

Registration number: 04515115

Holland & Barrett International Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 September 2024



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UK division

- 1. UK
- 2. Ireland

International D2C

- 3. Netherlands
- 4. Belgium

International franchise

- 5. Spain
- 6. Gibraltar
- 7. Cyprus
- 8. Malta
- 9. Greece
- 10. Lithuania
- 11. Armenia
- 12. Georgia
- 13. Kuwait
- 14. UAE
- 15. Qatar
- 16. Singapore

International distribution

- 17. Saudi Arabia
- 18. Hong Kong
- 19. Hungary
- 20. India
- 21. Thailand

International B2C/home shopping

- 22. South Korea
- 23. China



Strategy

Our strategy remains centred around our vision to become the trusted partner for 100 million people worldwide, fuelled by our purpose to make health and wellness a way of life for everyone, and adding quality of years to life through everything we do.

The strategy is driven by 3 growth pillars:

- Core market omnichannel retail growth
- Developing our wellness solutions business
- International expansion
- which in turn are underpinned by 10 areas of strategic focus.

Our new operational structure is overseen by Executive Chair, Alex Gourlay, and this now comprises three distinct divisions, each led by a dedicated CEO aligned to a growth pillar.

Core market omnichannel retail growth is led by Anthony Houghton, CEO – UK & Ireland. The UK & Ireland (UK&I) division focuses on delivering a fully integrated online and offline customer experience.

Wellness solutions is headed up by Tamara Rajah, CEO - Wellness Solutions & Chief Transformation Officer. The Wellness Solutions & Transformation division reflects

our commitment to innovation and future-led change, encompassing personalised wellness solutions and strategic initiatives.

International expansion is led by Alex Dower, CEO – International. The International division drives growth in key global markets, leveraging customer insights and technical expertise to accelerate expansion.

To support these divisions and the delivery of the ten focus areas, a new Change and Delivery office and framework (“H&B Way”) has been established, to drive efficient business practices through strong governance and consistency.

The CEOs are supported by 3 further members of the Executive team: Nick Allen, Chief Financial Officer, Eugene Chistyakov, President of Digital Transformation, and Maria Anderson, Chief People Officer.

In conjunction with the strategy, a 3 year financial plan has been prepared which is anchored around our customer-led approach with singular focus on the delivery of our strategy through core product development, store refits, and supply chain automation, powered by investments in our brand, tech, data, science and people.

All of this has so far yielded significant growth momentum which is evident

in the results for the year ended 30 September 2024. We have returned to growing market share, with strong revenue and customer growth, versus the competition in our core markets (UK, Ireland and Netherlands).

We have a stable executive and leadership team, aligned around clear targets, with a common long-term incentive to deliver on those targets, and we are actively making choices on where to place our resources and focus, to ensure we are best placed to achieve our near-term and mid-term growth ambitions, within the funding envelope from our investor, LetterOne.

FY2024 has seen the business increase its use of market and customer insight, enabling us to frame opportunities for the 3 year plan’s three horizons of growth, and deliver in parallel a great omnichannel retail experience for our current customers as well as attract newer, younger customers utilising improved capabilities.



Chair's Report

'Our purpose is to add quality years to life, and everything we do today and are building for tomorrow is designed to deliver this purpose'



This past year has been one of meaningful progress. We've achieved excellent milestones in customer growth, transformation and performance - and remain energised by the opportunities ahead to push further.

With the support of our investor, LetterOne, we have built a strong financial foundation. Building on their over £700 million investment to clear our external debt and support our strategy, we've once again achieved double-digit sales growth in 2023/24 - representing a remarkable 22% increase over two years, taking us from £725 million to £885 million this financial year. This growth is predominantly all organic and like for like, fuelled by the ongoing transformation of our business and, of course, our unwavering commitment to our customers.

Our purpose and customer-first philosophy endures as the compass that guides everything we do. We've made significant strides in improving the customer experience through innovating in the design of new high-quality products aligned to our mission-led approach, supported by award-winning technology and an overhaul of our store estate. This year, we've expanded our own-label range with an additional 400 products, taking the total to over 1,000 new products over the past

two years. Standouts include our revamped healthy food range, which saw a huge 34% increase in sales this year. Through these innovations, we aim to deliver on our promise to help customers add quality years to life - a promise which can only be made through a deep understanding of their needs.

Research into emerging customer trends and societal shifts has been pivotal in shaping our three-year transformation strategy, with FY24 being the first full year. By understanding the evolving needs of our customers - whether in self-directed wellness, healthcare gaps, demographic change or advances in tech - we are increasingly well-positioned to deliver purpose alongside performance. This considered approach has deepened our understanding of the market and enabled us to target solutions more effectively, from supporting preventative care to offering more personalised wellness to our customers. It has also moved us closer to fulfilling our bold vision: to become the trusted partner for 100 million people worldwide.

In recognising the scale of this ambition, there was a need for a new operating model that supports transformation at scale. Our new operational structure now comprises three distinct divisions, each led by a dedicated CEO.

The UK&I division focuses on delivering a fully integrated online and offline customer experience. The International division drives growth in key global markets, leveraging customer insights and technical expertise to accelerate expansion. The Wellness Solutions & Transformation division reflects our commitment to innovation and future-led change, encompassing personalised wellness solutions and strategic initiatives. To support these divisions, a new delivery office and framework (the "H&B Way") have been established, focusing on driving efficient business practices through strong governance and consistency. Ahead of FY25, which promises to be the biggest year of change in our business' history, the emphasis is on tightening processes to ensure effective execution and maximise impact across all three divisions.

With the central tenet across these new divisions being transformation and growth, our teams have already achieved some remarkable results throughout the business. To date, we've refitted over 60% of our salesforce space in the UK&I and opened 36 new stores - with a further 47 refitted across the Benelux region - totalling roughly half a million square feet of retail space. In these stores, we're trialling new customer propositions to embrace modern shopping habits. Customer interactions are now

averaging 11 minutes utilising new technology launched to support our colleagues in building deeper customer relationships. As a result of this customer focus, H&B reached our highest ever UK Customer Service Index ranking in January 2025, ranking 7th. Our partnership philosophy is also critical to our customer proposition, and we appreciate ongoing investments by all our partners.

Our investment in technology, while closely complementing our customer-facing innovation, is also reshaping our entire operations. Transitioning from legacy systems to more sophisticated platforms has enabled us to optimise the customer experience and fully modernise our supply chain. Internationally, we are planting seeds for future growth, helping us to reach even more customers across the globe.

While costs have risen this year, largely due to inflation and strategic investments in salaries, products and infrastructure, we have been keenly focused on driving out inefficiencies. Over the last six months, we eliminated £17 million in unnecessary costs without impacting our sales or customer experience, allowing us to reinvest in the areas that matter most.

One of those areas is our colleagues. They are at the heart of everything

we do. This year, our overall Voice Engagement score reached a record high of 7.9/10, 0.2 points above the industry benchmark, reflecting a more engaged and motivated workforce. From development and training to rewards and benefits, we're ensuring our teams feel proud to work at Holland & Barrett ("H&B").

This year's progress exemplifies our core values, foregrounding achievements that are not just about numbers, but about the people, partnerships and purpose that drive us forward. We're proud of the excellent progress we've made and see many other areas for further improvements and growth. We remain dedicated to creating a healthier, happier future for all our stakeholders. And finally, I'd like to thank all our colleagues for their fantastic contributions over the last year.

Alex Gourlay
Chairman

CEO Report

Anthony

Houghton



This has been a landmark year for our business - a year defined by purpose, transformation and the largest investment in our 150-year history. As we strive to add quality years to life, we've taken bold steps to meet the evolving needs of our customers, making this not only a year of achievement but a strong foundation for long-term impact.

Mission-led customer plan

In looking for more effective ways to communicate with our customers about their health, our mission-led approach (spanning specialist areas including gut health, joint and bone health, immunity and family health) has proved hugely successful. It's driven new digital pricing strategies, resulting in increased shopping frequency and expanding our customer base.

Our efforts to broaden our reach have seen over 3,000 PR pieces generated, including several television features, culminating in a 33% year-over-year increase in coverage and achieving the highest ever brand awareness at 58%, up from 35% the previous year.

Investments into the UK&I retail estate reached an unprecedented £34 million, enabling the opening of 36 new stores and the refitting of 279 locations - including integrating physical and digital spaces more seamlessly through initiatives like click-and-collect services. In partnering with NEXT, we also introduced three store-within-a-store concessions, offering a curated selection of H&B's top 1,000 health and wellness products alongside personalised advice from trained staff. This new relationship built on our successful partnership with Tesco, where we already have a number of within-a-store concessions across the UK.

Transforming our tech

Operationally, we made significant strides with the support of new tech, including kickstarting the modernisation of our Burton distribution centres with full automation and the adoption of in house developed technology platform, SIMBA for optimising inventory management. While we work to strengthen our supply chain in better supporting our expanding product range, our three-year deal with The Hut Group Ingenuity as our primary online fulfilment partner for the UK&I is helping us scale our growing digital business and ecommerce operations.

With the launch of AI-powered customer support and a growing social media presence, including a TikTok channel that increased its audience by 47%, our digital sales accounts for 20% of our total revenue. In streamlining our lines of operation and expanding our reach, we have been able to spend more time sharing our expertise with local communities.

Our social impact

Our focus on social impact has been integral to our mission. We began our partnership with Comic Relief, launched our Big Vit D Giveaway, distributing 1.8 million vitamin D tablets across six UK locations, and introduced the UK's first free menstrual health helpline. Our ongoing partnership with the Manchester-based rugby club Leigh Leopards, supplying each player with a bespoke range of Precision Engineered nutrition to support their training routine, helps us support community activities that promote health and wellness.

Stepping outside of our four store walls, we've co-

run 31 separate engagements across Birmingham with a number of partners (including four universities) which have helped over 6,500 people better understand their health.

We've also invested in our colleagues, enhancing training through the Retail Tech Academy 2.0, which has achieved a 95% adoption rate, alongside ensuring competitive hourly pay rates that help make H&B a workplace where employees feel valued and incentivised.

Driving sales growth

This group-wide investment in culture, community, strategy and performance has yielded remarkable results on sales. UK retail sales have grown by 21.5% over the last two years, with Republic of Ireland retail sales growing by 36.0% during the same period. Key categories like food and beauty saw robust growth, with food increasing by 14.5% and beauty by 5.2%, even as we streamlined SKUs by 30%. Supplier promotional income exceeded £12.3 million, 22% over budget and our investment programme contributed to a £5 million incremental EBITDA improvement. Moving into FY25, I'm excited to see even more opportunity for growth thanks to such a transformative year across every aspect of the organisation.

Moving ahead with purpose

As we move forward, our purpose remains clear: to support the health and wellness of our customers while fostering an environment where our colleagues and communities can flourish. The renewal of our office spaces and the enhancement of engagement, leadership and development opportunities are just two examples of how we are continuing to invest in our colleagues' future. Our

omnichannel advancements, including single-aisle trials and self-service checkouts, have already begun to show returns, with many initiatives achieving payback targets six months ahead of schedule. We're continuing to advance our market impact in FY25 through a new partnership with Ocado, allowing us to bring new products across vitamins, supplements, food and sport nutrition to more customers. This breakthrough year of change reflects our commitment to creating a brighter future for our customers, colleagues and communities. All the achievements we've accomplished as a business are a real testament to the incredible dedication and talent of all our stakeholders. Together, we are shaping a H&B that is not only competitive in today's market but is positioned to lead in the years to come.

Anthony Houghton
CEO, UK&I

CEO Report

Alex Dower



As H&B continues to evolve into a truly global health and wellness leader, 2023/24 has been a pivotal year in solidifying our international footprint. The International division has a presence in 21 countries, operating in over 300 H&B-owned and -franchised stand-alone stores, stocked in more than 2,000 retailer locations and localised H&B websites in 10 countries. With an expanding customer base of over 15 million globally, we are continually pursuing opportunities to bring our trusted products and expertise to strategically important new markets.

Expanding in strategic markets

One of the most significant milestones this year has been establishing a H&B entity and team in Shanghai to accelerate our China cross-border growth, launch a range of products in the China domestic market, as well as facilitate local production in partnership with leading third-party manufacturers. After initially exiting China four years ago, we have come back stronger with a proven cross-border offering and now poised to launch a new range of bespoke products emphasising British heritage and quality. This localised focus has already yielded results, with projected in-market retail sales set to grow in 2026.

Within key focus regions we've primed for strong growth, we are now selling 27 product lines in 1,000 branches of Saudi Arabia's number one pharmacy, with over 200 own-label products currently listed online. In Greece, our franchise partner has opened seven new stand-alone stores (taking the total to 10), as well as expanded our reach by offering the H&B sports range through our partner's InterSport format. We also grew our in-market retail sales revenues in Hong Kong by

51%, driven by a renewed focus on proposition in partnership with AS Watson.

While Southeast Asia remains a focus for future expansion, we have also continued to build upon our strong presence in the Netherlands where we operate over 230 stores and a digital channel, delivering double-digit growth, launching our H&B app, refitting 47 stores, hitting 97.4% in-store availability and boosting Benelux own-brand sales to nearly 50% (up from 46% previously) - a clear indicator of the profitability and potential of our own-brand offerings.

Investing in own-brand products

At the heart of H&B is our commitment to delivering cutting-edge, high-quality wellness solutions to our customers. That's why this year we have prioritised transforming our own-brand product portfolio, with a significant focus on food and sport products, while laying the groundwork for innovation in our other key product categories like vitamins and supplements.

Following the first-wave success of the Food That Loves You Back range in both the UK and International markets, which introduced over 350 new products, we are now enhancing this offering with 76 new sports products, all accredited by Informed Sports. We will also be adding over 100 food lines and rolling out waves of our transformed vitamins and supplements each quarter, with over 100 already launched in 2024.

Strengthening our global supply chain

Our production facility in Burton, powering the vast majority of our global operations, has long been in need of significant modernisation. To

meet rising demand, we took decisive action this year, clearing outdated equipment and installing new production lines. In line with its ongoing transformation and enhanced importance in the organisation, we have rebranded the facility as the Global Production Centre (“GPC”) - a hub that will drive efficiencies, increase output and enable faster delivery to markets worldwide. With such a strong foundation laid this year, we can now look to build momentum for what’s next in our journey.

More exciting potential

Our focused international strategy for this financial year has made encouraging headway, promising more opportunity for growth. Our international partnerships have seen significant momentum in 2023/24, with full-year revenues up by 19% compared to the same period last year.

We remain committed to demystifying preventative health for our customers through our own-brand mission-led products. With new production lines opening up at our GPC, we can continue to expand and innovate our offering with new product formats, including gummies, tablets and powders tailored to local preferences.

In a year of change and transformation, our mission remains unwavering: to be as successful globally as we are in the UK, driven by customer insight and delivered through unique, localised own-brand ranges, all optimised through our own global sourcing and manufacturing.

Alex Dower

CEO, International

CEO Report Tamara Rajah



As I reflect on another transformative year for H&B, I'm struck by the immense progress we've made in advancing our vision of becoming a destination for wellness solutions. Despite a challenging external environment, we have accelerated our delivery of meaningful new science-led solutions.

Executing our business plan

One of our main focuses was delivering a forward-thinking three-year business plan designed to transform every aspect of how we operate and serve our customers. At its core, the plan is built on investments in store transformations and the online customer experience, supply chain automation and technological developments. We've already introduced new digital platforms (including an award-winning app), refitted over 60% of our store space and begun the overhaul of our UK distribution centre and global production facility, reflecting our ongoing commitment to creating an efficient future-ready organisation that delivers winning customer experience.

One defining shift this year has been in moving from idea conception to execution with pace, precision and purpose - a transition I have been overseeing through the new delivery office and 'H&B Way' framework. In driving change and delivery, we have been intent on adopting faster and leaner operations, leveraging the fantastic new technology at our disposal. And by turning strategy to action, we can pour more of our efforts and resources into leading the way in science and innovation.

Leading with science

This year, we've step-changed how we lead with

science and have integrated curated, science-backed wellness solutions into every facet of our offering. Our team of in-house doctors, scientists and nutritionists work to ensure that all our new product development is truly efficacious, as well as bringing their expertise to our advice and information whether on our online Health Hub or delivered in-store by our trusted colleagues.

A key highlight of our year was the development and launch of H&B&Me, our new app that builds healthy habits in nutrition, sleep, fitness and emotional wellbeing through behaviour change. Backed by over 400 million person-years of clinical data and developed by a team of behavioural scientists and entrepreneurs, this award-winning app scores a user's biological age and is designed to help them adopt healthier habits through personalised insights across nutrition, physical activity, emotional wellbeing and sleep. Early trials of H&B&Me have proven it successful in encouraging behavioural change, with 40% of users reporting an increase in physical activity, over half (54%) seeking to optimise their protein intake and 44% reducing the amount of time spent sedentary each day. Alongside these health improvements for our users, the platform has also generated a 6.9% uplift in customer consideration in H&B in key markets.

Delivering responsibly

Together with our advancements in scientific innovation, we've worked to ensure our growth is made ethically and sustainably. As part of this commitment, we launched a new partnership with Provenance, enabling customers to see the verified environmental claims on every product page. This transparency sets a new standard for

H&B in responsible retail, helping customers make informed, sustainable choices - a need we've identified as increasingly important to them. We've also completed comprehensive due diligence across our supply chain, assessing the ethics and environmental impact of over 300 new own-label suppliers.

Looking to the future

We will continue developing H&B&Me, including integrating it into our core business and loyalty programmes. Forthcoming trials will explore linking the app to our retail and online ecosystems, opening up opportunities for customers to consult advisors about their biological age scores and receive tailored product recommendations - all while earning rewards for achieving their health goals. The next few months will be a hugely exciting time for H&B&Me's expansion, including exploring future possibilities for paid subscription services, diagnostic testing and corporate partnerships.

As we strive to become the most trusted name in wellness through our commitment to science and sustainability, we aim to set new standards for how a wellness brand can inspire positive change for people and the planet.

Tamara Rajah

CEO, Wellness Solutions & Chief
Transformation Officer

CEO Report

Nick Allen



FY24 has been a year of significant investment, propelling our transformation journey and fulfilling our purpose of adding quality of years to life. The delivery of our growth strategy has depended on significant investments, including building best-in-class technology solutions, new and refurbished stores, new product development, along with the automation of our Global Production Centre and distribution centres in Burton.

The investments we made this year were foundational for the future growth of the business in the core markets of the UK, Ireland, Netherlands and Belgium, as well as for future scaling of the growth platforms internationally. The 2024 investments allowed us to demonstrate resilience against a macroeconomic backdrop that remained challenging, with inflation and interest rates contributing to a cost-of-living crisis across our core markets. Despite these headwinds, I'm pleased to announce a strong set of results, which are in line with our strategic goals and 3-year plan.

With sales reaching £884.5m (2023: £806.1m), the Group achieved sales growth of 9.7%, driven by our ongoing transformation and investment in new, high-quality products backed by our mission-led approach. The sales channel split remained static at 80% retail and 20% digital, largely due to the timing of our investment in the digital strategy. However, these figures present a considerable future growth opportunity as we look to build on the launch of AI-powered customer support and a growing social media presence including a TikTok channel. Our gross margin was strong at 59.2% (2023: 59.0%), and we expect this to increase in the year ahead in line with the launch of our new own-label products. Costs grew throughout the year, reflecting the continued investment in the growth strategy, coupled with inflation

and conscious investment in our people as we continue to pay our store colleagues at 5% above the National Minimum Wage.

Over the last six months of FY24, we eliminated £17 million in costs without impacting our sales or customer experience, allowing us to reinvest in our transformation strategy, resulting in a loss before taxation of £61.8m (2023: £73.0m) for the year. This includes exceptional items of £1.0m (2023: £13.8m) relating to the costs of transitioning to outsourcing digital fulfilment to The Hut Group Ingenuity to support the automation of the Burton Distribution Centre and strengthen our global supply chain. In the prior year, these related to exceptional stock write-off, store and warehouse closures, and costs relating to restructure.

The health store market is highly fragmented, with increasing competition from the national supermarket chains and digital retailers. The Group has differentiated itself from its mass market competitors by developing a specialist reputation, offering personalised advice with colleagues Qualified to Advise, whilst at the same time offering high-quality products including a revamped healthy food range. This is represented in the sales growth achieved and the continued investment in capital programmes totalling £96.3m during the year to better the customer experience.

The Group's key financial performance indicators during the year were as follows:

	2024	2023
Turnover (£m)	884.5	806.1
Sales growth (%)	9.7	11.0
Gross Profit (£m)	524.2	475.7
Gross Profit Margin (%)	59.2	59.0
Operating Loss (£m)	(48.3)	(43.5)
EBITDA before exceptional items* (£m)	86.2	93.2
EBITDA (£m)	85.2	79.4

* Adjusted for exceptional items of £1.0m (2023: £13.8m) (see note 10)

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is defined as profit before interest, tax, depreciation, amortisation, impairment and profit or loss on disposal of fixed assets and subsidiaries. EBITDA is a non-GAAP measure but is the measure monitored most closely by the Directors and is the key indicator of the performance of the business.

The Group also monitors the average footfall per store, average items per basket and the average transaction value on a regular basis alongside monthly average trackable customers.

During the year, the Group recognised a Prior Year Adjustment in relation to IFRS 16. The adjustment related to corrections made to the Group's carrying value for right of use assets, right of use liability and associated depreciation and interest costs. It was identified during the current financial year the software system the Group uses to manage and calculate the IFRS 16 balances had not been recalculating lease renewals, nor reflecting the Groups' change in incremental borrowing rate used in the IFRS 16 calculation.

Whilst income improved in the financial year, the costs associated with foundational and growth investments has resulted in an increased loss. However, the financial position remains strong, and the Group ended the year with £71.7m of cash following continued investment from its owner, LetterOne. On 30 September 2024, with the exception of £35m, all debt from the parent company was capitalised further strengthening the balance sheet position. The Directors are confident in the financial position and expect both sales and profit to improve in FY25 in line with the 3-year plan.

Going Concern

The Directors have assessed going concern over a 12-month period from the date of signing these financial statements. Treasury management is completed at a Group level on behalf of the Company. The Group meets its day-to-day working capital requirements through its operational performance. However, throughout the period to 30 September 2025, the Group is continuing to undertake significant investment to transform the business to achieve the strategy. Forecasts and projections, taking account of reasonable possible changes in trading

performance, as well as modelling severe but plausible downside scenarios, which amounted to a 10%-15% reduction in EBITDA, show that the Group can continue as a going concern without further unplanned support from LetterOne Investment Holdings SA. If further downside was experienced, the Group have other levers to activate which provide further comfort over the going concern status.

