludes network commission receivables and contract assets of £190m (2020/21: £239m) as these are presented separately within the condensed balance sheet in the Performance review.

Glossary and Definitions continued

A13 Restatement of segmental information within the Performance review

As discussed above, during the period the Group's reportable segments have been changed, and comparatives have been restated accordingly. The below table provides a reconciliation of results as presented within the Performance review for the year ended 1 May 2021. The relevant adjustment is a reconciliation of the previously disclosed UK & Ireland Electricals and UK & Ireland Mobile segments to the UK & Ireland segment.

	Year ended 1 May 2021		
	UK & Ireland Electricals as previously reported £m	UK & Ireland Mobile as previously reported £m	UK & Ireland £m
Income statement			
Adjusted revenue	4,921	707	5,628
Revenue	4,921	721	5,642
Adjusted EBITDA	393	(102)	291
Adjusted EBITDA margin	8.0%	(14.4)%	5.2%
Depreciation on right-of-use assets	(104)	(6)	(110)
Depreciation on other assets	(42)	(4)	(46)
Amortisation	(38)	(5)	(43)
Adjusted EBIT	209	(117)	92
Adjusted EBIT margin	4.2%	(16.5)%	1.6%
Adjusting items to EBIT	(131)	28	(103)
EBIT	78	(89)	(11)
EBIT margin	1.6%	(12.3)%	(0.2)%
Cash flow			
Adjusted EBITDAR	401	(103)	298
Adjusted EBITDAR margin	8.1%	(14.6)%	5.3%
Cash payments of leasing costs, debt and interest	(155)	(13)	(168)
Other non-cash items in EBIT	–	8	8
Operating cash flow	246	(108)	138
Operating cash flow margin	5.0%	(15.3)%	2.5%
Capital expenditure	(59)	(1)	(60)
Adjusting items to cash flow	(63)	(110)	(173)
Segmental free cash flow before working capital	124	(219)	(95)
Network debtor	–	391	391
Working capital	3	(29)	(26)
Segmental free cash flow	127	143	270

Other definitions

The following definitions apply throughout this Annual Report and Accounts unless the context otherwise requires:

Acquisition intangibles	Acquired intangible assets such as customer bases, brands and other intangible assets acquired through a business combination capitalised separately from goodwill.
B2B	Business to business
Board	The Board of Directors of the Company
Carphone, Carphone Warehouse or Carphone Group	The Company or Group prior to the Merger on 6 August 2014
CGU	Cash-generating unit
CODM	Chief Operating Decision Maker
Company or the Company	Currys plc (incorporated in England & Wales under the Act, with registered number 07105905), whose registered office is at 1 Portal Way, London W3 6RS
Credit adoption	Sales on Credit as a proportion of total sales
CRM	Customer Relationship Management
Currys plc or Group	The Company, its subsidiaries, interests in joint ventures and other investments
Dixons Retail Merger or Merger	The all-share merger of Dixons Retail plc and Carphone Warehouse plc which occurred on 6 August 2014
EBT	Employee benefit trust
ESG	Environmental, social and governance
FVTOCI	Financial assets measured at fair value through other comprehensive income
GfK	Growth from Knowledge
HMRC	Her Majesty's Revenue and Customs
honeybee	honeybee was our proprietary IT software operation for which an asset sale was completed on 31 May 2018
IFRS	International Financial Reporting Standards as adopted by the UK
Market position	Ranking against competitors in the electrical and mobile retail market, measured by market share. Market share is measured for each of the Group's markets by comparing data for revenue or volume of units sold relative to similar metrics for competitors in the same market
MNO	Mobile network operator
Net zero	Net zero emissions includes our Scope 1, 2 and 3 emissions as reported on page 49. In 2020, we collaborated with The British Retail Consortium and other major retailers on the development of a Climate Action Roadmap to decarbonise the retail industry and its supply chains. The plan aims to bring the retail industry and its supply chains to net zero by 2040. Our commitment to net zero meets a number of the criteria of the SBTi Corporate Net-Zero Standard but is not fully aligned or validated against this standard. We will develop and publish a robust net zero emissions roadmap for the Group which will provide detail on carbon abatement for key emissions sources and neutralisation plans of any source of residual emissions that remain unfeasible to remove.
NPS	Net Promoter Score, a rating used by the Group to measure customers' likelihood to recommend its operations
Online	Online sales, Online market share, and Online share of business relate to all sales where the journey is completed via the website or app. This includes online home delivered, order & collect, Online in-store and ShopLive UK
Online in-store	Sales that are generated through in-store tablets for product that is not stocked in the store
Order & collect	Sales where the sale is made via the website or app and collected in store
Peak/post-Peak	Peak refers to the ten-week trading period ended on 8 January 2022 as reported in the Group's Christmas Trading statement on 14 January 2022. Post-Peak refers to the trading period from 9 January 2022 to the Group's year end on 30 April 2022
RCF	Revolving credit facility
Sharesave or SAYE	Save as you earn share scheme
ShopLive UK	The Group's own video shopping service where store colleagues can assist, advise and demonstrate the use of products to customers online face-to-face
Store	Store sales, Store market share, and Store share of business relate to all sales where the journey is completed in store. This excludes online home delivered, order & collect, Online in-store and ShopLive UK
TSR	Total shareholder return
WAEP	Weighted average exercise price

Shareholder and Corporate Information

Currys plc is listed on the main market of the London Stock Exchange (stock symbol: CURY) and is a constituent of the FTSE 250.

Company registration number

07105905

Registered office

1 Portal Way, London, W3 6RS, United Kingdom

Corporate website

www.currysplc.com

The website includes information about the Group's vision and strategy, business performance, corporate governance, sustainability, latest news and press releases. The Investors section includes information on the latest trading performance, records of past financial results, share price information and analyst coverage.

Share Registrar

Equiniti is the share registrar for Currys plc. Shareholders can contact Equiniti as follows:

Post – Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom

Online – <https://equiniti.com/uk/contact-us/shareholder-enquiries>

Telephone – 0371 384 2089 (UK callers) or +44 (0)121 415 7047 (International callers). Telephone lines are open on UK business days between 8.30am and 5.30pm UK time.

Shareholder enquiries

Any queries that shareholders have regarding their shareholdings, such as a change of name or address, transfer of shares or lost share certificates, should be referred to Equiniti using the contact details above.

Managing shares online

Shareholders can manage their holdings online by registering with Shareview at www.shareview.co.uk. This is a secure online platform which is provided by Equiniti. To register, you will need your shareholder reference number and this can be found on your share certificate, form of proxy or any correspondence from Equiniti.

Unauthorised brokers (boiler room scams)

Currys plc is legally obliged to make its share register available to the general public in certain circumstances. Consequently, some shareholders may receive unsolicited phone calls or correspondence concerning investment matters which may imply a connection to the company concerned. These are typically from overseas-based 'brokers' who target UK shareholders offering to buy their shares or sell them what can turn out to be worthless or high-risk shares in US or UK investments. These communications can be persistent and extremely persuasive.

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad. While high profits are promised, those who buy or sell shares in this way usually lose their money.

If you are approached about a share scam, you should tell the FCA using the share fraud reporting form at www.fca.org.uk/consumers/report-scam-us where you can find out about the latest investment scams. You can also call the Consumer Helpline on 0800 111 6768.

ShareGift

If you have a very small shareholding that is uneconomical to sell, you may wish to consider donating it to ShareGift (Registered charity no. 1052686), a charity that specialises in the donation of small, unwanted shareholdings to good causes. You can find more information by visiting sharegift.org or by calling 0207 930 3737.

Electronic communications

Shareholders will receive annual reports and other documentation electronically, unless they tell our registrar that they would like to continue to receive printed materials. This is in line with best practice and underpins our commitment to reduce waste. Shareholders may view shareholder communications online instead of receiving them in hard copy. Shareholders may elect to receive notifications by email whenever shareholder communications are added to the website by visiting www.shareview.co.uk and registering online.

Auditor

Deloitte LLP, 1 New Street Square, London, EC4A 3BZ
www.deloitte.com

Joint Stockbrokers

Deutsche Bank AG, 1 Great Winchester Street, London, EC2N 2DB
www.db.com

Citigroup Global Markets Limited, 33 Canada Square, Canary Wharf, London, E14 5LB
www.citigroup.com

Company Secretary

Nigel Paterson, General Counsel and Company Secretary
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Dan Homan, Investor Relations Director
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