At 30 September 2024, The L1R HB Holdings Group has £300m of debt which is owed to L1 Retail Portfolio S.C.SP, a member of the LetterOne group.

Having assessed the principal risks and considering the Group's cash balance at the year end, forecasts produced by management which demonstrate that the Group is forecast to generate profits and free cashflow, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements. This assessment also supports the Company.

Our Executive Team



Chair: Alex Gourlay

Appointed: January 2023

A qualified pharmacist, Alex brings extensive experience in the healthcare, pharmacy and retail sectors. Prior to joining H&B, Alex served as Co-Chief

Operating Officer for Walgreens Boots Alliance, a global leader with around 13,000 stores and 300,000 colleagues across the USA, Europe and Latin America. With a strong background in driving operational excellence, Alex is passionate about delivering high-quality healthcare solutions and enhancing customer experience.



CEO UK&I:
Anthony Houghton

Appointed: September 2018

Leading efforts to create a seamless online and offline customer experience, Anthony's 30-plus years in retail,

combines his passion for empowering people and delivering exceptional customer journeys.



CEO International:
Alex Dower

Appointed: August 2021

With over 30 years' experience in senior roles across Retail, Consumer Goods and Hospitality globally, Alex

leads the International division, overseeing Benelux, Franchise and International markets across Europe, Asia and Middle East, as well as key Group functions of Production and Strategic Product Development.



CEO Wellness Solutions & Chief Transformation Officer: Tamara Rajah

Appointed: November 2020

Driving innovations including our digital wellness companion H&B&Me, Tamara has led

transformations in healthcare, including at consumer healthcare platform Live Better With and McKinsey. An MBE honouree, she holds non-executive director roles and has earned accolades like Wharton's '40 under 40' and Management Today's '35 under 35.'



Chief People Officer:
Maria Anderson

Appointed: April 2022

Bringing over three decades of HR and transformation expertise gained at top global companies like Accenture,

Maria is passionate about people. She focuses on business growth, care for colleagues and making H&B a great place to work.



Chief Financial Officer:
Nick Allen

Appointed: April 2023

An experienced Chief Financial Officer with extensive experience in commercial leadership for international

service-based retail businesses, specialising in business strategy development, financial oversight and risk management.



President of Digital Transformation:
Eugene Chistyakov

Appointed: April 2023

Eugene brings a wealth of innovation experience having co-founded two tech

companies: beyond 100 and Lazada Group.

Governance & Risk Report



Risk Management

Risk management processes are embedded throughout the business with the Board having ultimate responsibility for ensuring that enterprise risk is identified and managed effectively. The Board has delegated responsibility to the Audit and Review Committee.

Audit and Review Committee

The Audit and Review Committee is comprised of up of six Directors including four Non-Executive Directors, as well as the General Counsel and Company Secretary and attended in part by the Audit Partner of the Group's external auditor. The Audit and Review Committee is supported by the Risk Committee, led by the Chief Financial Officer, who hear and respond to reports from the Senior Leadership Team regarding new and emerging risks; compliance issues; and deep dive reviews of specific risk and assurance matters. The Risk Committee reviews and decides risk mitigation activities and identifies the enterprise level risks reported to the Audit and Review Committee.

Risk Committee

The Risk Committee is made up of members of the executive management team, being the Chairman, Chief Executive Officers and the Chief Financial Officer, supported by the General Counsel, Director of Financial Control, and the Head of Internal Audit and Risk. Other members of the Senior Leadership Team attend as required. The Head of Internal Audit and Risk manages the risk framework that sits below the Risk Committee, identifying the most salient points of risk and making reports to the Risk Committee.

Development of our risk management framework in 2023/24

We have developed the risk framework over the past year to refine the process and scope of risk identification and mitigation of risk. Our focus has been on the Top 15 risks and these have been rated against likelihood and impact. These are monitored and reported upon annually, with those outside of tolerance being surfaced and reviewed at bi-monthly Risk Committee meetings.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them. Key business risks affecting the Group are set out below:

Colleagues

The Group's performance is highly dependent upon retaining and recruiting high calibre colleague associates. The resignation of key individuals and the inability to recruit retail staff with the necessary experience and skills could adversely impact upon the Group's results. To mitigate these issues, the Group has implemented incentive schemes designed to retain key individuals and has created a training academy for the development of its retail staff. The Group is committed to maintaining high standards of health and safety for both colleagues and customers.

Legislation

The industry and the products sold by the Group are increasingly subject to regulation. The Group devotes considerable resources to campaigning in respect of proposed legislative changes, ensuring that products are safe and consumer choices are preserved. The Group also ensures that it is at the forefront of the industry when new legislation is introduced.

Competition

The Group operates in a highly competitive market, particularly in respect of price. In order to mitigate this, market prices are monitored on an on-going basis and regular promotional activity is undertaken. There is also a continual evaluation of product range and space management.

Environment, Social and Governance / Macroeconomic

The Group continues to evaluate progress on its key priorities surrounding Environmental, Social and Governance (ESG) risks. The Board receives updates about the Group's performance and sustainability risks and continues to evaluate any emerging physical or transition risks to the business surrounding Climate Change. These include changes to the tax environment and amendments to rules governing packaging and distribution risks to the business surrounding Climate Change.

The wider economic environment, with inflationary and supply chain pressures is regularly monitored and short and medium term action planning implemented as required.

The Company is the holding company for a number of wholly owned subsidiaries, including trading entities. The key risk affecting the Company is related to the potential impairment of the carrying value of the investments held, this includes the performance of the trading subsidiaries. The key risks identified in the trading subsidiaries are as set out above.

Corporate governance

The Directors comply with the requirements of Section 172 Companies Act 2006 and the Wates Principles of Corporate Governance. There is consistent management control across the H&B Group of which the top holding entity is L1R HB Holdings Limited and management applies the same governance principles to each entity within this Governance Group, of which the Company is one. Therefore, the references to the strategy, colleagues, suppliers, customers and sustainability principles are applied across the Governance Group and are considered by the Board.

The Role of the Board

The Board's primary responsibility is to promote and support the long-term success of the Group by creating and delivering sustainable shareholder value, as well as contributing to wider society. This financial year the focus of the Board is on the delivery and execution of our vision to be the trusted partner for 100 million people globally through organic and sustainable growth

The successful delivery of the long-term plans relies on key inputs and positive relationships with a wide range of stakeholders (as described in the Corporate Governance Report - principle 1 of

Wates). The Board seeks to achieve this by setting out its strategy, monitoring performance against the Group's strategic objectives and reviewing the Executive Committee's implementation of the strategy.

A formal schedule of matters reserved for Board approval is maintained and reviewed regularly for operational relevance. This includes the determination of the Group's strategy and long-term direction, reviewing health and safety performance, approval of budgets, capital expenditure, organisational changes (including new business ventures, the acquisition or disposal of assets), ESG strategy and delivery, and changes in key policies. The Board also monitors the effectiveness of the Group's systems of internal control, governance and risk management.

As set out in the Corporate Governance Report under principle 3 of Wates - there are a number of regular meetings held throughout the year which involve different board members. These include bi-monthly meetings for the Executive Board, Audit and Review Committee, Monthly Investment Committee and quarterly Nomination and Remuneration committee.

Board Governance

The Board has chosen to apply the Wates Corporate Governance Principles for Large Private Companies for the year ended 30 September 2024. These principles provide a code of corporate governance for large private companies to raise awareness of good practice and over time to help to improve standards of corporate governance. They also support directors to meet the requirements of Section 172 Companies Act 2006.

Activities of the Board in financial year 2024

Engaging with stakeholders to deliver long term success is a key area of focus for the Board and all decisions take in to account the impact on stakeholders. It is the Board's priority to ensure that the Directors have acted both individually and collectively in the way that they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole with regard to all its stakeholders and to the matters set out in paragraphs a-f of Section 172 of the Companies Act 2006. These details are set out below:

a. The likely consequences of any decision in the long term

The L1R HB Holdings Limited Board reviews and approves the three-year plan (2024-2026) and monitors its implementation throughout the year using detailed reports on operating and financial performance. This includes monitoring progress against key strategic programmes (both short-term and long-term) as well as considering the allocation of capital to support the rolling three-year business plan.

This will ensure the Group has a place in multiple markets for future generations (Wates principle 1).

In approving the strategy, the Directors considered external factors such as competitor behaviour, as well as the evolving economic, political and market conditions.

b. The interests of the company's employees

The Directors understand the importance of the

Group's employees to the long-term success of the business. It engages and invests in employees as explained on Page 21.

c. The need to foster the company's business relationships with suppliers, customers and others

The Board regularly reviews how the Group maintains positive relationships with all of its stakeholders, including suppliers, customers and others. This has been a key focus of the Group and details are included within the supplier, customer and ESG sections.

d. The impact of the company's operations on the community and the environment

Our purpose is to make health and wellness a way of life for everyone, and as a leading retailer of wellness products, we recognise our responsibility to do that in a way that supports our people, the planet and the communities in which we operate. Refer to the ESG and communities sections.

e. The desirability of the company maintaining a reputation for high standards of business conduct

The Directors take the reputation of the Group seriously which is not limited to only operational and financial performance. For example, diversity and inclusion is a key part of H&B's culture. The Board is committed to developing a more diverse workforce, including at the most senior levels.

As a business we are committed to upholding human rights and support in full the conventions such as the United Nations (UN) Universal

Declaration of Human Rights, International Bill of Human Rights, International Labour Organization (ILO) Core Conventions, the United Nation Guiding Principles of Protect, Respect and Remedy (UNGPR) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

H&B respects international principles of Human Rights and our policies are aligned with the above international conventions. We have several policies, with ownership at Board level, that aim to protect employee welfare and basic human rights within our business and our supply chains.

The Group has a zero-tolerance approach to Modern Slavery, and we are committed to the prevention, deterrence and detection of Modern slavery within our business and within our supply chain. It is our policy to conduct all business activities with honesty, integrity and at the highest possible ethical standards. We are fully committed to implementing and enforcing effective systems and controls within our business and within our supply chain to continually challenge our ability to combat Modern Slavery.

H&B has built a framework of measures to assess and monitor our supplier's conduct in respect to Modern Slavery. The Group has taken steps to include specific prohibitions against the use of Modern Slavery in our contracting process and assesses Social due diligence on existing and new suppliers.

f. The need to act fairly between members of the company

The Board is clear that good governance and effective communication are essential on a day-

to-day basis to deliver our purpose and to protect the company's brand, reputation and relationships with all our stakeholder community including shareholders, customers, employees, suppliers and the local communities in which we work. This is prevalent in day to day activities and our vision and purpose.

Wates Principles

Principle 1- Purpose and leadership

The focus of the board is to build on the performance of financial year ended 30 September 2024. Ahead of FY25, which promises to be the biggest year of change in our business' history, the emphasis is on further tightening processes to ensure effective execution and maximize impact across all three divisions. A new change and delivery office and framework (the H&B Way) have been established, focusing on driving efficient business practices through strong governance and consistency.

The Group is well advanced in developing action plans and engaging with our workforce. The necessary training is being delivered in the furtherance of achieving these targets, as well as engaging with our wider stakeholders. In all internal communications all aspects of the business, globally are considered, whether this be distribution, warehouse or retail, a combination of all parts is given thought to establish end goals.

Principle 2- Board composition

The Senior Executive of the Company comprises a team of seven, with varied skillset, experience and knowledge. The Executive Chair ensures that the balance of responsibilities, accountabilities and

decision making across the Group are effectively maintained. The Board of the Company's ultimate parent company L1R HB Holdings Limited is comprised of a number of Non-Executive Directors. This size and composition are appropriate to our business. Independent advisors and the Non-Executive Directors bring experience in strategic development and professional services in addition to perspectives and knowledge of challenges from sectors that the Group does not operate in.

In addition to the non-executive members, other board members have experience in numerous retail businesses across many territories, manufacturing, marketing, technology and a wealth of other industries. The board is also made up of a split between both H&B directors (management) and L1R directors (owners), alongside six independent directors which ensures a fair approach on decision making, Matt Atkinson was appointed in the year to further strengthen the board composition.

Diversity and inclusion are a key part of H&B's culture. The Board is committed to developing a more diverse workforce, including at the most senior levels. As part of the terms of reference agreed to by all board members, there is an agreement to ensure the board is assessed for appropriateness. This is mainly managed by Letter One Retail and currently comprises 6 males and 2 females.

Principle 3- Director responsibilities

There are a number of regular meetings held throughout the year which involve different board members. These include bi-monthly meetings for the Executive Board, Audit and Review Committee,

monthly Investment Committee, and quarterly nomination and remuneration committee.

The Board receives regular and timely information (at least monthly) on all key aspects of the business including health and safety, risks and opportunities, the financial performance of the business, strategy, operational matters, market conditions and sustainability, all supported by Key Performance Indicators (KPIs).

Principle 4- Opportunity and risk

The Board seeks out opportunity whilst mitigating risk. The company's key operational risks are set out above. The Board also considers all major projects (as defined by their value and risk profile) and approves them before any bids are finalised. The Group takes a management-led risk assessment approach which reports into the Audit and Review committee. The Internal Audit function partners with independent third parties to provide the board with full accountability, aiding the identification, remediation and mitigation of risk. An internal audit plan for the next financial year has been presented to the Board.

Principle 5- Remuneration

The Group has a Nomination and Remuneration Committee (NRC) appointed by the Board with the majority of members being non-executive directors, one of whom is also the Chair. One of the main objectives of the Committee is to set remuneration at a level that secures, retains and motivates quality Executive management who can deliver the Group's strategic ambitions in a manner consistent with both its purpose and the interests of its shareholders. The NRC meets four times a year and has a defined terms of

reference as its framework, including matters relating to remuneration strategy across the business. This includes Executive pay, bonuses, long-term incentive plan and other pay elements. It supports a pay position that a significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long-term success of the Group.

It also has the responsibility for approving the design of, and determining targets for, any performance-related pay schemes and approving the total payments made under such schemes. The Committee also reviews the design of all share incentive plans for approval by the Board and shareholders. For any such plans, the Committee make recommendations to the Board on whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive management and other senior management and the performance targets to be used.

Additionally, the NRC review and have regard to the pay and employment conditions across the Group, especially when determining salary increases for the Executive. For all employees below the Executive, the budget for pay review is agreed as part of the budgeting process and communicated to the NRC.

Principle 6- Stakeholder relationships and engagement

The Board is clear that good governance and effective communication are essential on a day-to-day basis to deliver our purpose and to protect the company's brand, reputation and relationships with all our stakeholder community

including shareholders, customers, employees, suppliers and the local communities in which we work.

The Group communicates to its employees through presentations, internal group-wide emails, newsletters, social media channels and posts on the intranet. As referenced above, local road-shows are held throughout the year which provide a briefing on the Group's performance, gives an update on any initiatives that are being introduced and allows individuals to raise questions and concerns.

Quarterly briefings are given to the store support centre staff from the senior management and executive teams. This provides employees with an update on financial information, new product lines, business strategy updates and any other new projects. In the financial year 2024, there has been a focus on understanding the vision and the strategy.

In addition to formal communication processes as above, there are employee helplines and whistle-blowing lines independently managed to support honest and open conversations between employee and employer. The Group has a share-point network which enables communications to colleagues containing both policy and other useful updates.

Also, within the year the results of the annual employee engagement survey known as the "Voice" has been fed back to employees. The process is run by an external company to maintain independence and anonymity. Small working groups have been put in place to work on the outcomes and actively engage with each department on follow ups.

In regard to supplier relationships, the Group has a supplier portal along with a supplier manual and code of conduct. The board decided, that although not mandatory, the Grocer's code of conduct would be followed to allow for best practises to exist. Suppliers go through the onboarding process with positive feedback. The supplier portal also monitors supplier compliance.

The Group actively participates and prioritises relationships with trade associations such as the British Retail Consortium and the Health Food Manufacturing Association to allow for best practices across the industry to influence the Group.



Our Colleagues

At H&B, we believe that our colleagues are the cornerstone of our success. Their passion, dedication, and diverse perspectives shape the very heart of our business. Through our ongoing initiatives, from engagement surveys and diversity networks to leadership development and wellness benefits, we strive to create an inclusive, supportive environment where every colleague feels valued and empowered. As we continue our transformation journey, we are proud to invest in our people, fostering a workplace that inspires collaboration, growth, and a shared sense of purpose.



Understanding our colleagues

We seek to understand and know our colleagues through our twice-yearly engagement surveys and regular listening groups at all levels and in all areas of the business. This year, we ran a 'Know you better' campaign in partnership with our Colleague Networks to encourage colleagues to share more about themselves to give us a greater understanding of the diversity of colleagues we have.

Engaging our colleagues

We know colleague engagement is critical to our performance, and we regularly seek feedback from colleagues through our VOICE engagement survey and listening groups in all parts of the business. Over the past couple of years, we've seen positive progress in engagement across the group, and in July 2024, we had an 85% response rate to the survey and achieved a score for the group of 7.9. An improvement round on round and a score that puts us above the benchmark for the consumer retail sector as measured by Workday.

Not only did the headline engagement score improve, but we also saw improvements in the sub-drivers of engagement, such as goal setting, environment, reward and accomplishment, which is good confirmation that the work we're doing is making a positive difference to the lives of our colleagues. Engagement in our retail population is at 8.0, which you can see and feel when you're in our stores. We've been supporting and investing in our retail estate with format improvements, better stock management, more training and the launch of new ranges.

The insight we gain through the survey and the

comments colleagues leave helps us focus our activity so we can continue to build a great place to work for all our colleagues.

Welcoming diversity and inclusion

We are building a workplace where diverse colleagues feel welcomed. In fostering culture that celebrates our differences, we can leverage that diversity to drive innovation, creativity and success. Our Colleague Networks are central to this effort, designed to create safe spaces where colleagues can share perspectives, gain insights and engage in open dialogue about important topics, such as race, ethnicity, gender, disability, sexual orientation, religion and more. Every group has two designated sponsors from the leadership team, ensuring that the voices of our colleagues are heard at the highest levels.

Our Colleague networks really ensure we are listening to our colleagues, taking action to improve and building a more inclusive workplace as a result.

— *Georgie White, Chief Customer Officer and Co-Sponsor of our Diversity Network (Disability and Neurodiversity)*

To be completely honest, I was a bit nervous about applying for the SLT sponsorship of Community & Togetherness, as I'm not from a minority group myself. I quickly realised every colleague network needs allies like me, that are passionate about inclusivity and encouraging diversity at all levels. I was worried about saying the wrong thing, but I have really enjoyed deepening my understanding of the experiences, challenges and perspectives of colleagues from diverse backgrounds. I've found it a safe space for discussion and has been incredibly rewarding.

— *April Preston, Group Product Director and Co-Sponsor of our Community & Togetherness Network (Race, Ethnicity, Belief)*

Being open to all colleagues, regardless of whether they identify with the specific community represented, is part of our ongoing commitment to inclusivity and allyship. We actively encourage participation from all our colleagues because we recognise the importance of solidarity in driving meaningful change.

Since the launch of our first Network back in 2022, the initiative has rapidly expanded. By the end of 2023, we had established four groups, Wellbeing Wave, Rainbow Wave, Community & Togetherness and Diversability - and added two more this year, Parents & Carers and Manbassadors.

Not only do these Networks offer vital support, but they also provide a platform for colleagues to shape policies and initiatives. For example, our networks have contributed to important company-wide projects including developing guides for managers on menopause, stress management and creating more inclusive work environments.

Supporting our colleagues experiencing perimenopause and menopause

Working with our Wellbeing Wave, we dedicated time to understand the issues that were having the biggest impact on our colleagues performing their roles and thriving.

We identified numerous opportunities where we could offer help and support, including, supplements, clothing adjustments, extra uniform, different work patterns and portable fans. We recruited a volunteer group to trial the solutions over a period of 30 days and report back on the benefits they experienced.

Identifying that portable fans proved to be one of the most beneficial solutions for managing hot

flushes, we investigated how colleagues could use fans wherever they worked without being impeded or posing a hazard. At the end of the 30-day trial period, neck fans emerged as the best solution for being compact, rechargeable and inconspicuous.

After completing the trial, we collaborated with teams across the business to integrate portable neck fans into the standard store resources ordering system, ensuring accessibility for our Hubs, Fulfilment and Production Centres. To raise awareness, we launched a campaign informing colleagues about the trial and how they could order their own.

Over the past eight months, 113 colleagues have requested a neck fan - 105 from our operational teams and eight from our Hub teams - with feedback continuing to be overwhelmingly positive.

Hot flushes were making it hard for me to do my work effectively. Sometimes I needed to take a break from the shopfloor to cool down and not feel like I was a sweaty mess in front of customers. When I learned about being able to get a neck fan, I knew I wanted to try it. I put it to use on the day it arrived. It's made such a difference! It's helping me regulate my temperature and manage things so much better. They just look like a set of headphones and don't get in the way of me doing my role. A few customers have asked about the fan and are always impressed when I tell them that the company has provided it to help support me with my menopause symptoms.

— Store Colleague

We have seen colleagues engage more deeply with the company's broader goals and feel a greater sense of belonging through these Networks. They play an instrumental role in

ensuring that we remain a company that listens, learns and adapts, which is why we are continuing to strengthen them with the introduction of a Women's group next year.

Celebrating our award-winning colleagues

Shortlisted at the People in Retail Awards (PIRA) 2024



JEDI Awards

Our Wellness & Belonging team has been nominated for their work in creating a robust framework of 5 Colleague Networks at H&B, each dedicated to advancing specific dimensions of diversity and creating an inclusive environment where all employees feel valued and empowered. Networks are open to all colleagues and include LGBTQ+, Wellbeing, Neurodiversity & Disability, Parents & Carers and Race, Ethnicity & Belief.

Community Wellness Programme of the Year

Our Community Wellness programme has seen nearly 6-months dedicated support to seven local areas in Birmingham, as well as community support across the wider UK. Initiatives included vitamin D giveaways, providing the first free nurse helpline for women's health, Qualified to Advise-trained store colleagues proactively volunteering at local universities and events to provide health & wellbeing advice across dozens of topics, and many more.

The programme has had great community reach so far and we continue to open up even more partnerships in the mission to add quality years to customers' lives.

Shortlisted at the Learning Technologies Awards 2024

learning technologies

Awards 2024

1. Best Online Distance Learning Programme for our Health and Women initiative
2. Best Learning Technologies Project for our Food with Benefits training
3. Best Use of Blended Learning for our Medicines and Healthcare training
4. Best Use of Learning Data Analytics to impact learner and business performance for our 6 in 60 Seconds initiative
5. Learning Technologies Team of the Year

Double Silver at the Learning Technologies Awards 2024

learning technologies

Awards 2024

- Silver in Best Use of Learning Data Analytics** to impact learner and business performance for our 6 in 60 Seconds initiative
- Silver in Learning Technologies Team of the Year** for the Hive team - for the second year in a row

This programme of work and investment was impressive, from the use of analytics to identify opportunities, through to use during the design of their bite-sized learning approach, and then in the subsequent evaluation of impact on knowledge and understanding. The impact on the organisation's performance had a clear correlation back to their use of learning analytics.

— Judges' feedback for our 6 in 60 Seconds initiative

The judges enjoyed meeting various members of the team and learning how their efficient processes and traditional approach to learning design and development is transforming the business. Their work enables staff to have better relationships with customers and offer well-informed advice and support for customer health and wellbeing; this can be tracked back to increased sales and other metrics.

— Judges' feedback for our Digital Learning Team

Shortlisted at the In-house Recruitment Awards 2024



Our Resourcing & Employer Brand Team were finalists in two categories:

High-Growth Hiring Strategy

This category celebrates companies across all industries that are significantly scaling their headcount and have demonstrated high numbers of hiring success, based on a strong recruitment strategy, in a challenging environment. We have been selected for our recruitment and employer brand work in relation to H&B's Transformation Plan.

In-house Recruiter (Individual)

This category celebrates a stand-out performer, the individual that has demonstrated an exceptional level of attainment within the team, going beyond the call of duty and consistently identifying the best talent for the business.

Bronze at the In-house Recruitment Awards 2024



Our colleague, Jyoti Sagoo, wins Bronze in the In-house Recruiter (Individual) category.

I'm celebrating Jyoti's win for In-House Recruiter – an amazing recognition of her talent and dedication. Once again - a huge thank you to all our hiring managers who navigated complex recruitment to build their teams in short time, supporting our transformation and customer focus!

— Maria Dvorman, Head of Resourcing & Employer Brand

Highly commended in the British HR Awards 2024



In the retail company category from over 300 entries

Our nomination was built around the strategic approach the team took to increase our two primary KPIs: colleague engagement and labour turnover. The associated results are seriously impressive and a reflection of the team's expertise and effort.

— James Stephenson, Director of HR Business Partnering, Talent & Operations

Encouraging performance and collaboration

As we continue our transformation journey, we have invested heavily in creating systems and structures that foster greater alignment, clarity and efficiency across all levels of the business.

Performance management

Believing that performance management is not an HR process, but a critical business process that drives our success, we launched our very own performance-management framework that improves goal-setting, feedback and performance conversations.

Launched internally, iPerform helps to create more consistency across the UK&I business by providing colleagues with clear aligned expectations to focus performance on business goals. The new system not only tracks performance but also facilitates meaningful discussions about personal performance and development. It has allowed us to strengthen our performance management culture, empowering both individual colleague and larger teams to reach their full potential.

We know that high-performing businesses are built on highly effective teams and individuals who work together to achieve extraordinary results. iPerform helps us achieve that goal by ensuring we are all working towards aligned objectives. We want to give every colleague the opportunity to shine, while supporting managers in providing caring, quality feedback and guidance.

— James Stephenson

94% of colleagues

have a performance review completed in iPerform this year

Flexible working

In recognising that modern life demands flexibility and work thrives on collaboration, we've created a hybrid working model that embraces both. For Hub colleagues, this means a minimum of two days per week in a work location to strengthen teamwork, encourage collaboration and keep us connected as a group. There is a great deal of flexibility around the days and where they work, often at one of our Hubs – Nuneaton, London and Burton or in our stores. This enables our colleagues to have balance in life and continue to deliver for the business.

One H&B: Adding Quality Years to Life

Bringing colleagues together and strengthening collaboration was the overriding focus of our annual conference, One H&B: Adding Quality Years to Life. The first full company conference since the COVID-19 pandemic welcomed around 1,300 colleagues from retail, production, fulfilment and Hubs to the Telford International Conference Centre in Shropshire.

The day was an opportunity to celebrate our progress as a group, share our strategy and ensure every colleague feels part of our journey. Our executive team and senior leaders took to the stage to outline our vision for the future, while Lord Mervyn Davies and Jonathan Muir from

LetterOne shared their passion for H&B and the importance of delivering on our purpose.

Alongside a full schedule of presentations and workshops, colleagues were then able to explore our Supplier Expo, where over 40 suppliers and internal brands showcased their products. It was a fantastic opportunity to sample new ranges, hear directly from suppliers and gain deeper insights into the benefits the products bring to our customers. The day was concluded with an informal dinner, giving colleagues the chance to connect, reflect and celebrate being part of H&B.

A great event and a great opportunity to celebrate the success of H&B over the last 12 months and look forward to the exciting times ahead! It was especially nice to do this with the wider business, with retail, Hub and supply chain colleagues involved. This has us all working towards our business goal and making H&B a fantastic workplace.

— Hub Colleague

I've been with the company for 18 years, and this is by far my favourite conference. It was more relaxed, more positive and more diverse. Great to be aligned across the whole business and see how we're working together to deliver our strategy. Looking forward to a great future and delivering so much more for our customers.

— Retail Colleague

Nurturing talent

We believe the success of any organisation starts with nurturing the talent within it. At H&B, we want to support our colleagues' growth by committing to learning and development programmes that help them achieve their professional aspirations.

In a year of remarkable transformation, our mission is not just to adapt to change, but to lead it together.

We've strengthened our training and development offerings this year, ensuring that all our colleagues have access to the tools, knowledge and resources they need to thrive by continuing to offer award-winning, engaging and informative solutions.

— Gerald Pearce, Director of Learning & Development

Our efforts have focused on three main pillars:

Specialist health and wellness training

Our commitment to colleague development extends to specialised health and wellness training, which we believe plays an essential role in both personal and professional growth. Our retail colleagues, who are the face of H&B to our customers, are provided with ongoing training on mission-led health and wellness topics, including gut health, women's hormonal health and our TriActive sports range. These training programmes not only help our colleagues better serve our customers but also foster a deeper connection with the brand and encourage personal reflection on their own health and wellness.

Our standout programme is the Qualified to Advise training, which over 4,500 colleagues have completed this year. This qualification ensures that our retail colleagues are fully equipped to provide specialised advice to customers on a range of health and wellness issues.

On our Healthy training programme

Over
5,000
Colleagues

Clocked
300,000
hours of cumulative training

Receiving a nationally recognised and QCF-accredited qualification

Over
22,000
hours of digital learning are completed every month on our Learning Management System, The Hive

Apprenticeships

Our investment in apprenticeship programmes is another cornerstone of our development strategy. Understanding that career growth initiatives should not rely on a one-size-fits-all approach, we offer a variety of apprenticeship pathways. These programmes are designed to support colleagues in gaining new skills, advancing in their careers and achieving their professional goals.

I am much more able to support our customers to make changes in their lives that could make a big difference to them, as well as being able to offer supplements that can support them. Most importantly it has rekindled my passion for learning and made me realise that I can continue my research and learning long after I have finished the programme.

— Sarah Puzey, Supervisor at our Tewksbury store

The apprenticeship has taught me how to deliver more effective customer service. It has supported me in making more well-rounded decisions and actions for my customers and colleagues. It has encouraged me to ask effective questions in order to get to the root of a problem a customer or colleague is facing.

— Laura Battersby, Supervisor at our Bury store

"The day I finished the Grow Retail programme I also got offered a manager's job. I feel I couldn't have been more prepared for this role after finishing this programme and I highly recommend anyone wanting to further their career to take part in this amazing course.

— Conor Broderick, Store Manager

It has been a challenge for me, as I didn't think that at my age, I would be able to learn all the material as well as how to navigate all of these new apps. This apprenticeship has proven to me that almost anything is possible.

— Oana-Marie Ilie, Colleague at our Newcastle store

We are also proud to be one of only a few companies offering an in-house Lean Six Sigma apprenticeship, a unique programme that provides colleagues with the tools and methodologies needed to drive operational excellence. Our new partnership with Keele University will provide

Level 7 apprenticeships in Leadership, allowing us to offer advanced leadership development opportunities to our staff, helping them build strategic leadership capabilities and preparing them for senior management roles.

Leadership and team development

As part of our wider transformation, we have invested significantly in leadership development. Our High-Performing Teams (HPT) training programme is designed to accelerate the journey that teams take from forming to performing. This year, we have already started training senior teams, providing them with tailored, 12-month development plans built on H&B's core skills. The 89-question diagnostic helps to identify team strengths and areas of focus, ensuring that every team's development is personalised and relevant to their unique challenges.

Health & wellness benefits

Being a responsible employer means recognising the importance of supporting our colleagues' physical, mental and emotional wellbeing. That's why we have introduced a broad range of wellness benefits in recent years, each tailored to meet the diverse needs of our workforce. Our approach is simple: we want our colleagues to feel empowered to take control of their health and have access to the resources that can make a real difference.

Among the many benefits now available to our teams are partnerships with leading healthcare providers including Westfield Health, Specsavers and AXA PPP Healthcare. To keep our colleagues fit and healthy, we've collaborated with Gympass, granting access to thousands of gyms and fitness

classes nationwide. We've also partnered with Mental Health First Aid England and Manbassador to promote positive mental health and create an open and supportive work environment.

EPIC Extras

All these benefits are available via the EPIC Extras app and website, where colleagues can easily access and manage their entitlements.

Product allowance

In the last financial year, we offered H&B&Me at-home testing kits. These diagnostic tests help colleagues detect health issues early and suggest preventative measures.

To support our commitment to preventative health, we've also offered a product allowance, giving colleagues the opportunity to choose from over 48,000 wellness and lifestyle products.

Our efforts haven't gone unnoticed

A recent benchmarking survey revealed that we are now an upper-quartile wellness employer within the retail sector.

Fair pay

We understand that the pressures of rising living costs can have a significant impact on our colleagues. That's why we made the decision in March 2024 to implement a 9% pay increase for our store colleagues, from £11.00 to £12.00 per hour for colleagues outside of London and from £11.95 to £13.00 per hour for those based in London. Over the past two years, this increase has seen hourly wages rise by 25%, helping to

The logo for EPIC Extras, featuring the letters 'E', 'P', 'I', and 'C' in a stylized font with a small sun icon above the 'I', followed by the word 'Extras' in a green sans-serif font.The logo for Gympass, consisting of the word 'Gympass' in a white, bold, sans-serif font centered within a red circle.The logo for H&B & Me, featuring the letters 'H&B' stacked above '&Me' in a white, bold, sans-serif font, centered within a blue circle.

ease the financial pressures that many of our colleagues face.

Supporting our teams with technology

Using technology to support colleagues

As part of our ambitious multi-year transformation plan, H&B is making significant investments in technology to ensure that our colleagues are equipped with the tools they need to excel in their roles.

Equipping colleagues with the right tools

This year, we've introduced several game-changing tools, not simply to keep up with modern habits and trends, but to set our colleagues up for success. Our in-house built application Cerebro is designed to revolutionise the way our retail colleagues engage with customers. Cerebro provides staff with instant access to product information, customer reviews and personalised recommendations, helping them deliver truly tailored experiences. The app also allows colleagues to build baskets alongside customers, making it easier to align the most suitable products with individual wellness goals. Feedback from our teams has been overwhelmingly positive, with many highlighting how Cerebro enhances their ability to provide better service, creating stronger, more meaningful connections with customers.

THE PROGRESS	THE POTENTIAL
Transactions made using Cerebro are showing a 40% higher average order value	Our colleagues are not only better equipped to support customers, they are also contributing to the long-term growth of the business.
Cerebro currently represents less than 10% of store transactions	With the rollout of Cerebro complete, our focus is now on maximising its capabilities

Revolutionising the retail experience

As part of our ongoing commitment to supporting retail colleagues, we've focused on providing tools that streamline daily operations and save valuable time. The introduction of self-service checkout systems in select stores has already shown promising results, offering customers a faster, more efficient shopping experience. Colleagues, meanwhile, have been freed up to focus on more personalised customer service.

Our in-house Bumblebee software has transformed our tills, making them faster and easier to use. In just 12.5 weeks, we successfully rolled out Bumblebee across all UK and Benelux stores.

With Bumblebee, we've

£6m saved approximately £6 million in licence fees



integrated customer-facing touchscreens into our new tills

Timesaving and efficiency

Tools like date-checking, label-printing and Click & Collect tracking have reduced the amount of manual work required from our colleagues, giving them more time to focus on what really matters: creating exceptional experiences for our customers.

In total, our technology investment has saved:

100,000
hours (approximately)

1 million
sheets of paper

Goals for 2025

As we continue to invest in the growth and development of our colleagues, we remain committed to providing every colleague at H&B with the opportunities to grow, learn and develop their careers in a supportive, inclusive environment.

1. Expanded e-learning and training

In addition to rolling out new e-learning modules for core skills and H&B Way, we will also focus on launching new training around cardiovascular health, diabetes, dementia, aging well, lung disorders and cancer, all aimed at equipping our teams with the knowledge they need to deliver exceptional service to our customers.

2. Digital skills and tech adoption

As part of our digital transformation strategy, we will continue to prioritise the development of digital skills across the company, particularly in retail and Burton. We are also excited to launch tech adoption training for at least six new

in-house tech systems, starting with Metabase in Q2 FY25.

3. Apprenticeships and work experience

Our commitment to apprenticeships continues, with new programmes in finance, data and distribution being explored, along with our fifth in-house apprenticeship programme (a Level 5 qualification in Coaching). We are also launching a new work experience programme for local Nuneaton residents, designed to provide valuable insight into different areas of the office-based business.

4. Strengthening leadership development

We aim to take another 30 senior teams through the HPT programme, continuing to foster high performance across the company. From Q2 FY25, we will be rolling out a focused development programme for our top 100 store managers, an entry-level management programme for colleagues in our distribution centre, as well as new e-learning modules and live training sessions for Hub managers focusing on the H&B Way delivery framework and financial governance.

5. Invest in functional skills

As we continue to scale, we are

focusing on building stronger leadership across the organisation, including the launch of the Commercial Academy, Finance Academy and Sourcing & Technical Academy to upskill office-based colleagues in these technical areas. Management development and team-based training will also be delivered alongside to provide a fully rounded programme.

6. Fair pay

In April 2025, the UK's national living wage will increase to £12.21, and we are committed not just to meeting that change, but to exceeding it. We aim to ensure that our pay rates reflect the value we place on every member of the H&B family and that we stay ahead of the curve in recognising and rewarding our teams' hard work.

7. EPIC Extras

We listened carefully to the feedback from colleagues, who told us that the benefits platform was difficult to navigate and didn't provide a fully integrated experience. In response, we are developing a new version of the app, which will bring all the benefits into one place, creating a more user-friendly and personalised experience for each individual colleague.

8. Healthcare provision

We will be rolling out 24/7 private GP services to all colleagues, providing unlimited GP appointments, with options for same-day or next-day consultations. Mental health services and physio support will also be available, ensuring that our teams can access the care they need, whenever they need it. This service extends to partners, dependents in the same household and children up to the age of 24 who are in full-time education. Even colleagues who already have GP coverage through private medical insurance will benefit from this offering, as it provides a more comprehensive and accessible service. We are currently exploring similar provisions for our teams in Ireland, with plans to implement a suitable solution as soon as possible.

Our focus is to make colleagues even more proud – building engagement in all parts of the business using every opportunity to enthuse, inform and excite colleagues about working for H&B and the difference we're making to our customers and communities, while ensuring they feel cared for and included and know the difference they can make.

Our Customers

Holland & Barrett is not just a retailer. We aim to be a trusted partner in our customers' health and wellness journeys, offering the right products, services and advice to help them add quality years to life.

- Georgie White, Chief Customer Officer



Customer Experience

Over the past year, we've invested in enhancing the customer experience across the board, from improving our product and service offerings to building in-house technologies that drive innovation. As we continue our transformation journey, we continue listening to our customers and adapting to their expectations, building long-term relationships that go beyond transactions.

Understanding our customers

We've gained invaluable insights into the trends shaping our customers' health and wellness decisions, helping us to refine our product offerings and services to ensure we stay ahead of shifting consumer behaviours and expectations.

Identified trends					
Proactive wellness	Demographic pyramid shifts	Acceleration of unmet need	Tech acceleration	Increase in value-seeking	Ongoing desire for ethically sourced and sustainable products
Customers are increasingly proactive about their health, taking control of their wellbeing through lifestyle changes and personalised solutions - and keen to understand how best to do this.	The demographic shifts, including an ageing population and rising chronic conditions, have highlighted the need for more targeted and preventative care throughout Consumers lives.	There is a clear lack of provision in the UK for specialist solutions particularly those addressing specific needs such as women's health.	The integration of technology into health and wellness has also accelerated with the larger role of wearables personalising wellness experiences and driving informed decision-making, alongside a merging of both the physical and digital channels.	The cost-of-living crisis has driven an increased focus on value, with consumers seeking quality products at competitive prices.	We see a growing desire for ethical and sustainable practices, as customers want to ensure the products they purchase align with their personal values.

How H&B is responding to these trends

Proactive wellness	Demographic pyramid shifts	Acceleration of unmet need	Tech acceleration	Increase in value-seeking	Ongoing desire for ethically sourced and sustainable products
We have invested in our staff to enable us to offer enhanced training to support customers' discussions around unmet need and launched our behavioural change app, H&B&Me which aims to empower customers to make lasting behavioural changes in nutrition, exercise, sleep and emotional wellbeing.	Recognising the shifting demographics and health needs, we've expanded our product range to include specialised offerings across a range of areas including joint and bone health, immunity and weight management.	With more specialised offerings in underserved areas, including women's health and menopause support, including dedicated women's health coaches, we are striving to close the healthcare gap for our customers.	In modifying our tech with in-house purpose-built systems and software, we are continuing to adapt and improve to better meet modern shopping habits and needs, bringing tech solutions into our retail environments with capabilities like Cerebro.	We've expanded our own-brand product ranges, providing high-quality solutions at affordable prices, with additional targeted promotions.	We've partnered with Provenance, helping us provide full transparency on our product and ensuring they meet high ethical and environmental standards.

We've made remarkable progress

- ✓ Expanded our customer base with an increase in customer frequency and overall value.
- ✓ Increased customer loyalty with a deeper relationship, moving away from a transactional to a more personalised, relationship-based model.
- ✓ Achieved growth in customer volumes, unique customers and KPIs, despite a challenging retail environment.

6↑

Overall Satisfaction (OSAT) increased by **6 percentage points** year over year

6%↑

UK retail satisfaction grew by **6% to 78%**

10%↑

Republic of Ireland retail satisfaction increased by **10% to 82%**

2%↑

Digital satisfaction rose by **2% to 79%**

Communicating with our customers

By focussing on health missions around key areas of interest for our customers, we can address their health needs in ways that feel personal and relevant.

We are always looking for better ways to talk to our customers about their health and wellness to help them navigate their concerns with confidence. That's why in the 2022/23 financial year, we introduced our mission-led approach, focusing on preventative care and offering targeted solutions that speak directly to specific health topics.

This year, we've focused on refining those missions based on customer feedback to home in on the issues that matter most to them. This has resulted in a significant uplift in consumer engagement.

Knowing that customers are more likely to engage with health and wellness missions that matter to them, we've continued to expand our own-brand labels in line with those health missions. It means we're able to offer customers even more choice in the areas they care about, including sleep, immunity and brain health.

Alongside our preventative care model, we also want to serve customers with their reactive health needs, which is why we've also introduced over the counter 'OTC' medicines into our in-store and online offerings.

Improving the customer experience

We understand that delivering an exceptional customer experience is essential for building trust and long-term loyalty.

In stores

This year, we've reached important milestones in improving both our in-store customer experiences, ensuring that every interaction with H&B is seamless, supportive and insightful.

UK Customer Satisfaction Index (UKCSI)

83.9 We scored **83.9** surpassing the retail non-food sector average by **3.5 points**

9th ↑ Ranked **9th** rising from 19th place last year



Recognised as one of the **'most improved'** companies



'Trust' and **'access to expert advice'** were cited by our customers as key reasons for choosing us, with 31% willing to pay more for the superior service we offer.

Through substantial investments in our retail network this year, as well as streamlined product ranges to create clearer, more accessible layouts in our stores, we have enhanced the customer experience and keep our stores inviting and efficient places to shop.

Digital and online

Our website

Our website has seen a remarkable shift in both

functionality and user experience, allowing us to share our story with customers in more engaging ways.

New features contributing to the website's improved functionality include the introduction of three new payment journeys, personalisation tools and a mission-led search algorithm, making navigating the site faster and more intuitive. These improvements have driven a surge in digital sales, with a 25% uplift in digital Average Order Value (AOV).

Now widely regarded as one of the best in the market, our website has gained widespread recognition in leading industry rankings.

Alongside refining the user experience for our current digital customer, we are also focused on extending our organic reach to drive awareness and engagement for new customers. As a result of these efforts, 18% of our total digital sessions now come from organic search, frequently placing us as the top organic (free) result for relevant queries.

24/7 virtual appointments

Our new 24/7 online clinic connects customers with certified nutritionists offering trusted guidance whenever they need it. These free one-to-one video consultations allow customers to discuss their health and wellness goals with experts, providing science-backed advice and product recommendations. After each consultation, customers receive a detailed follow-up email summarising the conversation, providing valuable insights and actionable next steps.

The H&B&Me app

Our award-winning behavioural change app, H&B&Me, takes a data-driven approach to help customers improve their lifestyle. Calculating a user's biological age and sending daily prompts, the app encourages healthy habits tailored to individual needs across four key areas of lifestyle medicine – sleep quality, nutrition, physical activity and emotional wellbeing.

Powered by scientists		
Dr Leah Gorodi	Francesca Haarer	Augusta Gray
<p>Dr Leah is our Head of Medical and Science at H&B&Me, where she provides clinical leadership and expert guidance to the team.</p> <p>With 14 years' experience as a qualified doctor, Dr Leah is a practising GP and trained lifestyle medicine practitioner, with a specialist background in lifestyle medicine and preventative healthcare.</p>	<p>Dr Francesca, a qualified doctor and physiotherapist with over 10 years of NHS experience, is our trusted Medical Advisor at H&B&Me. She trained as an orthopaedic surgeon and now uses her expertise in global healthcare and health tech to support our mission to improve people's health and wellness through lifestyle changes.</p> <p>Dr Francesca is a strong advocate for using exercise and movement as medicine to prevent disease and improve overall wellbeing.</p>	<p>Augusta is a registered associate nutritionist (ANutr) and leads our Brand and Content team. With a background in psychology and over 12 years of experience in nutrition and health tech, she has a deep understanding of the challenges people face in maintaining healthy lifestyles.</p> <p>Beginning her career in a clinical setting, Augusta witnessed the power of behaviour change first-hand. Now, she's dedicated to creating evidence-based strategies that support people to build healthy habits that last.</p>
<p>Our in-house team are complemented by external expertise across nutrition, fitness, sleep and emotional wellbeing, including pioneering behavioural scientist,</p> <p>Dr Kristina Curtis PhD, BCs, MSc</p> <p>Dr Kristina is the founder of the behavioural science consultancy firm Applied Behaviour Change and Honorary Lecturer and Associate of UCL's Centre of Behaviour Change.</p>		

By following the app's science-backed 21-day programmes designed by behaviour change experts, customers learn to adopt small, sustainable habits that are proven to reduce their biological age – and in so doing, improving their everyday wellness, preventing long-term illness and adding quality years to life.

90% **90%** of customers reported behaviour change after just 10 days



On average, every customer who shares their biological age score shares it with 4 others

55% **55%** of users said they would use H&B&Me more than 10 times over the next 12 months

2/3

Two thirds of current H&B customers indicated they would download H&B&Me

This is the holy grail for wellness and for preventative healthcare.

— **Tamara Rajah** CEO, Wellness Solutions & Chief Transformation Officer



25,000+ downloads with an estimated 66% coming from organic referrals



6–9-point uplift in brand consideration, leading to a **5-10% revenue boost**

Innovating our technology

As we continue our journey towards becoming a more relationship-focused business, we've invested heavily in new systems to better serve our customers.

Personalisation and AI

By adopting smart AI tools, we are working to enhance customer support through automation, AI-driven responses and streamlined processes. These improvements help us resolve customer enquiries more efficiently while maintaining a high standard of service.

In our stores

Cerebro

Across our stores, we've taken the customer experience to the next level by integrating our award-winning Cerebro system, which supports our retail colleagues in delivering expert advice during in-store consultations. This software supplements our product and health knowledge, helping our team members have deeper, more informed conversations with customers.

Self-service checkouts

At Cheapside, our first self-service checkout store, 60% of unit sales

are now going through self-service, streamlining the checkout process and allowing staff to spend more time giving expert health advice to customers. We are poised to start rolling out self service checkouts further during FY25.

Goals for FY25

Looking ahead to the next financial year, we have set ambitious goals to continue improving our customer experience, expand our reach and enhance our offerings.

Customer relationships and engagement

Deepen connections with our core customer base to create long-term loyalty and engagement, including continuing to attract new customers to shop with us in all of our existing and newer markets internationally.

Our stores

Complete the ongoing store transformations across the group including opening new locations across the UK and Ireland, as well as across the Netherlands and Belgium to enhance and extend our health and wellness expertise to even more customers.

Online

Expand our targeted digital events

and personalised offerings to customers to improve the digital customer experience.

Loyalty programme

Develop a personalised programme that connects seamlessly with H&B&Me, enabling us to foster deeper engagement.

Customer needs

Broadening our product offering to simplify and enhance value for our customers, ensuring we meet their needs in the most efficient and effective way possible.

Customer experience

We continue to remain focused on improving our customers experience across all of our markets, ensuring they have frictionless and joyful interactions with H&B, whichever channel they engage with us in.

Our Communities

Focusing on deepening our relationships with the communities we serve, taking our expertise beyond the walls of our stores to engage in more meaningful ways, our work this year has spanned large-scale initiatives, where we've raised awareness and shared products, to hyper-local efforts, fostering intimate, personal conversations with those who need our support most.

We continue to build partnerships with local organisations, engage with new audiences at health events and deliver education through our expanding network of expert advisors. These efforts aim to bring wellness into people's everyday lives, helping them to better understand their health and start improving it with confidence. Across local universities, charities, hospitals and sports teams, we are proud to be making a real difference.



Extending our reach

We know that supporting communities is more than just product provision; it's about building relationships and understanding local needs. That's why we launched our first Wellness Communities programme across 10 stores in Birmingham. Home to diverse communities, a wealth of leading universities and independent women's charities, Birmingham was selected as a key location where we could have a significant impact.

During 2023/24, we extended our reach beyond our stores, engaging in 31 events across Birmingham and the surrounding areas, reaching almost 6,500 people, to share our knowledge on wellness through valuable conversations with our trained experts, including CEC nutritionists and Qualified to Advise colleagues.

Forming thoughtful partnerships

Manchester

We partnered with Manchester-based rugby club the Leigh Leopards, whose community approach aligns closely with our values. Along with product provisions for the players, we have connected with local communities through events like It's Mental and Match Fan Zones to offer wellness advice and support for players and fans alike. Our partnership with the club is continuing to grow, with several exciting activations planned for the coming year.

It's Mental, Manchester

We attended this year's It's Mental in Manchester, an event all about supporting positive mental health through panel discussions and break-

out talks with doctors, influencers and experts. We hosted Derek Beaumont, the owner of Leigh Leopards, who participated in expert discussions on mental health in professional sports. From our trade stall, we were able to share our expertise with the attendees, while our touring store, the H&B Wellness Wagon was parked outside, where our Qualified to Advise-trained staff were on-hand to make product recommendations to passersby.

Match Fan Zone

We attended both Match Fan Zones, a community space where local businesses and charities host free activities for spectators. From the H&B Wellness Wagon, our team ran giveaways, product offers and interactive games to engage with the community about their wellness.



Birmingham

Flu Jab Campaign

We were proud supporters of the Flu Jab Campaign at the Queen Elizabeth II hospital in Birmingham over a five-week period, which saw our trained colleagues on hand to engage with attendees, offering advice and guidance on their health and wellbeing goals.

MIND

In partnership with MIND, we participated in their Women's Cuppa & Catch Up social and craft sessions, providing trained colleagues to lead discussions on women's health issues. This partnership has continued to grow, with exciting community talks planned throughout the next financial year.

Higher education

Our regular presence at Freshers' and Refreshers' fairs at the Universities of Salford, Birmingham, Birmingham City and University College Birmingham, providing students with the resources and support as they navigated new life challenges and adjustments.

Live events

Participating in large-scale events, including The National Cycling Show and FitFest enabled us to connect with 10,000+ new and existing customers, showcasing our science-backed ranges and products.

NHS Social Prescribers

Our collaborations with NHS Social Prescribers

in Luton this year allowed us to address critical wellness issues, including menopause, nutrition and mental health, directly with local patients. We are also proud of our work with Kingston Hospital, where we provided support during their Menopause Awareness Day, offering expert guidance and product information to hospital staff.

Our staff were offered some great advice and support, especially in regard to menopause and vitamin deficiency issues. The Holland and Barrett team were very approachable, informative and took their time with the staff. Holland and Barrett were keen to return for further education on specific training voted for by our staff such as gastro problems, sleep, menopause and men's health. It was good and positive to have something in place for the staff's health and wellbeing, focusing on staff as opposed to focusing on products and work.

— Collette Iles, Associate Director of Nursing, NHS Solihull

Hyper-local engagement

Our hyper-local efforts are focused on fostering more intimate, meaningful conversations in local communities. In Birmingham, we ran product giveaways and wellness advice through our Big Vit D Giveaway and the Birmingham & Solihull Women's Aid (BSWA).

Following the success of these initiatives, we extended our Vitamin D Giveaway programme to Manchester, Glasgow and London, throughout which we have now distributed 1.8 million free doses, and are delighted to be hosting our very first face-to-face event with BSWA in April 2025.

Let's Talk

In the past year, 20 colleagues across four of our

health-focused missions have received specialised training to deliver and find new opportunities for our Let's Talk sessions, more intimate events that give us the opportunity to provide tailored advice to smaller, often underserved, groups.

The programme will be developed over the next financial year to train more colleagues and expand the health issues to include men's health, everyday aches and pains, immunity and children's health.

I met Julie at a local menopause group in Halesowen. I was so impressed that I asked if she could do a presentation where I work. I work in a medical environment, and I'd say 80% of the staff are female, so I was hoping for a good turnout. We had a full room!

— Helen Hubbard, Mary Steven's Hospice

Julie came to school to conduct the menopause talk to our body of female staff. Julie was incredibly professional and knowledgeable, but above all she managed to inject humour and humility into her session. Our ladies felt completely comfortable with Julie to ask questions of a sensitive and personal nature - and that was down to Julie's ability to ensure it was a safe and healthy space to share.

— Sharon Cousins, All Hallows School

British Sign Language (BSL) training

I passed my BSL L1 exams at the end of November. I've learnt basic conversational sign language and the phonetic alphabet, so I'm able to spell out words. I have a regular lady who comes into to store, who finds my ability to sign most useful. We have also had other customers, with hearing impairments, who have been amazed that we are able to communicate with them. I am extremely grateful that I have been given the opportunity to help the business reach out to a more diverse customer base.

— Sue Birch, Store Colleague in Harbourne

Our commitment to women's wellness

At Holland & Barrett, we are on a mission to increase education and access, break down stigmas, whilst offering women a safe space to go for support at all life-stages from menstruation to menopause and beyond.

— Lina Chan, Director of Women's Health at Holland & Barrett

Our partnerships with charities and organisations focused on women's health, Wellbeing of Women, The Endometriosis Foundation and Menopause Mandate, continue to grow. These collaborations enable us to not only support individuals but also help drive systemic change in women's health education.

Wellbeing of Women

Together, we launched the Women's Health Community Fund to provide micro-donations to organisations who provide resources to individuals and groups in underserved communities with a specific focus on those from lower income families, ethnically diverse communities, those with disabilities and who are LGBTQ+.

We're proud to fund projects that make a difference

13 organisations
35 workshops and events
644 direct beneficiaries
3250 indirect reach

Diet & nutrition webinar for South Asian people experiencing the menopause.

Coffee mornings with South Asian Communities across the UK.

Marginalised and Menopausal one-day event in Birmingham.

Intergenerational workshops about menopause with a focus on storytelling.

Online events with Black specialists for Black, Brown, people of colour and queer people of colour.

Resource translation into Punjabi for women across the UK and starting its dissemination in places of faith.

Meeting of intergenerational and intersectional Black women discussing their various experiences of menopause, peri menopause and shared their stories.

Connecting local groups, mixing menopause awareness with exercise, arts & craft, breathing techniques and yoga.

Deliver a programme of information and support about menopause to women with mental health conditions.

Health information evenings, menopause CBT session and support group in area with limited health reach.

Creating 'Meno' packs including lavender oil, tissues and hand fans along with information on the menopause for women living with addiction and/or survivors of domestic abuse.

Group sessions using creative and playful activities to explore the meaning and experiences of menopause.

Amazing session with a South Asian Touch

— Participant from our diet & nutrition webinar

Together with Holland & Barrett we are proud to be funding new ways to engage women from diverse communities about the menopause. Building this grassroots network to reach women who have historically felt excluded from the conversation is crucial to reducing the inequalities that exist in women's healthcare and a key recommendation of our Health Collective. We look forward to continuing to work together to play a leading role in bringing together diverse experiences and solutions for women throughout the UK.

— Janet Lindsay, CEO, Wellbeing of Women

Menopause Mandate

H&B supports the Menopause Mandate's nurse helpline and participates in key events and activations to raise awareness of menopause-related health issues.

She listened to my concerns, asked relevant questions, gave feedback and advice, along with other really helpful recommendations. She gave me a minute to take notes as well! She was genuinely SO kind and lovely and I could tell she genuinely wanted to help. I usually take a while to warm up to people, but I felt comfortable immediately while talking to her!

— Menopause Mandate helpline customer

Excellent service offered. Really found the discussion helpful and I will be acting on the points discussed.

— Menopause Mandate helpline customer

The counsellor was genuinely compassionate and knowledgeable.

— Menopause Mandate helpline customer

In recognising the need to address gender health gaps, providing science-backed products, expert advice and unparalleled support for women, we have honed our focus on four key areas of women's health and wellness.

1. Democratising access to trusted support

We are dedicated to supporting every woman through her unique fertility journey, starting from her first period right up to menopause.

Women's health coaches

Over 600 trained Health Coaches will be available across our stores to offer free, personalised support on menstrual health, nutrition, sleep, mood and hormonal wellness.

Menstrual health consultation

We are introducing the UK's first free menstrual health video consultation service, enabling women to access expert advice from the comfort of their homes.

What a fantastic service and so refreshing to talk to other women who can understand how you feel and know exactly what you need to take and how it can help me.

— H&B customer on our women's health coach service

2. Closing the research gap

We are committed to tackling the lack of research in women's health and wellness. Our investment in ethnographic research will focus on understanding the diverse health needs of women in the UK and Ireland. We aim to bridge the gap in wellness solutions and ensure that future product and research developments are representative of all communities.

More funding for community groups and leaders will offer a trusted and safe space to discuss women's health issues and break down the shame, stigma and silence, which is key to empowering women to get the help they need.

— Janet Lindsay, Chief Executive of Wellbeing of Women

3. Enabling health equity

Health equity remains a cornerstone of our commitment. We recognise that women from ethnically diverse backgrounds, those with disabilities and LGBTQ+ women often face unique challenges in accessing relevant health resources. Our efforts to reach underserved communities include:

Women's health community fund

In partnership with Wellbeing of Women, we have donated £75,000 to support women's health projects and we are extending the fund for another two years to help further educate and empower underrepresented groups.

Multi-language menopause support

As the first retailer to offer a free, multi-language menopause consultation service, we provide support in Hindi, Urdu, Gujarati and Punjabi.

4. Leading in product innovation for women

We continue to innovate in women's health, offering a wide range of products designed to support hormonal health. With over 40 specialised products aimed at supporting women's health through various life stages, from menstrual health to menopause, our team of experts is constantly sourcing the latest, evidence-based ingredients to bring to market.

The Endometriosis Foundation

We collaborate on events and initiatives to raise awareness about menstrual health. Through this partnership, we distributed our women's health guides to nearly 1,000 women at a recent wellness event led by Fearne Cotton.

Goals for 2025

Looking ahead to FY25, our plans are to expand and refine our community outreach efforts. Our purpose is to build deeper and more meaningful relationships within the communities in which we exist, to help them access health and wellness information allowing them to add quality years to their lives.

Partnering with local businesses, organisations and special interest groups

We will be collaborating closely with local businesses, organisations and special interest groups to bring meaningful health and wellness support directly to communities through the expertise of our trained colleagues.

Providing free expert-led guidance

We will more widely advertise our free consultation services to ensure our trained colleagues, including degree-educated nutritionists, are available to the customers and communities who need them.

Hosting in-person and online talks

We will expand our Let's Talk events to cover essential health topics, including gut health, menopause, sleep and more. Our partnership

with the Royal National Institute for Blind People (RNIB) will see us deliver 12 online Let's Talk sessions tailored to visually impaired audiences, expanding our reach to even more diverse communities.

Amplifying our impact

In Birmingham

We aim to reach over 50,000 people at large-scale events, with 16 partnerships connecting us with up to 10,000 new and existing customers, alongside our intimate hyper-local efforts, which will be bringing support to 300 participants.

In Manchester

In looking to bring our community-first approach to more regions, we will be spending FY25 actively building our presence across Manchester, leveraging our existing partnership with Leigh Leopards to host a Men's Health Panel with some of the players on resilience and mental health in sport, alongside new partnerships with Manchester Metropolitan University, The University of Manchester & Salford University to support students at the start of their first year of higher education.

To celebrate MyProtein landing in 650 Holland and Barrett stores, we will organise a Move Club and Q&A with the wonderful Dr. Hazel Wallace to delve into Hazel's insights into wellness, with the aim of the event to attract runners to partake in a 5k starting and finishing at the Market Street store.

Extending our reach for students

We will partner with student accommodation

provider IQ to deliver wellness activations in communal spaces, offering free product samples, exclusive discounts, Let's Talk events and individual health advice.

Strengthening our focus on nutrition and family wellbeing

We will team up with the Schools' Advisory Service (SAS) to promote nutrition and digestive wellbeing in schools nationwide with an initial focus on our pilot areas Birmingham and Manchester.

Our Suppliers

Our aim this year has been to ensure our suppliers feel involved in our journey and excited about future collaborations with us.

— Teresa Young, Head of Supplier Relationship Management

A concerted investment has been made this year in strengthening our supplier relationships, beginning with a focus on improving our communication to foster more engaged two-way partnerships. These efforts include strategic supplier growth initiatives, such as our partnership with environmental claim validator Provenance to build trust between suppliers and customers, as well as our development of purpose-built proprietary technology to streamline key supplier processes and optimise efficiency. With relationships deepening, we have moved to formalise and expand these, introducing services and propositions to support our ongoing transformation.

Building better partnerships

As a health and wellness retailer, building and nurturing strong and meaningful relationships with our suppliers is integral to the work we do, which is why we've dedicated significant resources into deepening these partnerships, driving innovation and creating an environment where our suppliers feel part of our journey.

Communication and engagement

Throughout the year, we have consistently engaged with our suppliers through curated newsletters, supplier forums and webinars, and company-wide sampling and exhibiting events. By deepening our engagement in this way, we have worked to keep suppliers informed about our goals, strategies and expectations, as well as offering regular opportunities for informal verbatim feedback to create a consistent two-way information flow for more mutually beneficial partnerships. These efforts have already fostered closer connections, with suppliers feeling more engaged and excited by the opportunities for collaboration that lie ahead.

Identifying emerging opportunities

As part of a new strategic approach to our supplier relationships, we launched our Power Categories initiative to identify and accelerate emerging product opportunities that align with evolving customer demands.



Our Power Categories are cross-category product ranges which have demonstrated consistent, above-average growth across customers, transactions and revenue over three consecutive periods. These categories are driven by health and wellbeing trends and have a strong presence on social media, reflecting their relevance and popularity.

To open up a clearer pathway to faster growth and more personalised, collaborative solutions with our suppliers, our Power Categories team has worked closely with suppliers to drive this cross-functional activation and acceleration, identifying new product opportunities and co-ordinating some of our commercial acceleration trials.

Goals for FY25

Developing deeper, more personalised partnerships

Instead of applying a broad approach across our entire supplier base, we will concentrate on developing deeper, more personalised partnerships with our most strategic suppliers. This approach will be tailored to unlock mutual benefits, ensuring that our suppliers not only meet but exceed their growth potential.

Building structures, systems and processes

We are continuing to develop our tech, restructure our commercial teams and optimise our processes to drive efficiency, support our long-term strategy and accelerate growth.

New centres of excellence

To build enhanced capabilities and deliver growth opportunities in both domestic and international markets, we are introducing a new strategy built around two centres of excellence: Strategic Supplier Partnerships & Development, focused on accelerating growth and investment with our top branded suppliers; and Cost Optimisation, working to shape the vision for end-to-end cost optimisation to unlock EBITDA across the UK&I divisions and deliver the next phase of our business strategy.

Putting data at the heart of our decision-making

Following the success of our proprietary tech launches, we will continue to integrate in-house purpose-built platforms that offer enhanced functionality and improved decision-making

capabilities, including a brand-new stock keeping unit (SKU) set-up platform and warehouse booking tool.

Transforming our digital business

In recognising our digital business is a primary driver of future growth, we will continue to enhance and expand our online presence to increase future sales opportunities and create more value for our suppliers.

ESG Report

We see wellness as a shared responsibility to improve the health of our bodies, our planet and our communities. Reflected in this holistic understanding of wellness is our commitment to upholding responsible business practices as we continue through our multi-year transformation plan, with our ESG strategy evolving to position us for sustainable future growth and long-term positive impact.

In 2023/24, we worked towards embedding environmental, social and governance considerations across our operations, supply chain and business model to lay the foundation for its seamless and universal integration.



Our progress

Having conducted a full refresh of our materiality assessment to adopt a double materiality approach (a methodological approach to defining key ESG impacts, risks and opportunities, including those that are the most financially relevant), we are now able to better understand and act on both the direct impacts of our operations on the environment and the wider social impacts of climate change, ensuring that our business practices reflect the world we want to create.

Our focus on people, the planet and responsible business conduct has been strengthened through new partnerships, sustainability initiatives and a commitment to transparency, making us better equipped than ever to ensure our growth is aligned with positive environmental and social outcomes.

We have placed a particular emphasis on the integration of ESG principles across our operations and supply chains this year, supported by our Responsible Sourcing function and ongoing investments in key mitigation and adaptation efforts.

Shaping a responsible future

Investing in data management systems to monitor carbon impact.

Collaborating with surplus food-diversion programmes like Olio and Too Good To Go to reduce food waste and promote sustainable consumption.

Verifying green claims through our new partnership with Provenance for transparent product-sourcing.

Championing positive change

Raised over £100,000 for Comic Relief to support health and wellness in underserved communities.

Donated £75,000 through the Women's Health Community Fund to support grassroots women's healthcare.

Created the first British Sign Language resource for women experiencing menopause in collaboration with key health organisations.

Leading with integrity

Embedding our Responsible Sourcing practices.

Expanding our ESG e-learning for employees, suppliers and partners.

Governance overview

Our Board of Directors has overall responsibility for our ESG strategy, with focused sub-committees guiding these efforts. Now operating under a strengthened governance framework this year, we are better positioned to manage ESG risks and opportunities, particularly those relating to climate change. Our leadership team takes individual responsibility for assessing and addressing risks in their areas, integrating them into departmental risk registers. Each business area, with expert support, evaluates the resources required to mitigate climate-related risks and includes necessary provisions in the annual budget, ensuring a proactive and well-resourced approach to sustainability.

Our ESG Board Committee is tasked with regularly overseeing the company's ESG strategy, including climate-related risks and opportunities, as well as reviewing progress against targets and key performance indicators. The Committee is Chaired by a Non-Executive Director, with a further two Board members (including a Non-Executive Director) as permanent members, with the CEO of Wellness Solutions and Transformation, Group Corporate Affairs Director and the Head of ESG required at all meetings. Committees take place 6 times a year on a cadence of a meeting every two months.

Our Audit and Review Committee works in tandem with the ESG Board Committee to monitor ESG-related risks, particularly those with potential financial implications, including regulatory changes or supply chain disruptions related to climate change.

To ensure that climate-related risks are effectively managed, we have introduced an ESG Steering Committee, co-chaired by two members of our Executive Committee and attended by the accountable business leaders for ESG related areas. This forum meets monthly to ensure consistent monitoring, management and accountability of climate-related risks and opportunities across the business. Providing regular opportunity for escalation, monitoring and strategic recommendations against principal climate-related risks and opportunities, this new committee offers crucial support to the Board in making informed decisions about our ESG strategy.

Purpose and approach

Integrity, honesty and transparency are fundamental to how we operate, guiding every decision we make as a business. In recognising the

importance of building a strong ethical foundation, we remain dedicated to fostering a culture of accountability, transparency and due diligence across all business activities, ensuring that these principles are woven into everything we do.

Sourcing

We know that the choices we make in sourcing products have far-reaching implications, not only for the quality and sustainability of the products we offer but also for the wellbeing of communities and the environment. Our Responsible Sourcing function is integral to this focus, particularly in ensuring transparency and due diligence within our supply chain, the processes of which are underpinned by a rigorous framework that monitors compliance with our supplier policies, ensuring they meet our ESG criteria.

To strengthen this framework, we leverage both internal and external systems that help us track supplier performance and ensure adherence to these policies. We also conduct third-party audits to assess the environmental and social practices of our suppliers, placing corrective action plans in place where necessary to address any areas of concern. This rigorous process helps us continue to improve our supply chain, making sure we work with suppliers who share our commitment to responsible business practices.

Education and awareness

50+ ESG e-learning modules added

Understanding that education is essential for driving meaningful progress toward our sustainability goals, we have expanded our

capacity building for employees, suppliers and partners through new ESG e-learning modules to provide both our internal teams and our external partners with a deeper understanding of critical sustainability issues. These updated training modules cover a wide range of topics, from climate action and ethical sourcing to diversity and inclusion, ensuring that our entire value chain is aligned with our ethical standards, and working together for positive change.

Shaping a responsible future

Strategy

Our purpose of adding quality years to life is inherently forward-looking and dependent on effective management and mitigation of climate-related risks to achieve it. To ensure we have a resilient organisation and business plan fit for the future, we work to integrate consideration of climate-related risks and opportunities in both short-term strategic financial planning and over longer time horizons.

Short-term (present–2030)

Focusing on immediate climate-related risks.

Medium-term (2030–2040)

Responding to more stringent climate policies and innovating to meet market demand for sustainable products.

Long-term (2040–2050)

Continuing to adapt to evolving climate risks while pursuing opportunities in climate-resilient product development.

These time horizons were set based on a net-zero 2050 scenario in alignment with the Paris Agreement.

Climate-related risks

Using these time horizons as parameters, we have conducted a comprehensive qualitative scenario analysis with the help of external climate change experts, helping us to build a more detailed understanding of key risks so that we can better prepare and respond to them.

Our scenario analysis, undertaken at the start of the financial year, considered a range of possible futures, including a +1.8°C scenario, a +2.7°C scenario, and a +4.4°C scenario, each representing different levels of global warming. The results showed that, while climate risks remain moderate in the short-term, they are expected to escalate in the medium- and long-term. This insight has helped shape our strategic response, allowing us to build a more resilient organisation that can adapt to a variety of climate futures.

This analysis also evaluated our exposure to two primary climate-related risks, extreme heat and policy/legal changes, identified for their potential to disrupt supply chains, increase operational costs and affect product availability.

Primary risk	Scenario impact	Mitigants
Extreme heat	Potential product spoilage in stores, distribution centres and transit vehicles due to inadequate climate control systems.	Upgrading our air-conditioning systems and logistics planning to ensure that products are stored and transported under optimal conditions.
Policy and legal	A risk of increased operational and procurement costs as new regulations emerge to address climate change.	Proactively monitoring regulatory changes, preparing to meet stricter compliance requirements. Seeking opportunities to reduce our carbon footprint by adopting new and innovative sustainable practices.

For more information on our scenario analysis, see page 49.

In particular, extreme heat was identified as a significant physical risk for us, given its potential to impact product storage and transport, particularly in areas where temperature control systems are insufficient. In response, we are investing in upgraded air-conditioning systems and better logistics planning to ensure that products are stored and transported under optimal conditions.

Similarly, the evolving regulatory landscape presents a transitional risk that could affect our operational costs, particularly as governments introduce new laws aimed at curbing climate change. We are proactively monitoring these regulatory changes and preparing to meet stricter compliance requirements while also seeking opportunities to reduce our carbon footprint through innovation and the adoption of more sustainable practices. Alongside these key risks, we are also identifying climate-related opportunities that can enhance our business. These include:

- Responding to emerging climate regulations
- Expanding our range of climate-resilient products
- Increasing our sustainable and low-carbon wellness solutions (digital and online)

- Expanding our offerings of organic, locally sourced and plant-based products

Risk management

Climate risks are integrated into our broader risk management framework, reflected in business risk registers and monitored by the ESG Steering Committee, ESG Board Committee and ESG team, led by the Head of ESG. Our risk management framework identifies and assesses risks through a comprehensive process that includes scenario analysis, expert consultation and stakeholder engagement.

In 2023/24, we invested in a new ESG data-management system, which will help us strengthen our capacity to forecast and manage future climate-related risks through deeper insights into emerging trends and potential areas of vulnerability.

Energy emissions and consumption

In continuing to prioritise the reduction of gross greenhouse gas (GHG) emissions as the key metric for assessing and managing climate-related risks and opportunities, we collect and report our GHG emissions in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, as well as the objectives of the Paris Agreement. By tracking year-on-

year reductions in GHG emissions across scope 1, 2 and 3 areas, we are able to monitor our progress towards our decarbonisation goals and better understand the environmental impact of our operations.

Scope 1	Scope 2	Scope 3
Direct greenhouse gas emissions from sources that are owned or controlled by the Company.	Indirect emissions that a consequence of a company's activities but occur from sources not owned or controlled by it.	Other indirect emissions not produced by the company itself and not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain. (Scope 3 emissions include all sources not within the scope 1 and 2 boundaries.)

We also track energy consumption and the percentage of energy sourced from renewable sources to provide further insight into our progress and help us identify areas for improvement as we strive to reduce our carbon footprint.

With the introduction of our new ESG data-management system, we are improving the accuracy of our emissions data to better monitor climate-related risks and communicate our climate performance more clearly to stakeholders, remaining committed to increasing the granularity of our emissions data as carbon-accounting technology continues to advance.

In line with the UK SECR requirements, we disclose our energy use and associated GHG emissions from gas, electricity and transport fuels. For detailed SECR disclosures, please refer to page 54.

Energy efficiency

We have continued to implement planned energy efficiency upgrades across our operations, including the installation of energy-saving technologies such as LED lighting across our estate and the introduction of more efficient fleet vehicles.

We have also begun transitioning parts of our estate from estimated to smart energy metres. While this transition may lead to fluctuations in energy use data over the next year, it will ultimately provide us with better insights into our energy consumption and support more effective energy management in the long-term. For detailed GHG emissions and energy use data, please refer to page 54.

Food waste

One of the food waste initiatives we continue to champion is our Too Good to Waste markdown process, which offers products nearing their expiry date to customers at a discounted rate. Not only does the initiative help to reduce waste but it also provides customers with even greater access to affordable, high-quality products.

To further this progress, we have partnered with surplus food-diversion programmes, Olio in the UK and Too Good To Go in the

Netherlands, to redistribute unsold but perfectly good items to local communities, which is central to our goal of diverting food waste from landfill and contributing to the wellbeing of local communities.

Transparency

In line with our broader sustainability goals, we also recognise the importance of transparency in our environmental claims, which is central to our partnering with Provenance, a global sustainability platform verifying product claims. This new partnership guarantees that our green claims are not only accurate but supported by clear, transparent evidence, empowering our customers to make more informed, ethical purchasing decisions that align with their values.

Championing positive change

In FY24, we built on our commitment to making a positive impact by continuing to collaborate with key organisations and initiatives aimed at improving wellbeing, both at a local and national level.

Charity partner

One of the standout achievements this year was our new partnership with Comic Relief, raising over £100,000 to make health and

wellness a way of life for everyone, regardless of who they are or where they come from. Through this collaboration, we have fundraised for Comic Relief and championed community-focused initiatives such as Family Gateway in North Tyneside, Sport at the Heart in London, Choir with No Name in the Midlands and Peace Players in Belfast.

Women's Health Community Fund

Launched in 2023 in partnership with Wellbeing of Women, our Women's Health Community Fund has already contributed £75,000 to support grassroots community projects to address inequalities in women's health, increase education, and aid underserved communities. Last year, the six-month pilot funded 13 groups to improve menopause education, including webinars for South Asian women, translated resources in Punjabi, and events for intergenerational and intersectional Black women, reaching over 3,800 people directly and indirectly. The funding is currently supporting 13 community organisations focusing on women from low-income families, ethnically diverse groups, those with disabilities, and LGBTQ+ communities.

Menstrual health video helpline

We have also continued to offer

free guidance on women's health both in-store and online. One of our most popular offerings this year has been the menstrual health video helpline, which we operate in collaboration with the Endometriosis Foundation and Menopause Mandate. The service sees trained nurses providing expert, accessible advice to those seeking support with menstruation-related health challenges.

In addition, we have trained over 600 Women's Health Coaches in our stores to offer free, personalised support and signposting on women's hormone health – from first period to last and beyond. All 4,000 H&B store colleagues have also been trained to offer guidance and personalised solutions around women's health.

British Sign Language resource

In response to a University of Wolverhampton study that revealed 90% of D/deaf women have no awareness of menopause treatment options, we partnered with My Menopause Centre and BID Services to create the UK's first British Sign Language resource for women experiencing menopause, a groundbreaking, first-of-its-kind initiative aimed at removing crucial access barriers to vital healthcare support and information. The accessible resources guide,

available via the H&B Menopause Hub, uses BSL signs to explain the menopause, the symptoms and meaning behind them. It also includes FAQs, a glossary of key terminology and advice on common symptoms, healthcare and lifestyle modifications.

Raising awareness

Understanding that awareness is the first step towards positive change, we've worked to identify key gaps in health information, particularly in underserved communities, and launched several targeted initiatives to raise awareness and improve access to essential knowledge, empowering people to make informed decisions about their health.

Big Vit D Giveaway

One of our most successful initiatives in FY24 was the distribution of 1.8 million free doses of vitamin D across the UK. Vitamin D deficiency is a widespread issue, but many people are unaware of its impact on their overall health. By offering free doses, we raised awareness about this often-overlooked deficiency and encouraged individuals to take steps towards better health and informed them about the importance of preventative health.

Let's Talk

Our Let's Talk initiative has also played a significant role in educating the community on a wide range of health and wellness topics. These free, expert-led sessions have provided valuable insights on critical areas including gut health and sleep. In hosting these sessions and making these resources available to all, we've helped bridge the knowledge gap and support communities make better lifestyle choices, improving both their physical and mental health.



Looking ahead

We recognise that the ESG challenges and opportunities are vast and constantly evolving. Our commitment to sustainable growth, responsible sourcing and community wellness remains steadfast, seeing us invest in meaningful change and laying the foundation for a healthier future for our customers, our communities and our planet.

Environment

To support our commitment to decarbonisation, we have set both short- and long-term climate-related targets. Our short-term targets focus on immediate, tangible actions, including the migration of all our energy contracts to 100% renewable energy across operations within the next three years.

Our long-term ambition is to achieve full alignment with a lower-carbon economy by 2050, in accordance with the Paris Agreement's net-zero targets. To help us reach this ambition, we actively participate in leading industry action groups, such as the British Retail Consortium (BRC) and the Business in the Community (BITC) to ensure that our strategy and targets are informed by industry-standard decarbonisation roadmaps and best practices.

Community wellness

We look forward to nurturing and expanding our partnerships to amplify our reach and impact across even more communities to not only raise the profile of key health topics, but also to increase our collective capacity to address the health and wellness challenges faced by

diverse groups, particularly within underserved communities. To achieve this, we plan to continue to work with communities in Birmingham and Manchester to learn how we can best serve them and get the right information to the right groups. As we build more partnerships and relationships that can span multiple communities, we will grow the programme to expand wider across the UK and use these learnings to help reach our 100 million lives target.

Bridging gaps in wellness research goes hand in hand with this vision, reinforcing the need for continued significant investment in research that addresses overlooked health areas. To drive this change, we will work with existing partners to deepen the relationships to bring more to those communities. We will be launching new initiatives in partnership with local hospitals and charity organisations such as MIND and RNIB and expanding our Wellness Communities Programme to new UK cities.

Business conduct

The progress we've made in fostering a culture in line with our group values will continue to guide our decisions and actions as we further embed these principles across all areas of our operations. It is our policy to conduct all business activities with honesty, integrity and the highest possible ethical standards. The Responsible Sourcing function continues to be embedded within the business as a part of our supply chain due diligence and transparency controls. Internal and external systems are leveraged to both enforce our supplier policies at onboarding, and to monitor continued compliance throughout our supply chain for the duration of our business relationships. This includes utilisation of third-

party audits and assigning corrective action plans if necessary.

H&B continues to be led by core international guidance on business conduct and human rights such as the United Nations (UN) Universal Declaration of Human Rights, International Bill of Human Rights, International Labour Organisation (ILO) Core Conventions, the United Nations Guiding Principles (UNGP) and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. We also consult with industry-leading groups including Business in the Community (BITC) and the British Retail Consortium (BRC).

Non-Financial and Sustainability Information Statement

This section sets out our climate-related financial disclosures, aligned to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. These disclosures are provided per the requirements of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

a. Describe the Board's oversight of climate-related risks and opportunities

The Board is ultimately responsible for overseeing risks and opportunities across all ESG matters, including those related to climate change. The Board is also responsible for guiding strategic programmes and expenditures in relation to climate change, taking support and advice from adjacent Board sub-committees including the ESG Committee and the Audit & Review Committee.

Regular oversight of ESG matters specifically is discharged to the designated ESG Board Committee. The ESG Board Committee is responsible for regularly reviewing the company's ESG risks and opportunities, including those related to climate, ensuring the ESG strategy remains fit for purpose through monitoring ESG-related processes, targets and KPIs to provide recommendations as well as acting as an escalation point for ESG matters across the business.

Management of principal ESG risks is further monitored via the Audit and Review Committee, who work in tandem with the ESG Board Committee to ensure appropriate risk management processes are in place, reviewing the company's internal financial controls and risk management systems, and reporting on progress against any climate-related targets and KPIs that carry financial risk.

Both the ESG Board Committee and Audit and Risk Committee are comprised entirely of Non-Executive Directors and Board Directors.

b. Describe management's role in assessing and managing climate-related risks and opportunities

The leadership team are individually responsible for assessing and managing any risks in their own areas, and these risks are included where relevant as part of the company's wider departmental risk registers. Each business area considers the expenditure required to manage likely climate-related risks and requests any necessary inclusions in the annual budget, taking support from subject-matter experts in identifying such risks to ensure adequate mitigation measures are taken.

Our ESG governance process has been further strengthened via the formation of the ESG Steering Committee, which meets monthly to ensure consistent monitoring, management and accountability of climate-related risks and opportunities across the business. The ESG Steering Committee is co-chaired by two Executive Committee members and attended by the accountable business leaders for ESG related areas. This forum provides a regular opportunity for escalation, monitoring and offering strategic recommendations against principal climate-related risks and opportunities. Relevant updates and actions from these meetings are then escalated to the ESG Board Committee and the main Board as necessary.

Strategy

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

Our purpose of adding quality years to life is inherently forward-looking and dependent on effective management and mitigation of climate-related risks to achieve. To ensure we have a resilient organisation and business plan fit for the future, we integrate consideration of climate-related risks and opportunities in both short-term strategic financial planning and over longer time horizons.

We use the following definitions of time horizons in identifying and managing our climate-related risks and opportunities. These time horizons were identified under a net zero 2050 scenario as per the Paris Agreement.

Time Horizons

Short Medium Long

Present - 2030

2030 - 2040

2040 - 2050

Using these time horizons as parameters, we've identified key potential risks and opportunities for our business related to climate change. These risks and opportunities were identified through a systematic qualitative analysis process, with support from external climate change experts. During the climate screening process, the following risks and opportunities were identified as material to our business:

Climate Risks	Climate Opportunities
<p>Physical</p> <ul style="list-style-type: none"> • Flooding • Storms • Wildfires • Extreme Heat • Drought 	<ul style="list-style-type: none"> • Responding to climate-related regulations • Increasing online services • Increasing sales through demand for more climate-resilient products • Development of new climate-resilient products through R&D
<p>Transitional</p> <ul style="list-style-type: none"> • Policy and Legal • Reputational • Technology • Market 	

Following the climate screening process, two primary risks were chosen to take forward for scenario analysis due to their indicative potential impacts on our business: **Extreme Heat and Policy and Legal.**

Extreme Heat	A risk arising due to extreme temperatures spoiling products within stores, distribution centres, and in transit vehicles which do not have suitable air conditioning capable of maintaining optimum temperatures.
Policy and Legal	A risk arising due to emerging regulation resulting in an increase in operational and procurement costs to ensure the group are compliant with the laws and regulations of countries and states they operate in.

d. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning

The potential implications of climate change are extensive in their potential to directly impact our business, strategy, and financial planning. Climate-related physical and transition risks such as Extreme Heat and Policy and Legal changes have the potential to disrupt our supply chain, increase operational costs, and impact product availability. In response to these risks, we have widely integrated climate considerations into our business decisions. This is reflected through the existence of our ESG Board Committee and ESG Steering Committee, who ensure regular and ongoing oversight and management of climate-related risks and opportunities and inclusion of these priorities in strategic planning.

Our financial planning process has also been adjusted to align with our climate-related objectives and to leverage emerging opportunities. We are allocating significant capital towards

climate-related initiatives, including a dedicated ESG programme to support projects that promote GHG reduction and climate stewardship. Furthermore, we continue to explore ways to enhance climate-resilient revenue streams, such as by strengthening our offerings of organic, locally sourced, and plant-based products, and the expansion of our online and digital wellness solutions footprint.

e. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

At the start of this financial year, we concluded a qualitative scenario analysis. The tables below summarise the results of the qualitative scenario analysis we undertook to evaluate our group exposure to the two identified key climate-related risks of Extreme Heat and Policy and Legal changes.

The scenario analysis represented in this report provides hypotheses for our business to explore possible futures and assess potential risks and opportunities under these futures, enabling pursuit of strategic adaptation and mitigation efforts. Scenarios are not intended to represent a full description of the future, and climate change scenarios particularly in the medium to long term are inherently unpredictable. Still, we believe the measures adopted thus far in our business to prepare and mitigate climate-related risk are sufficient to adequately managing multiple possible business futures.

Methodology

Physical Risk Scenarios

Extreme heat scenarios follow the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSPs).

Transition Risk Scenarios

For Policy and Legal risk, scenarios were assigned following the Network for Greening the Financial System (NGFS) pathways.

Scenarios evaluated

Physical Risk Scenarios	Transition Risk Scenarios
SSP1 (+1.8°C)	Net Zero 2050
SSP2 (+2.7 °C)	Delayed Transition
SSP5 (+4.4°C)	Current Policies

Physical Risk: Extreme Heat

Scenario	Risk Score		
	Short-term (Present to 2030)	Medium-term (2030-2040)	Long-term (2040-2050)
SSP1 (+1.8°C)	Moderate	Moderate	Moderate-Higher
SSP2 (+2.7 °C)	Moderate-Lower	Moderate	Moderate-Higher
SSP5 (+4.4°C)	Moderate	Moderate-Higher	Moderate-Higher

Transition Risk: Policy and Legal

Scenario	Risk Score		
	Short-term (Present to 2030)	Medium-term (2030-2040)	Long-term (2040-2050)
Net Zero 2050	Lower	Moderate-Higher	Moderate-Higher
Delayed Transition	Lower	Moderate-Higher	Higher
Current Policies	Lower	Lower	Lower

Risk Management

f. Describe the organisation's process for identifying and assessing climate risk

A qualitative scenario analysis approach was taken to identify and assess climate risks for our organisation. The scenario analysis approach used is underpinned by a standard, recognised formula for risk that scores each risk on its likelihood multiplied by its anticipated impact on the company financially.

The likelihood score of our two identified risks was calculated based on

industry standard processes and variables, in consultation with both internal business stakeholders and external climate risk experts. Impact projections were defined for our identified risks using increased operating costs as the defined financial impact pathway for both risks.

Risk scores for our two identified risks (Extreme Heat and Policy and Legal) were assigned over all three of our defined time horizons, and across three different scenarios for each risk. This risk scoring process enabled thorough assessment of the risks based on severity, as summarised in the tables above.

g. Describe the organisation's processes for managing climate-related risks

Climate-related risks are managed continually and proactively in our business, as reflected by the multiple channels and team members dedicated to management of ESG issues, including the ESG Board Committee, ESG Steering Committee, and designated ESG team led by our Head of ESG. Climate-related risks are routinely managed through these channels, which facilitate quick escalation of any risks where necessary. Additionally, our CEO, Head of ESG, and other leaders throughout the company engage

with external advisors to keep up with industry best-practice and ensure an objective approach to risk management.

h. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk managements

The process for managing climate-related risks mirrors our wider group risk management approach. Climate-related risks continue to be called out within accountable business functional areas and risk registers, within the ESG Steering Committee and ESG Board Committee, and other operating and Board committees when appropriate.

Metrics and Targets

i. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes

We continue to emphasise gross GHG emissions reduction as the primary metric to assess effective management of climate-related risks and opportunities in our business, as informed by climate science and the stipulations of the Paris Agreement.

We track year-on-year reductions of our company's GHG emissions across Scope 1, 2, and 3 areas. Additional supporting indicators are also used to measure performance, including energy consumption (kWh) and % of energy from renewable sources.

We recognise the importance of measuring our GHG emissions as accurately and comprehensively as possible to effectively manage our climate-related risks and opportunities. We have invested significantly over the past year in improving our GHG data collection processes, and as carbon accounting technology advances, we aim to continually achieve increasing granularity of our GHG figures.

j. Disclose Scope 1, 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks

We collect and report our GHG emissions in line with the Streamlined Energy and Carbon Reporting (SECR) requirements.

As a growing and evolving business, we view effectively managing our GHG emissions to be a central consideration in ensuring compatibility of our business model with a lower-carbon economy. Decoupling of GHG emissions from our business growth is therefore

both a risk and opportunity for the Company's future success and monitored accordingly.

k. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

To support rapid decarbonisation, we have focused on meeting short-term (3YP) targets as performance priorities. Short-term targets include migration of energy contracts over to 100% renewable across our operations. Our long-term ambition is full alignment with a lower-carbon economy as stipulated by the Paris Agreement. As members of leading industry action groups including the BRC, BITC, and others, our strategy and targets are comprehensively reviewed and informed by industry-standard decarbonisation and net-zero transition roadmaps.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30 September 2024.

Principal activities

The principal activities of the Holland & Barrett International Limited Group of companies (“the Group”) is the global sale of Health & Wellness products. The principal trading entities of the Group are Holland & Barrett Retail Limited, Holland & Barrett Limited, Holland & Barrett B.V. and Holland & Barrett N.V.

The Group packages, markets, retails and wholesales a broad line of health and wellness products, including vitamins, minerals and herbal remedies, sports powders and drinks, as well as health food products and other items, including beauty.

The Company is the parent of the Group as defined above. In acting as an intermediary holding and financing company, the Company receives interest.

Future developments

The objective of the Group and Company’s management team is to continue to produce market leading performance within the brand, through optimisation of the store estate, development of the H&B brand online and the further development of international markets supported by franchising. Additional disclosure is included in the CEO Reports included in the Strategic Report.

Dividends

The directors do not propose a payment of a dividend in the year (2023: £Nil).

Price risk, credit risk, liquidity risk and cash flow risk

The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company’s financial performance. The main financial risk arises from currency and interest-bearing loans.

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro. Foreign exchange risks arose until November 2022 from the retranslation of Euro denominated long term intercompany loans. The Company’s interest rate risk is low as borrowings are short term and incur a fixed rate of interest per annum. The Company’s management team and Directors continually monitor the position of the Company.

Directors of the Company

The directors who held office during the year up to the date of signing the financial statements were as follows:

NDV Allen
AW Gourlay
A Dower
MGT Smith

Corporate governance and Wates Principles

The corporate governance statement which includes s172, application of the Wates principles and employee and other stakeholder governance agreements has been included within the Strategic Report (page 4 onwards) due to its strategic importance.

Employee involvement

Employees are at the heart of the Group and facilitating the growth plans outlined in the Strategic Report. Due to strategic importance of the Group's employees, disclosure has been included in the Strategic Report (page 21 to 29) outlining how the Group has supported employees and encouraged employee involvement.

Employment of disabled persons

The Group supports the employment of disabled people wherever possible, through recruitment, by retention of those who become disabled during their employment and generally through training, career development and promotion, having regard to their particular aptitudes and abilities.

Going concern

The Directors have assessed going concern over a 12-month period from the date of signing these financial statements. Treasury management is completed at a Group level on behalf of the Company. The Group meets its day-to-day working capital requirements through its operational performance. However, throughout the period to 30 September 2025, the Group is continuing to undertake significant investment to transform the business to achieve the strategy. Forecasts and projections, taking account of reasonable possible changes in trading performance, as well as modelling severe but plausible downside scenarios, which amounted to a 10%-15% reduction in EBITDA, show that the Group can continue as a going concern without further unplanned support from LetterOne Investment Holdings SA. If further downside was experienced, the Group have other levers to

activate which provide further comfort over the going concern status.

At 30 September 2024, The L1R HB Holdings Group has £300m of debt which is owed to L1 Retail Portfolio S.C.SP, a member of the LetterOne group.

Having assessed the principal risks and considering the Group's cash balance at the year end, forecasts produced by management which demonstrate that the Group is forecast to generate profits and free cashflow, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements. This assessment also supports the Company.

Streamlined Energy and Carbon Reporting (SECR) disclosure

Large unquoted companies, such as Holland and Barrett International Limited, are obliged to report their UK energy use and associated greenhouse gas emissions relating to gas, electricity and transport fuels. The Group's SECR disclosure presents our carbon footprint across Scopes 1, 2 and 3, together with appropriate intensity metric and our total energy use of electricity, gas and transport fuels. (Source Logical Utilities, transport supplier on-board data and fuel card data).

Energy Efficiency Action

This financial year, the Group continued implementation of planned energy efficiency upgrades across our operations, including installation of LED lighting refits across the estate, introduction of more efficient fleet vehicles, and delivery of driver training programmes for fuel

efficiency. Additionally, we invested in a new centralised data system to enhance energy data collection and monitoring processes.

GHG Emissions and Energy Use Data for Financial Year	2024	2023	2022
Energy consumption used to calculate emissions (kWh)	39,871,073	31,472,005	32,090,994
Scope 1 (tCO₂e)			
Emissions from combustion of gas	158.0	144.7	80.1
Emissions from combustion of fuel for transport purposes	2,603.0	2,494.6	2,522.4
Emissions from refrigeration	283.9	283.9	283.9
Scope 2 (tCO₂e)			
Emissions from purchased electricity, market-based	1,998	254	1,758
Emissions from purchased electricity, location-based	7,891	4,417	5,852
Total gross CO ₂ e based on above	5,043	3,177	4,644
Intensity ratio: total gross CO ₂ e / £m revenue	5.7	3.9	6.4

The Group's total energy consumption has increased significantly over 2023, despite the number of stores remaining flat compared to the prior year. The increase has come from the ability to monitor energy usage in stores through the use of smart meters which were installed as part of the Group's store refurbishments, as part of the three-year plan detailed in the Strategic Report.

Methodology

Greenhouse gas emissions calculated through application of the UK Department for Business, Energy & Industrial Strategy GHG Conversion Factors: Condensed Set (July 2022).

Where actual data was unavailable, emissions were estimated using data from the preceding year.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going

concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- they have 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 auditors are aware of that information.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of independent auditors

The independent auditors, PKF Littlejohn LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment has been proposed and approved by the Audit Committee.

The financial statements on pages 59 to 116 were approved by the Board on 29th April 2025 and signed on its behalf by:

.....
N D V Allen
Director

Independent Auditor's Report

To The Members Of
Holland & Barrett
International Limited

Opinion

We have audited the financial statements of Holland & Barrett International Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise the Consolidated and Parent Company Income Statements, 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 Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2024 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared

in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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:

- Discussions with management to obtain an understanding of the going concern models and its future plan for the business;
- Understanding of the key assumptions applied to management going concern model;
- Review and challenge to the key assumptions of the management going concern model; and
- Review of the appropriateness of the

disclosure of going concern 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 or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude

that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial 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.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company 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.

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.

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:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector etc.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, UK-adopted international accounting standards, and UK and foreign tax legislations.
- We designed our audit procedures to ensure the audit

team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to: enquiries of management, review of minutes, and review of legal / regulatory correspondence etc.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in relation to the carrying value of investments, goodwill and other intangible assets, legal provision, IFRS 16 lease related incremental borrowing rate, onerous lease provision and inventory provision. We addressed this by challenging the assumptions and judgements made by management when auditing these significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and

evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

- As part of the Group audit, we have considered matters of non-compliance with laws and regulations, including fraud at the group and component levels. We have performed audit procedures on all material components within the group.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Joseph Archer
(Senior Statutory Auditor)
For and on behalf of
PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

29th April 2025

Consolidated Statement of Comprehensive Income for the Year Ended 30 September 2024

	Note	2024 (£m)	Restated 2023 (£m)
Turnover	5	884.5	806.1
Cost of sales		(360.3)	(330.4)
Gross Profit		524.2	475.7
Distribution costs		(270.7)	(253.0)
Administrative expenses		(301.8)	(266.2)
Operating Loss	6	(48.3)	(43.5)
Interest receivable and similar income	11	-	0.1
Interest payable and similar expenses	12	(13.5)	(29.6)
Net interest expense		(13.5)	(29.5)
Loss before tax		(61.8)	(73.0)
Total tax expense	13	(7.9)	(14.6)
Loss for the financial year		(69.7)	(87.6)
Foreign currency translation gains/(losses)		0.8	0.4
Total comprehensive loss for the year		(68.9)	(87.2)

The above results were derived from continuing operations.

The Group has not other recognised gains or losses for the year other than those included in the Statement of Comprehensive Income above.

As a result of the prior year adjustment the Group has restated the comparative financial information. Refer to note 4 for details.

The notes on pages 65 to 102 form an integral part of these financial statements.

Consolidated Balance Sheet as at 30 September 2024

	Note	2024 (£m)	Restated 2023 (£m)	Restated 2022 (£m)
Non-current assets				
Tangible assets	14	152.0	125.1	121.5
Right of use assets	15	202.0	220.6	234.6
Intangible assets	16	355.5	364.4	367.4
Investments	17	-	0.9	0.9
Deferred tax assets	13	15.0	9.4	23.8
		724.5	720.4	748.2
Current assets				
Stocks	18	151.6	151.7	154.4
Trade and other receivables	19	112.4	106.8	101.5
Cash at bank and in hand	20	71.7	31.7	17.8
		335.7	290.2	273.7
Current liabilities				
Trade and other payables	21	(138.2)	(160.6)	(542.9)
Loans and borrowings	22	(60.1)	(132.5)	(65.0)
Provisions		-	-	(1.0)
		(198.3)	(293.1)	(608.9)
Net current assets/(liabilities)		137.4	(2.9)	(335.2)
Total assets less current liabilities		861.9	717.5	413.0
Non-current liabilities				
Trade and other payables	21	(13.5)	(14.1)	(14.1)
Loans and borrowings	22	(192.7)	(172.7)	(191.0)
Deferred tax liabilities	13	(11.3)	(5.2)	(4.5)
		(217.5)	(192.0)	(209.6)
Net assets		644.4	525.5	203.4

Consolidated Balance Sheet as at 30 September 2024

	Note	2024 (£m)	Restated 2023 (£m)	Restated 2022 (£m)
Capital and reserves				
Called up share capital	25	1.0	0.9	-
Share premium	26	682.5	494.8	86.4
Foreign currency translation reserve	26	12.9	12.1	11.7
Merger reserve	26	414.5	414.5	414.5
Retained losses	26	(466.5)	(396.8)	(309.2)
Shareholders' funds		644.4	525.5	203.4

As a result of the prior year adjustment the Group has restated the comparative financial information. Refer to note 4 for details.

The financial statements on pages 59 to 102 were approved and authorised by the Board on 29th April 2025 and signed on its behalf by:

.....

N D V Allen

Director

Company registration No. 04515115

The notes on pages 65 to 102 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 30 September 2024

	Share capital (£m)	Share premium (£m)	Merger reserve (£m)	Foreign currency translation (£m)	Retained losses (£m)	Total (£m)
At 1 October 2022 - restated	-	86.4	414.5	11.7	(309.2)	203.4
Loss for the year - as previously reported	-	-	-	-	(79.9)	(79.9)
Prior year adjustment	-	-	-	0.3	(7.7)	(7.4)
Other comprehensive income	-	-	-	0.1	-	0.1
Total comprehensive income	-	-	-	0.4	(87.6)	(87.2)
Share capital issued	0.9	408.4	-	-	-	409.3
At 30 September 2023 – restated	0.9	494.8	414.5	12.1	(396.8)	525.5

	Share capital (£m)	Share premium (£m)	Merger reserve (£m)	Foreign currency translation (£m)	Retained losses (£m)	Total (£m)
At 1 October 2023 - restated	0.9	494.8	414.5	12.1	(396.8)	525.5
Loss for the year	-	-	-	-	(69.7)	(69.7)
Other comprehensive income	-	-	-	0.8	-	0.8
Total comprehensive income	-	-	-	0.8	(69.7)	(69.7)
Share capital issued	0.1	187.7	-	-	-	187.8
At 30 September 2024 – restated	1.0	682.5	414.5	12.9	(466.5)	644.4

As a result of the prior year adjustment the Group has restated the comparative financial information. Refer to note 4 for details.

The notes on pages 65 to 102 form an integral part of these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 30 September 2024

	Note	2024 (£m)	Restated 2023 (£m)
Cash flows from operating activities			
Loss before tax		(61.8)	(73.0)
Adjustments to cash flows from non-cash items			
Depreciation of tangible fixed assets	14, 15	91.7	80.2
Amortisation of intangible assets	16	38.4	40.1
Lease modifications		(0.4)	5.7
Fixed asset impairment /(reversal of impairment)	14, 15, 16	3.8	(5.1)
Investment impairment	17	0.9	-
Loss on disposal of fixed assets	14, 15, 16	0.3	2.6
Interest income	11	-	(0.1)
Interest expense	12	13.5	29.5
Decrease in stocks	18	0.1	2.7
Increase in trade and other receivables	19	(4.7)	(5.3)
Decrease in trade and other payables	21	(27.2)	(398.4)
Increase in provisions		-	(1.0)
Taxation paid		(3.2)	(2.5)
Net cash inflow / (outflow) from operating activities		51.4	(324.6)
Cash flows from investing activities			
Interest received		-	0.1
Acquisition of property, plant and equipment	14	(65.4)	(32.0)
Acquisition of intangible assets	16	(30.9)	(35.1)
Net cash outflow from investing activities		(96.3)	(67.0)
Cash flows from financing activities			
Issue of shares		-	409.4
Interest paid		(11.2)	(13.0)
Principal element of lease payments		(56.6)	(57.9)
Drawdown of bank borrowings	22	152.0	66.0
Repayment of bank borrowings	22	-	-
Net cash inflow from investing activities		84.2	404.5
Net increase in cash at bank and in hand		39.3	12.9
Cash at bank and in hand at start of the year		31.7	17.8
Effect of exchange rate fluctuations on cash held		0.7	1.0
Cash at bank and in hand at end of the year		71.7	31.7

As a result of the prior year adjustment the Group has restated the comparative financial information. Refer to note 4 for details.

The notes on pages 65 to 102 form an integral part of these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 30 September 2024

Non-cash Financing Transactions

During the year, the Company issued two ordinary A shares in exchange for full settlement of the loan issued to the Group from L1 Retail Portfolio S.C.SP, a member of the LetterOne group, amounting to £186.9m. The company also issued 50,000 Ordinary C shares as part of a long-term incentive plan for senior management across the Group, the purchase of shares was in exchange for a loan totalling £0.9m from the Company to the LTIP participants.

As this transaction did not involve the movement of cash or cash equivalents, it has been excluded from the statement of cash flows in accordance with IAS 7.43.

A reconciliation of the non-cash movements are included in Note 20.

Notes

to the Consolidated Financial Statements

1 General information

The Company is a private company limited by share capital, incorporated in United Kingdom and registered in England and Wales.

The address of its registered office is:

Samuel Ryder House
Barling Way
Eliot Park
Nuneaton
Warwickshire
CV10 7RH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

Statement of compliance

The Group financial statements have been prepared in compliance with UK adopted IFRS and the Companies Act 2006.

Basis of preparation

The consolidated financial statements for the

year ended 30 September 2024 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements have been prepared on going concern basis, under the historical cost convention and are presented in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £0.1m, except where otherwise indicated.

The Group financial statements consolidate the financial statements of the Company and all subsidiary undertakings drawn up to 30 September 2024.

Going concern

The Directors have assessed going concern over a 12 month period from the date of signing these financial statements. Treasury management is completed at a Group level on behalf of the Company. The Group meets its day-to-day working capital requirements through its operational performance. However, throughout the period to 30 September 2025, the Group is undertaking significant investment to transform the business to achieve the strategy outlined in the Strategic Report. Forecasts and projections, taking account of reasonable possible changes in trading performance, as well as modelling severe but plausible downside scenarios, which amounted to a 10%-15% reduction in EBITDA, show that the Group can continue as a going concern without further unplanned support from LetterOne Investment Holdings SA. If further downside was experienced, the Group have other levers to activate which provide further comfort over the going concern status.

Having assessed the principal risks and taking into account the Group's cash balance at the year end, forecasts produced by management which demonstrate that the Group is forecast to generate profits and free cashflow, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements. This assessment also supports the Company.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Management is currently assessing the impact of the new standards on the financial statements.

- IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information (effective 1 January 2024)
- IFRS S2, Climate-related Disclosures (effective 1 January 2024)
- IFRS 18, Presentation and Disclosures in Financial Statements (effective 1 January 2027)
- IFRS 19, Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)
- Amendments to IAS 1, Classification of Liabilities as Current or Non-Current (effective 1 January 2024)
- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback (effective 1 January 2024)
- Amendments to the SASB standards to enhance their international applicability (effective 1 January 2025)
- Amendments to IFRS 9 and IFRS 7 regarding

the classification and measurement of financial instruments (effective 1 January 2026)

- Annual Improvements to IFRS Accounting Standards — Volume 11 (effective 1 January 2026)

Classification of financial instruments issued by the Company

Ordinary share capital issued by the Company is classified as equity.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities, employee benefits plan, tax and social security liabilities.

The Group recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction

costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Trade and other receivables

Trade and other receivables are measured initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

Retail and online sales

The Company operates retail stores and online for the sale of health food and health products. Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes and discounts. Turnover is recognised as the point of sale for retail store sales or delivery of the goods for online sales.

Other operating income- franchise income

In certain locations the Company has franchised its brand to third parties. Royalties and fees charged for use of the rights granted by the agreement and related services are recognised as revenue as the rights are used and the services are provided.

Deferred income

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. The reward points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points

and the other components of the sale such that the reward points are initially recognised as deferred income at their fair value. Revenue from reward points is recognised when the points are redeemed or expired.

Commercial income

There are two types of commercial income recognised by the Company, both of which are recorded within cost of sales:

Volume based rebates:

Income is earned by achieving volume or spend targets set by the supplier over a specific period of time. Income is recognised through the year based on actual sale performance and the terms of the supplier agreements. Income is invoiced throughout the year in accordance with the specific supplier terms. Income is recognised as a reduction to the cost of goods sold.

Marketing and advertising funding:

Income is earned in respect of in-store point of sale marketing and promotions. Income is invoiced throughout the year in accordance with the specific supplier terms. Income is recognised as a reduction to the cost of goods sold during the promotional period.

Exceptional items

Income and expenditure which is significant by virtue of its size or nature and which is considered non-recurring is classified as an exceptional item. Such items are included within the appropriate income statement category but are highlighted separately in the financial statements. Exceptional items are excluded from the underlying profit measures used by the Directors to monitor the underlying performance of the Group.

Finance income and costs policy

Interest payable and similar charges include interest payable and finance charges on finance leases, recognised in profit or loss as they accrue using the effective interest method.

Other interest receivable and similar income include interest receivable on funds invested, recognised in profit or loss as they accrue using the effective interest method.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an

item of income or expense recognised as other comprehensive income is recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under

construction over their estimated useful lives on a straight-line basis, as follows.

Asset Class	Depreciation method and rate
Freehold buildings	30 years
Fixtures and fittings	3 – 10 years
Motor Vehicles	4 years
Right of use assets	Straight line over life of lease
Assets under construction	Not depreciated

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefit.

Assets in the course of construction are stated at cost and are not depreciated until they are ready for use.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in administrative expenses.

Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For acquisitions on or after 1 October 2014 (date of transition to IFRSs), the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Intangible assets

Costs that are directly related to the development of internally generated software for the use by the Company are recognised as an intangible asset. Direct costs include the software development and employee costs.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset Class	Depreciation method and rate
Software costs	3 – 10 years straight line

The Company reviews the amortisation period and

method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Group to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the group has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset, and;
- Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Initial recognition and measurement

The Group initially recognises a lease liability for the obligation to make lease payments and

a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Group's initial direct costs (e.g. commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the Group measures the lease liability by:

- (a)** Increasing the carrying amount to reflect interest on the lease liability;
- (b)** Reducing the carrying amount to reflect the lease payments made; and
- (c)** Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are (presented separately as non-operating included in finance cost) in the income statement, unless

the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in the income statement in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- (a)** The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b)** The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Group then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The Group has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The Group has made an accounting policy election on a lease-by-lease basis, not to

recognise lease assets on leases for which the underlying asset is of low value (below £5k).

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in administrative expenses in the income statements.

Sub leases

If an underlying asset is re-leased by the Group to a third party and the Group retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The Group continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease).

After classification lessor accounting is applied to the sublease.

Right of use asset impairment

An impairment is recognised where the value in use does not support the right of use asset value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or

receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Impairment

Financial assets:

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest

rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets:

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such, indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment

is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Sales and leaseback

Where a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, the seller-lessee recognises any profit or loss immediately. Where the sale price is below fair value, the seller-lessee shall recognise any profit or loss immediately unless the loss is compensated for by future lease payments at below market price. In that case the seller-lessee shall defer and amortise such loss in proportion to the lease payments over the period for which the asset is expected to be used. Where the sale price is above fair value, the seller-lessee shall defer the excess over fair value and amortise it over the period for which the asset is expected to be used.

3 Accounting estimates and judgements

In applying the accounting policies, management may make judgements that have a significant effect on the amounts recognised in the financial statements. These judgements may include the classification of transactions between the Statement of Comprehensive Income and the Balance Sheet. There are no such judgements in the case of these financial statements.

The key assumptions concerning areas of uncertainty at the balance

sheet date which have significant risk of causing a material adjustment to carrying amounts are:

Valuation of goodwill

Goodwill is reviewed for impairment at least every year or when there exists indicators that the estimated recoverable value of goodwill has been reduced to below its carrying value. The recoverable amount of goodwill is derived from measurement of the present value of future cash flows of the cash generating units ("CGUs") of which the goodwill is a part. The calculation includes management's best estimates of discount rates and future performance of the business that are consistent with business plans. See note 16 for further details.

Lease discount rates

Where a rate implicit to the lease is not available, the selection of a discount rate for a lease based upon the marginal cost of borrowing to the business in relation to the funding for a similar asset. Management calculate appropriate discount rates based upon external costs of borrowing currently available to the Group and adjusted for several factors including the term of the lease where relevant. Management consider that these are the key details in determining the appropriate marginal cost of borrowing for each of these assets.

Lease term

The lease term is a key input into calculating the initial lease liability under IFRS 16. Management have to exercise judgement on expected lease end date, alongside likelihood of exercising a break clause and/or a lease extension option.

Valuation of stock

The Company has a formal policy for making provisions for stock to ensure they are stated at the lower of cost and net realisable value. This estimate is based on the current stock accounting policy. If the stock valuation was to decrease by 1% this would lead to an adjustment of £1.2m. Management believe that the current stock valuation is accurate, and no further provisions are required.

Capitalised internally generated assets

In the absence of timesheet data, internally generated assets are capitalised based on colleagues allocated to a squad which is assigned to a capital project. Payroll costs associated with the squad are capitalised at 100% as the percentage of time spent on other tasks is minimal and not measured due to their trivial value. Management monitor prioritisation of work to ensure internally generated assets align to the strategy, deliver on time and return benefit.

4 Prior year adjustment

Changes to the Consolidated Balance Sheet as at 30 September 2022

	As previously reported (£m)	Adjustment (£m)	30 September 2022 restated (£m)
Non-current assets			
Right of use assets	220.7	13.9	234.6
Current Liabilities			
Loans and borrowings	(51.0)	(14.0)	(65.0)
Non-current liabilities			
Loans and borrowings	(196.4)	5.4	(191.0)
Net assets	198.1	5.3	203.4
Capital and reserves			
Foreign currency translation reserve	10.5	1.2	11.7
Retained losses	(313.3)	4.1	(309.2)
Shareholders' funds	198.1	5.3	203.4

Changes to the Consolidated Balance Sheet as at 30 September 2023

	As previously reported (£m)	Adjustment (£m)	30 September 2023 restated (£m)
Non-current assets			
Right of use assets	213.2	7.4	220.6
Current Liabilities			
Loans and borrowings	(121.1)	(11.4)	(132.5)
Accruals and deferred income	(57.1)	(0.3)	(57.4)
Non-current liabilities			
Loans and borrowings	(174.9)	2.2	(172.7)
Net assets	527.6	(2.1)	525.5
Capital and reserves			
Foreign currency translation reserve	10.6	1.5	12.1
Retained losses	(393.2)	(3.6)	(396.8)
Shareholders' funds	527.6	(2.1)	525.5

4 Prior year adjustment (continued)

Changes to the Consolidated Statement of Comprehensive Income for the year ended 30 September 2023

	As previously reported (£m)	Adjustment (£m)	30 September 2023 restated (£m)
Administrative expenses	(258.6)	(7.6)	(266.2)
Interest payable and similar expenses	(29.5)	(0.1)	(29.6)
Loss for the financial year	(79.9)	(7.7)	(87.6)
Foreign currency translation gains/(losses)	0.1	0.3	0.4
Total comprehensive loss for the year	(79.8)	(7.4)	(87.2)

IFRS 16 Recognition

The prior year adjustment relates to corrections made to the Group's carrying value for right of use assets, right of use liability and associated depreciation and interest costs. It was identified during the current financial year the software system the Group uses to manage and calculate the IFRS 16 balances had not been recalculating lease renewals, nor reflecting the Groups' change in incremental borrowing rate used in the IFRS 16 calculation.

5 Turnover

	2024 (£m)	2023 (£m)
Store sales of goods	671.1	613.7
Online sales of goods	174.7	162.4
Franchise and wholesale income	38.7	30.0
	884.5	806.1

The Group derives revenue from the sale of goods at a point in time within the following geographical regions.

	2024 (£m)	2023 (£m)
United Kingdom	612.7	565.0
Rest of Europe	238.9	211.4
Rest of the World	32.9	30.0
	884.5	806.1

6 Operating Loss

Arrived at after charging/(crediting)

	2024 (£m)	Restated 2023 (£m)
Depreciation expense on property, plant and equipment	34.8	28.0
Depreciation expense on right of use assets*	56.9	52.2
Amortisation on intangible assets	38.4	40.1
Fixed asset impairment	2.8	(0.3)
Intangible asset impairment	1.4	-
(Reversal) of impairment on right of use assets	(0.4)	(4.8)
Investment impairment	0.9	-
Write-down of inventory to net realisable value	-	2.4
Foreign exchange Loss	4.2	2.4
Operating lease expenses - plant and machinery	2.8	3.4
(Gain)/Loss on disposal of fixed assets	(0.3)	2.6
Exceptional items (excluding goodwill impairment) Note 10	1.0	13.8

The depreciation expense on right of use assets has been restated as part of the prior year restatement disclosed in note 4.

7 Auditors' remuneration

	2024 (£m)	2023 (£m)
Fee for the audit of the financial statements	0.1	0.1
Fee for the audit of the financial statements of the Company's subsidiaries	0.3	0.4
	0.4	0.5

The Company's auditors did not provide any non-audit related services during the year ended 30 September 2024.

8 Staff costs

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

	2024 (£m)	2023 (£m)
Wages and salaries	214.4	167.0
Social security costs	20.1	17.2
Other pension costs	6.5	4.9
	241.0	189.1

Included in staff costs above is £8.7m relating to temporary labour (2023: £7.6m). £23.6m of staff costs are capitalised due to staff working on capitalised projects, these costs are not included in this note (2023: £26.5m).

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2024 No.	2023 No.
Administration and support	1,475	1,333
Sales	6,373	6,015
Distribution	768	822
	8,616	8,170

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2024 (£m)	2023 (£m)
Remuneration	1.8	-
Pension contributions	0.1	-
	<u>1.9</u>	<u>-</u>

During the year retirement benefits were accruing to 3 directors (2023: nil) in respect of defined contribution pension schemes.

In respect of the highest paid director:

	2024 (£m)	2023 (£m)
Remuneration	0.8	-
Pension contributions	0.1	-
	<u>0.9</u>	<u>-</u>

The remuneration of 4 directors is borne by Holland & Barrett Retail Limited, another Group company. These received no remuneration in respect of their services as directors or other services to the Company.

The remuneration of 1 director is paid by the parent company. The parent company does make a general recharge to L1R HB Holdings Limited for services however it is not considered possible to accurately apportion these costs to director remuneration. Accordingly, the above details include no remuneration in respect to this director. Their total remuneration is included in note 27, key management personnel compensation.

10 Other administrative exceptional items

	2024 (£m)	2023 (£m)
Exceptional legal and professional costs	0.1	(0.4)
Exceptional executive recruitment and personnel payroll costs	-	2.3
Entity closure costs	-	4.9
VAT reconciliation adjustment	-	(0.5)
Store and warehouse closure costs	0.9	4.3
Exceptional stock write off	-	2.5
One off charitable donations	-	0.7
	1.0	13.8

Exceptional legal and professional costs of £0.1m (2023: income £0.4m) relate to recruitment and settlement costs due to significant management changes within the year.

Exceptional executive recruitment and personnel payroll costs of £Nil (2023: £2.3m) relates to the termination and recruitment costs of executive positions, incurred due to changes in the structure of the executive team.

Exceptional costs of £Nil (2022: £4.9m) relate to the closure of Blow Limited and the Chinese operations as part of the reassessment of the Group strategy.

Exceptional VAT adjustment of £Nil (2023: income £0.5m) relates to the correction of VAT on the balance sheet.

Exceptional costs of £0.9m (2023: £4.3m) relate to store and warehouse closure costs as part of the reassessment of the store portfolio.

Exceptional costs of £Nil (2023: £2.5m) relate to accelerated write off of stock close to expiry due to Covid-19 and product line discontinuations.

Exceptional costs of £Nil (2023: £0.7m) relate to donations to support charities supporting the Ukraine Crisis.

11 Interest receivable and similar income

	2024 (£m)	2023 (£m)
Interest income on bank deposits	-	0.1
	<u>-</u>	<u>0.1</u>

12 Interest payable and similar expenses

	2024 (£m)	Restated 2023 (£m)
Interest expense on leases*	11.5	11.6
Interest expense on borrowings	-	1.9
Interest payable to group undertakings	2.0	14.1
Other interest payable	-	1.5
Finance costs recharged	-	0.5
	<u>13.5</u>	<u>29.6</u>

The interest expense on leases has been restated as part of the prior year restatement disclosed in note 4.

13 Taxation on loss

Tax charged in the Statement of Comprehensive Income

	2024 (£m)	2023 (£m)
Current taxation		
Corporation tax charge	3.5	0.1
Corporation tax adjustment to prior periods	3.9	(0.6)
	7.4	(0.5)
Deferred taxation		
Arising from origination and reversal of temporary differences	0.5	9.6
Arising from changes in tax rates and laws	-	-
Adjustments from prior periods	-	5.5
Total deferred taxation	0.5	15.1
Tax expense/(credit) in the Statement of Comprehensive Income	7.9	14.6

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2023: higher than the standard rate of corporation tax in the UK) of 25% (2023: 22%).

The differences are reconciled below:

	2024 (£m)	2023 (£m)
Loss before tax	(61.8)	(73.0)
Loss multiplied by the standard rate of tax in the UK of 25% (2022: 22%)	(15.5)	(16.1)
Increase in current tax from adjustment for prior periods	3.9	4.9
Increase from effect of different UK tax rates on some earnings	-	1.1
Increase from effect of expenses not deductible in determining taxable profit	5.1	6.0
Increase from tax losses which no deferred tax asset has been recognised	16.9	19.6
Increase from effect of foreign tax rates	(0.1)	(0.4)
Group relief surrendered for no payment	(0.8)	-
Other tax effects for reconciliation between accounting profit and tax income	(1.6)	(0.5)
	7.9	14.6

The Group falls within the scope of the Organisation for Economic Co-Operation and Development's (OECD) legislative framework for the global minimum top-up tax (Pillar Two). The Pillar Two rules applies to constituent entities that are a part of multinational enterprise groups with total revenue of at least EUR

13 Taxation on loss (continued)

750 million in the consolidated financial statements of the ultimate parent entity in at least two of the four preceding years. The UK enacted its Pillar Two legislation in July 2023 with effect for accounting periods beginning on or after 31 December 2023. The accounting period ended on 30 September 2025 ('FY25') would be the first year when the UK Pillar 2 rules would be applicable to Holland & Barrett Group.

The Group has conducted a preliminary assessment of the impact of the Pillar Two rules, using the most recent Country-by-Country Reporting ('CbCR') data for the period from 1st October 2022 to 30th September 2023 ('FY23'), as well as the draft financial statement information for FY24. Based on the FY23 CbCR data and FY24 draft financial information, the estimated top-up tax impact is £nil. The Group will continue to undertake this assessment for FY25 to monitor its compliance with the GloBE rules.

Deferred Tax

Group

Deferred tax assets and liabilities

2024	Asset (£m)	Liability (£m)	Net deferred tax (£m)
Accelerated tax depreciation	-	(11.3)	(11.3)
Other timing differences	4.4	-	4.4
Tax losses	10.6	-	10.6
	15.0	(11.3)	3.7

2023	Asset (£m)	Liability (£m)	Net deferred tax (£m)
Accelerated tax depreciation	-	(5.2)	(5.2)
Other timing differences	9.4	-	9.4
	9.4	(5.2)	4.2

The Group has unused tax losses for which no deferred tax assets have been recognised of £71.0m (2023: £16.7m). It is not probable that there will be future taxable profits to support recognition of these unused tax losses. The unused tax losses were incurred by subsidiaries that are unlikely to generate a taxable income for the foreseeable future.

Management have assessed the deferred tax position and anticipates that £Nil will be utilised within the next 12 months.

No deferred tax liability has been recognised on the retained earnings of subsidiary undertakings as the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

14 Tangible assets

	Land and buildings (£m)	Furniture, fittings and equipment (£m)	Total (£m)
Cost			
At 1 October 2022	0.6	236.1	236.7
Additions	-	34.3	34.3
Disposals	-	(4.7)	(4.7)
Foreign exchange movements	-	(0.8)	(0.8)
At 30 September 2023	0.6	264.9	265.5
Additions	-	65.4	65.4
Disposals	-	(10.7)	(10.7)
Foreign exchange movements	-	-	-
At 30 September 2024	0.6	319.6	320.2
Accumulated depreciation and impairment			
At 1 October 2022	0.2	115.0	115.2
Depreciation charge	-	28.0	28.0
Disposals	-	(2.1)	(2.1)
Impairment	-	(0.3)	(0.3)
Foreign exchange movements	-	(0.4)	(0.4)
At 30 September 2023	0.2	140.2	140.4
Depreciation charge	-	34.8	34.8
Disposals	-	(10.4)	(10.4)
Impairment	-	2.8	2.8
Foreign exchange movements	-	0.6	0.6
At 30 September 2024	0.2	168.0	168.2
Net book value			
At 30 September 2024	0.4	151.6	152.0
At 30 September 2023	0.4	124.7	125.1

There are capital commitments of £53.8m (2023: £Nil) for the Group at the reporting date. The capital commitments related to committed capital expenditure on the refurbishment and improvement of the Group's store portfolio across the Group.

Impairment

Furniture, fittings and equipment

The impairment charge relates to fixed assets on loss making stores included in the onerous lease provision. The amount of impairment loss included in profit or loss is £2.8m (2023: Gain of £0.3m). The impairment loss/(gain) is included in Administrative Expenses.

15 Right of use assets

	Property (£m)	Motor Vehicles (£m)	Total (£m)
Cost			
At 1 October 2022	400.1	-	400.1
Additions	26.3	-	26.3
Reassessment	14.8	-	14.8
Foreign exchange movements	(1.2)	-	(1.2)
Prior year restatement	18.3	-	18.3
Impairment	4.8	-	4.8
At 30 September 2023 – as restated	463.1	-	463.1
Additions	33.9	2.3	36.2
Reassessment	5.3	-	5.3
Disposals	(3.9)	-	(3.9)
Foreign exchange movements	0.5	-	0.5
Impairment	0.4	-	0.4
At 30 September 2024	499.3	2.3	501.6
Accumulated depreciation			
At 1 October 2022	179.4	-	179.4
Depreciation charge	52.2	-	52.2
Prior year restatement	10.9	-	10.9
At 30 September 2023 – as restated	242.5	-	242.5
Depreciation charge	56.8	0.1	56.9
Foreign exchange movements	0.2	-	0.2
At 30 September 2024	299.5	0.1	299.6
Net book value			
At 30 September 2024	199.8	2.2	202.0
At 30 September 2023 – as restated	220.6	-	220.6

The carrying value of Property has been restated as part of the prior year restatement disclosed in note 4.

16 Intangible assets

	Goodwill (£m)	Computer Software (£m)	Total (£m)
Cost			
At 1 October 2022	306.5	164.7	471.2
Additions	-	37.1	37.1
Disposals	-	-	-
At 30 September 2023	306.5	201.8	508.3
Additions	-	30.9	30.9
Disposals	-	(39.6)	(39.6)
Foreign exchange movements	-	-	-
At 30 September 2024	306.5	193.1	499.6
Accumulated amortisation and intangibles			
At 1 October 2022	6.2	97.6	103.8
Amortisation charge	-	40.1	40.1
At 30 September 2023	6.2	137.7	143.9
Amortisation charge	-	38.4	38.4
Impairment expense	-	1.4	1.4
Disposals	-	(39.6)	(39.6)
At 30 September 2024	6.2	137.9	144.1
Net book value			
At 30 September 2024	300.3	55.2	355.5
At 30 September 2023	300.3	64.1	364.4

There are capital commitments of £4.8m (2023: £Nil) for the Group at the reporting date. The capital commitments related to committed capital expenditure on the development of internal software, which reflect critical IT infrastructure of the Group.

Impairment testing

Goodwill arising from the acquisition of Holland & Barrett Group Limited in September 2003 has been allocated to the associated cash-generating unit (CGU), being UK retail operations. This represents the lowest level within the Group at which goodwill is monitored for internal reporting purposes. Goodwill is tested annually for impairment on the basis of value in use calculations using discounted cash flows.

16 Intangible assets (continued)

The key assumptions of these calculations are shown below:

	2024	2023
Period on which management approved forecasts are based	5 years	10 years
Growth rate applied beyond forecast period	2%	2%
Discount rate (post tax rate)	10.6%	10.8%

The five year forecast period is based on historical information adjusted for known factors and is underpinned by the strategy and three year plan which have been approved by the Board. The changes in key assumptions from the prior year are reflective of a new leadership team and new strategic direction.

The calculated value in use exceeds the carrying value of goodwill. The following stress tests have been performed with the resulting impairment triggered, or decrease in headroom noted:

- Increase discount rate to 12.6%: £19.6m impairment triggered.
- Decrease EBITDA throughout by 5% (£60m) decrease in headroom.
- Decrease EBITDA throughout by 10%: (£121m) decrease in headroom.
- Decrease growth rate to nil: (£141m) decrease in headroom.

Based on the above analysis, management deem no impairment charge is required.

17 Investments

Cost or valuation	Total (£m)
At 1 October 2023	0.9
Impairment	(0.9)
At 30 September 2024	-
Carrying amount	
At 30 September 2024	-
At 30 September 2023	0.9

During the year the Group impaired its minority holdings in Floe Oral Care and Healthy Asian Kitchen.

17 Investments (continued)

Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking Subsidiary undertakings	Registered Office	Holding	Proportion of voting rights and shares held	
			2024	2023
Holland & Barret Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett (South Africa) Pty Limited	1 Waterhouse Place, Cape town 8001, South Africa	Ordinary	100%	100%
Lifecycle 2018 Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Beyond 100 Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Health & Diet Centres Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett Holdings Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett Retail Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett Group Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Health & Diet Group Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Precision Engineered Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett (Benelux) Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%

17 Investments (continued)

Undertaking Subsidiary undertakings	Registered Office	Holding	Proportion of voting rights and shares held	
			2024	2023
Blow Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Adia Health Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Avie AI Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett Limited	45 Henry Street, Dublin, Ireland DO1 E9X8	Ordinary	100%	100%
Holland & Barrett (Franchising) Limited	45 Henry Street, Dublin, Ireland DO1 E9X8	Ordinary	100%	100%
L1R HB Finance (Netherlands) BV	Piet Heinkade 167, 1019 GM Amsterdam, Netherlands	Ordinary	100%	100%
Holland & Barrett B.V.	Piet Heinkade 167, 1019 GM Amsterdam, Netherlands	Ordinary	100%	100%
Holland & Barrett N.V.	Potvlietlaan 3, 2600 Berchem Belgium	Ordinary	100%	100%
Holland & Barrett US Inc	251 Little Falls Drive, Wilmington, DE19808, County of New Castle, USA	Ordinary	100%	100%
Tulleystown S.L.U**	calle Principe de Vergara 112, Cuarta Planta, 28002 Madrid	Ordinary	-	100%
Holland & Barrett Asia Limited (Hong Kong)	Room A-401G, 188 Yesheng Road, Lingang Pilot Free Trade Zone, Pudong District, Shanghai, China	Ordinary	100%	100%
Holland & Barrett Trading (Shanghai) Co Ltd (China)	1601, 16f One Island South, 2 Heung Yip Rd, Wong Chuk Hang, Hong Kong	Ordinary	100%	-

* indicates direct investment of the Company ** entity was dissolved on 5 February 2024

18 Stocks

	2024 (£m)	2023 (£m)
Raw materials and consumables	14.9	12.9
Finished goods and goods for resale	136.7	138.8
	151.6	151.7

The cost of stocks recognised as an expense in the year amounted to £361.1m (2023: £329.8m).
As at 30 September 2024, there was a stock provision of £1.2m (2023: £3.3m).

19 Trade and other receivables

	2024 (£m)	2023 (£m)
Trade receivables	11.7	13.1
Amounts due from group undertakings	75.2	76.6
Prepayments and accrued income	24.2	17.1
Other receivables	1.3	-
	112.4	106.8

Trade and other receivables are all due within 12 months.

Further details on amounts owed by Group undertakings are given in note 24. All amounts are unsecured, repayable on demand and interest free.

As the principal business of the Group is retail sales made in cash or with major credit cards, the Group's trade receivables are mainly in relation to franchise and wholesale customers. There are £1.2m (2023: £0.7m) provisions against trade and other receivables. There are no (2022: no) non-trivial amounts past due but not impaired or past due and impaired and therefore further analysis has not been presented. Materially all trade and other receivables are current in each year presented.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2024 (£m)	2023 (£m)
GBP Sterling	78.5	70.2
Euro	33.9	36.6
	112.4	106.8

20 Cash at bank and in hand

	2024 (£m)	2023 (£m)
Cash at bank and in hand	71.7	31.7

Credit Quality of Financial Institutions

The Company's cash is held with banks and financial institutions that are rated by external credit rating agencies. The following table provides details of the credit rating of this institution.

Financial Institution	Credit Rating Agency	Credit Rating	Amount (£m)
Barclays Bank UK	Standard & Poor's	A+	61.3
ING Bank	Standard & Poor's	A+	6.7
Total			68.0

Credit risk management practices

The Company mitigates credit risk associated with its cash and cash equivalents by:

- Placing funds with banks and financial institutions that have high credit ratings.
- Regularly reviewing the credit ratings of these institutions.
- Diversifying cash holdings across multiple financial institutions to reduce concentration risk.

Significant changes in credit risk

There have been no significant changes in the credit risk of the financial institutions where cash and cash equivalents are held during the reporting period.

Concentration of credit risk

The Company monitors concentrations of credit risk by distributing cash and cash equivalents across multiple institutions to ensure no single institution holds a disproportionate share of the Group's funds.

	2024 (£m)	2023 (£m)
Lease liabilities	217.8	228.0
Credit facility	35.0	66.0
Cash at bank and in hand	(71.7)	(31.7)
	181.1	262.3

20 Cash at bank and in hand (continued)

	At 30 September 2023 as restated	Non cash changes	Cash flow	At 30 September 2024
Lease liabilities*	237.3	48.4	(67.9)	217.8
Credit facility	66.0	(183.0)	152.0	35.0
Cash at bank and in hand	(31.7)	-	(40.0)	(71.7)
	271.6	(134.6)	44.1	181.1

	At 30 September 2022 as restated	Non cash changes	Cash flow	At 30 September 2023
Lease liabilities*	256.0	49.4	(68.1)	237.3
Credit facility	-	-	66.0	66.0
Cash at bank and in hand	(17.8)	-	(13.9)	(31.7)
	238.2	49.4	(16.0)	271.6

21 Trade and other payables

	2024 (£m)	2023 Restated (£m)
Due within one year		
Trade payables	61.7	86.4
Accruals and deferred income	56.1	57.4
Corporation tax payable	5.6	1.4
Social security and other taxes	14.7	15.1
Other payables	0.1	0.3
	138.2	160.6

	2024 (£m)	2023 (£m)
Due after more than one year		
Accruals and deferred income	13.5	14.1
	13.5	14.1

22 Loans and borrowings

	2024 (£m)	2023 Restated (£m)
Non-current loans and borrowings		
Lease liabilities	157.7	172.7
Loans from group undertakings	35.0	-
	<u>192.7</u>	<u>172.7</u>

	2024 (£m)	2023 Restated (£m)
Current loans and borrowings		
Lease liabilities	60.1	64.6
Loans from group undertakings	-	66.0
Accrued loan interest	-	1.9
	<u>60.1</u>	<u>132.5</u>

Loans from group undertakings incur interest of 7% (2023: SONIA + 5.0%) per annum.

Minimum lease payments under finance lease liabilities are as follows:

	2024 (£m)	2023 Restated (£m)
Less than one year	60.8	67.9
Between one and five years	130.5	173.9
In more than five years	85.5	92.3
Finance charges	(59.0)	(96.8)
	<u>217.8</u>	<u>237.3</u>

Leases are secured on the assets to which they relate. Total cash outflow for leases is £68.1m (capital repayments of £56.6m and interest repayments of £11.5m).

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note.

The Group's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

23 Pension and other schemes

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £6.5m (2023: £4.9m).

Contributions totalling £2.4m (2023: £1.8m) were payable to the scheme at the end of the year and are included in creditors.

24 Financial instruments

Group

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk, including currency risk and interest rate risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use derivative financial instruments to manage risk exposures. This note presents information about the Group's exposure to each of the above risks, the Group's objective, policies and processes for measuring and managing risk, and the Group's management of capital. There have been no changes from the prior year.

Capital risk management

Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to optimise returns to its Shareholders. The Board's policy is to retain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future growth. The Directors regularly monitor the level of capital in the Group to ensure that this can be achieved. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

	2024 (£m)	2023 (£m)
Total borrowings (<i>as restated</i>)	252.8	305.2
Less: Cash and cash equivalents	(71.7)	(31.7)
Net debt	181.1	273.5
Total equity	644.4	525.5
	825.5	799.0

Total borrowings in 2023 restated, see note 4 for further details.

24 Financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligation. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently-rated parties with a minimum rating of 'Baa2' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

As the principal business of the Group is retail sales made in cash or with major credit cards, the Group's trade and other receivables are small and therefore credit risk primarily consists of accrued income and cash and cash equivalents. Accordingly, the Group does not systematically report outstanding receivables analysed by credit quality, in particular with respect to the credit quality of financial assets that are neither past due nor impaired. There is no significant concentration of credit risk with respect to trade receivables, as the Group has a large number of customers that are widely dispersed. As such any further detailed analysis of the credit risk of the Group's financial assets by category is not considered meaningful.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk and any associated impairments are immaterial.

No collateral is held against the credit risk exposures above for any years presented.

Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was:

	2024 (£m)	2023 (£m)
Trade and other receivables	112.4	106.8
Cash and cash equivalents	71.7	31.7
	<u>184.1</u>	<u>138.5</u>

24 Financial instruments (continued)

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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation, so the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

The Group finances its operations through bank borrowings and finance lease liabilities. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. The Group invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient.

The Group ensures that it has sufficient cash or loan facilities to meet all its commitments when they fall due by ensuring that forecasting cash and working capital facilities to meet the cash requirements of the Group in line with the current Business Plan.

Maturity analysis for financial liabilities

The following table sets out the remaining contractual maturities of the Group's financial liabilities by type.

All financial instruments have contractual maturities within one year except for the borrowings (finance lease liabilities) for which maturities are disclosed in note 22. The following are contractual undiscounted cash flows:

2024	Carrying amount (£m)	Less than 1 year (£m)	2-5 years (£m)	More than 5 years (£m)	Total (£m)
Non-derivative liabilities					
Finance lease liabilities	217.8	60.8	130.5	85.5	276.8
Loans from group undertakings	35.0	35.0	-	-	35.0
Trade payables	61.7	61.7	-	-	61.7
Other payables	0.1	0.1	-	-	0.1
Accruals and deferred income	56.1	56.1	-	-	56.1
	370.7	213.7	130.5	85.5	429.7

24 Financial instruments (continued)

2023	Carrying amount (£m)	Less than 1 year (£m)	2-5 years (£m)	More than 5 years (£m)	Total (£m)
Non-derivative liabilities					
Finance lease liabilities (as restated)	237.3	67.9	173.9	92.3	334.1
Loans from group undertakings	66.0	66.0	-	-	66.0
Trade payables	86.4	86.4	-	-	86.4
Other payables	0.3	0.3	-	-	0.3
Accruals and deferred income (as restated)	57.4	57.4	-	-	57.4
	447.4	278.0	173.9	92.3	544.2

Finance lease liabilities and accruals and deferred income in 2023 restated, see note 4 for further details.

The Group buys and sells in other currencies to its functional and presentational currency of GBP Sterling. Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group manages the movement of funds via individual bank accounts relating to each currency, thereby reducing its exposure to exchange rate fluctuations.

Exposure to currency risk

The Group's exposure to foreign currency risk denominated in foreign currency is as follows:

	GBP Sterling (£m)	Euro (£m)	Total (£m)
2024			
Cash and cash equivalents	63.4	8.3	71.7
Trade and other receivables	78.5	33.9	112.4
Trade and other payables	(110.8)	(27.4)	(138.2)
Lease liabilities	(151.7)	(66.2)	(217.9)
	(120.6)	(51.4)	(172.0)
2023			
Cash and cash equivalents	23.1	8.6	31.7
Trade and other receivables	72.8	34.0	106.8
Trade and other payables (as restated)	(133.7)	(26.9)	(160.6)
Lease liabilities (as restated)	(163.7)	(73.6)	(237.3)
	(201.5)	(57.9)	(259.4)

24 Financial instruments (continued)

The following significant exchange rates were applied:

	2024	2023
Average rate for the year		
Euro	1.2	1.1
Balance sheet rate as at 30 September		
Euro	1.2	1.1

Sensitivity analysis

A 1% percent weakening of the EUR Euro currency against GBP Sterling at 30 September 2024 would have increased/(decreased) equity and profit or loss by the amount shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

The analysis is performed on the same basis for all years presented. There are no changes to the methods and assumptions applied.

	2024 (£m)	2023 (£m)
Average rate for the year		
Euro	(1.0)	(2.1)
Balance sheet rate as at 30 September		
Euro	-	-

A 1% percent strengthening of the above currencies against the GBP Sterling at 30 September 2024 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's interest rate risk arises from its variable and fixed rate instruments being loans with Group undertakings and finance lease liabilities. Borrowings issued at variable rates exposes the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group monitors the levels of fixed to floating debt held to manage these risks and aims to ensure that it had appropriate cash facilities to meet liabilities as they fall through.

24 Financial instruments (continued)

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	2024	2023
Variable rate instruments		
Financial liabilities	0%	0%

Sensitivity analysis

A 100 bps increase in interest rates at 30 September 2024 (and 30 September 2023) would have decreased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

The analysis is performed on the same basis for all years presented. There are no changes to the methods and assumptions applied.

	2024 (£m)	2023 (£m)
Equity		
Impact	-	(2.7)
Profit or loss		
Impact	-	(2.7)

A 100 bps decrease in interest rates at 30 September 2024 would have had the equal but opposite effect on the above to the amounts shown above, on the basis that all other variables remain constant.

24 Financial instruments (continued)

Financial assets	Carrying Value		Fair Value	
	2024 (£m)	2023 (£m)	2024 (£m)	2023 (£m)
Loans and receivables				
Cash and cash equivalents	71.7	31.7	71.7	31.7
Trade and other receivables	112.4	106.8	112.4	106.8
	184.1	138.5	184.1	138.5

Financial liabilities	Carrying Value		Fair Value	
	2024 (£m)	2023 As restated (£m)	2024 (£m)	2023 As restated (£m)
Financial liabilities at amortised cost				
Trade and other payables	129.8	160.6	129.8	160.6
Borrowings	252.8	305.2	252.8	305.2
	382.6	465.8	382.6	465.8

See note 22 for further details on fair values for the borrowings above.

Valuation methods and assumptions

IFRS 7 'Financial Instruments: Disclosure' requires fair value measurements to be undertaken using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or 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).

There were no transfers between levels for the years presented.

25 Share capital

Allotted, called up and fully paid shares

	2024		2023	
	No.	£	No.	£
Ordinary A shares of £1 each	950,002	950,002	950,000	950,000
Ordinary C shares of £1 each	50,000	50,000	-	-
	<u>1,000,002</u>	<u>1,000,002</u>	<u>950,000</u>	<u>950,000</u>

Rights, preferences and restrictions

Ordinary Shares have the following rights, preferences and restrictions:

The holders of A ordinary shares carry full voting rights, rights to dividends, and priority on return of capital, unless a defined hurdle is met.

The holders of C ordinary shares carry voting rights and participate in dividends and capital distributions only after A Shareholders have received a specified return. C Shares are also subject to put and call options under certain exit conditions.

26 Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

Share premium reserve

The share premium reserve represents the excess monies paid over the nominal value of the shares in issue, less any costs directly attributable to the issue of that share capital. During the year the company issued 2 ordinary shares, one in November 2023 and one in September 2024. The share premium recognised on these transactions were £147.0m and £39.9m respectively. The shares were issued as part of a group debt restructuring that occurred in the year. 50,000 C shares were also issued in December 2023, realising a further share premium of £0.8m.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

26 Reserves (continued)

Merger reserve

The merger reserve arose as a result of the acquisition of Holland & Barrett Group Limited and its subsidiaries in the financial year ended 30 September 2003 and the acquisition of L1R HB Finance (Netherlands) B.V. in the year ended 30 September 2018.

27 Related party transactions

Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	2024 (£m)	2023 (£m)
Management charges paid to wider LetterOne Group	4.6	4.9
Interest paid to wider LetterOne Group	1.9	14.1

Other related party transactions

Key management compensation

	2024 (£m)	2023 (£m)
Salaries and other short term employee benefits	7.6	5.1
Other pension costs	-	-
	<u>7.6</u>	<u>5.1</u>

During the year, the Company provided non-interest bearing loans to Directors of companies within the Group, and other Key Management Personnel, amounting to £261k (2023: £Nil), and £237k (2023: £Nil) respectively. The loans are repayable in full no later than 20 December 2029.

28 Parent and ultimate parent undertaking

The Company's immediate parent is L1R HB Limited, incorporated in Jersey.

The ultimate parent is LetterOne Investment Holdings S.A., incorporated in Luxembourg.

The parent of the largest group in which these financial statements are consolidated is L1R HB Holdings Limited, incorporated in Jersey. The address of L1R HB Holdings Limited is 22 Grenville Street, St Helier, Jersey, Channel Islands, JE4 8PX

29 Subsidiaries exempt from audit

The Company has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 30 September 2024. As a condition of the exemption, the Company has guaranteed the year-end liabilities of the relevant subsidiaries until they are settled in full.

Company	Company Number
Holland & Barrett Group Limited	03086306
Holland & Barrett Holdings Limited	03262074
Beyond 100 Limited	12526822
Health & Diet Group Limited	00969167
Health & Diet Centres Limited	01981210
Holland & Barrett (Benelux) Limited	08684899
Precision Engineered Limited	05059593
Blow Limited	08488937
Avie AI Limited	13441606
Adia Health Limited	11368931
Holland & Barrett Limited	00390308

Company Income Statement for the Year Ended 30 September 2024

	Note	2024 (£m)	2023 (£m)
Administrative expenses		(282.9)	(4.8)
Operating loss	4	(282.9)	(4.8)
Interest receivable and similar income		9.5	2.3
Interest payable and similar expenses	10	-	(8.7)
Net finance income/(expense)		9.5	(6.4)
Loss before tax		(273.4)	(11.2)
Tax on loss	11	-	(4.1)
Loss for the financial year		(273.4)	(15.3)

The above results were derived from continuing operations.

The Company has no other recognised gains or losses for the year other than those included in the Statement of Comprehensive Income above.

The notes on pages 106 to 116 form an integral part of these financial statements.

Company Balance Sheet as at 30 September 2024

	Note	2024 (£m)	2023 (£m)
Fixed assets			
Investments		488.1	578.2
		488.1	578.2
Current assets			
Trade and other receivables	16	176.4	165.2
Creditors: Amounts falling due within one year	18	(140.5)	(133.6)
Net current assets		35.9	31.6
Total assets less current liabilities		524.0	609.8
Net assets		524.0	609.8
Capital and reserves			
Called up share capital	24	1.0	1.0
Share premium	25	682.4	494.8
Retained (losses)/earnings	25	(159.4)	114.0
Total equity		524.0	609.8

The notes on pages 106 to 116 form an integral part of these financial statements.

Approved by the Board of Directors on 29th April 2025 and signed on its behalf by:

.....
N D V Allen
 Director
 Company registration No. 04515115

Company Statement of Changes in Equity for the Year Ended 30 September 2024

	Share capital (£m)	Share premium (£m)	Retained earnings (£m)	Total (£m)
At 1 October 2022	-	86.4	129.3	215.7
Share issue	1.0	408.4	-	409.4
Loss for the year	-	-	(15.3)	(15.3)
At 30 September 2023	1.0	494.8	114.0	609.8
Share issue	-	187.6	-	187.6
Loss for the year	-	-	(273.4)	(273.4)
At 30 September 2024	1.0	682.4	(159.4)	524.0

The notes on pages 106 to 116 form an integral part of these financial statements.

Notes

to the Company Financial Statements

1 General information

The Company is a private company limited by share capital, incorporated in United Kingdom and registered in England and Wales.

The address of its registered office is:

Samuel Ryder House
Barling Way
Eliot Park
Nuneaton
Warwickshire
CV10 7RH

Principal activities

The principal activities of the Holland & Barrett International Limited is acting as an intermediary holding and financing company, the Company receives and pays interest.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Judgements made by the Directors in the application of these accounting policies that have significant effect on the

financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

Basis of preparation

The Company's financial statements prepared in accordance with FRS 102. The accounting policies set out in the notes below have been applied in preparing the financial statements for the year ended 30 September 2024 and the comparative information presented in these financial statements for the year ended 30 September 2023.

The financial statements have been prepared on going concern basis, under the historical cost convention and are presented in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £0.1m, except where otherwise indicated.

The Company is included within the consolidated financial statements of Holland & Barrett International

Limited. The consolidated financial statements of Holland & Barrett International Limited are prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and are publicly available. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Financial instruments;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

Going concern

The Directors have assessed going concern over a 12 month period from the date of signing these financial statements. Treasury management is completed at a Group level on behalf of the Company. The Group meets its day-to-day working capital requirements through its operational performance. However, throughout the period to 30 September 2025, the Group is undertaking significant investment to transform the business to achieve the strategy outlined in the Strategic Report. Forecasts and projections, taking account of reasonable possible changes in trading performance,

as well as modelling severe but plausible downside scenarios, which amounted to a 10%-15% reduction in EBITDA, show that the Group can continue as a going concern without further unplanned support from LetterOne Investment Holdings SA. If further downside was experienced, the Group have other levers to activate which provide further comfort over the going concern status.

Having assessed the principal risks and taking into account the Group's cash balance at the year end, forecasts produced by management which demonstrate that the Group is forecast to generate profits and free cashflow, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements. This assessment also supports the Company.

Financial instruments

Classification of financial instruments issued by the Company

Financial assets

Basic financial assets include amounts owed by Group undertakings recognised initially at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial liabilities

Basic financial liabilities include amounts owed to Group undertakings recognised initially at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Financial liabilities are

derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Loan notes classified as basic financial instrument are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

Impairment excluding inventories and deferred tax assets

Financial assets (including amounts owed by Group undertakings)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication

of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Interest payable and similar expenses

Interest payable and similar charges include interest payable recognised in profit or loss as it accrues, using the effective interest method.

Income from shares in Group undertakings

Dividend income from shares in Group undertakings is recognised in the profit and loss account on the date the Company's right to receive payments is established.

Taxation

Tax on the profit or loss for the year comprises of current tax only recognised in the profit and loss account. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Expenses

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

Receivables

Current receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Payables

Current payables are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity

dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3

Critical accounting judgements and key sources of estimation uncertainty

The key assumption concerning the areas of uncertainty at the Balance Sheet date which have a significant risk of causing a material adjustment to carrying amounts is:

Impairment of investment in subsidiaries

The Company considers whether investments in subsidiaries undertakings are impaired, and where an indicator of impairment is identified, the Company performs an impairment test through estimating the recoverable value of the investee. The recoverable amount is based upon forecast cash flows of the businesses. The amount and timing of the cash flows and the discount rate used in the model require management's judgement. An impairment loss is recognised where the carrying value of an investment exceeds its recoverable value (see note 11).

4 Operating profitloss

Arrived at after charging/(crediting):

	2024 (£m)	2023 (£m)
Foreign exchange losses	5.2	1.5
Exceptional administrative expenses (note 5)	277.0	3.3

5 Exceptional administrative expenses

	2024 (£m)	2023 (£m)
Impairment of subsidiaries	277.0	3.3
	<u>277.0</u>	<u>3.3</u>

6 Auditors' remuneration

	2024 £000	2023 £000
Fees for the audit of the current year financial statements	6	5

7 Directors' remuneration

The directors received no remuneration in respect of their services to the Company (2023: £Nil).

The remuneration of the directors is borne by Holland & Barret Retail Limited, another group company. No recharge is made to the Company (2023: £Nil) as it is not practical to allocate their remuneration from other group companies for services rendered.

8 Interest receivable and similar income

	2024 (£m)	2023 (£m)
Interest receivable on loans to group undertakings	<u>9.5</u>	<u>2.3</u>

9 Interest payable and similar expenses

	2024 (£m)	2023 (£m)
Interest payable on loans from group undertakings	<u>-</u>	<u>8.7</u>

10 Taxation

	2024 (£m)	2023 (£m)
Current taxation		
Total current income tax	<u>-</u>	<u>-</u>
Deferred taxation		
Arising from origination and reversal of timing differences	-	2.0
Adjustments from prior periods	-	2.1
Total deferred taxation	<u>-</u>	<u>4.1</u>
Tax expense/(credit) in the Statement of Comprehensive Income	<u>-</u>	<u>4.1</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2024: higher than) of 25% (2023: 22%).

10 Taxation (continued)

The differences are reconciled below:

	2024 (£m)	2023 (£m)
Loss before tax	(273.4)	(11.2)
Corporation tax at standard rate	(68.3)	(2.5)
Increase from effect of different tax rates on some earnings	-	0.3
Increase from tax losses for which no deferred tax asset recognised	(0.6)	1.9
Increase in current tax from adjustment for prior periods	-	2.1
Group relief surrendered for no payment	(0.4)	0.2
Effect of expenses not deductible in determining taxable profit	69.3	2.1
	<u>-</u>	<u>4.1</u>

Deferred tax

Deferred tax assets and liabilities

2024	Asset (£m)
Other timing differences	<u>-</u>

2023	Asset (£m)
Other timing differences	<u>-</u>

Deferred tax movement during the year:

	At 1 October 2023	Recognised in income	At 30 September 2024
Other timing differences	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax movement during the prior year:

	At 1 October 2022	Recognised in income	At 30 September 2023
Other timing differences	<u>4.1</u>	<u>(4.1)</u>	<u>-</u>

10 Taxation (continued)

The Company did not recognise deferred income tax assets of £14.3m (2023: £14.9m) in respect of losses amounting to £57.4m (2023: £59.6m) that can be carried forward against future taxable income.

Management have assessed the deferred tax position and anticipates that £Nil (2023: £Nil) will be utilised within the next 12 months.

11 Investments

	Total (£m)
Cost or valuation	
At 1 October 2023	587.4
Additions	186.9
At 30 September 2024	774.3
Provision for impairment	
At 1 October 2023	9.2
Additions	277.0
At 30 September 2024	286.2
Carrying amount	
At 30 September 2024	488.1
At 30 September 2023	578.2

Details of the subsidiaries at 30 September 2024 and 2023 are as follows:

Undertaking Subsidiary undertakings	Registered Office	Holding	Proportion of voting rights and shares held	
			2024	2023
Holland & Barret Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett (South Africa) Pty Limited	1 Waterhouse Place, Cape town 8001, South Africa	Ordinary	100%	100%
Health & Diet Centres Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%

11 Investments (continued)

Undertaking Subsidiary undertakings	Registered Office	Holding	Proportion of voting rights and shares held	
			2024	2023
Holland & Barrett Holdings Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett Retail Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett Group Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Health & Diet Group Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Precision Engineered Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett (Benelux) Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Blow Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Adia Health Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Avie AI Limited*	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett Limited	45 Henry Street, Dublin, Ireland DO1 E9X8	Ordinary	100%	100%
Holland & Barrett (Franchising) Limited	45 Henry Street, Dublin, Ireland DO1 E9X8	Ordinary	100%	100%
L1R HB Finance (Netherlands) BV	Piet Heinkade 167, 1019 GM Amsterdam, Netherlands	Ordinary	100%	100%
Holland & Barrett B.V.	Piet Heinkade 167, 1019 GM Amsterdam, Netherlands	Ordinary	100%	100%

11 Investments (continued)

Undertaking Subsidiary undertakings	Registered Office	Holding	Proportion of voting rights and shares held	
			2024	2023
Holland & Barrett N.V.	Potvlietlaan 3, 2600 Berchem Belgium	Ordinary	100%	100%
Holland & Barrett US Inc	251 Little Falls Drive, Wilmington, DE19808, County of New Castle, USA	Ordinary	100%	100%
Lifecycle 2018 Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Beyond 100 Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Tulleystown S.L.U**	calle Principe de Vergara 112, Cuarta Planta, 28002 Madrid	Ordinary	-	100%
Holland & Barrett Asia Limited (Hong Kong)*	Room A-401G, 188 Yesheng Road, Lingang Pilot Free Trade Zone, Pudong District, Shanghai, China	Ordinary	100%	100%
Holland & Barrett Trading (Shanghai) Co Ltd (China)	1601, 16f One Island South, 2 Heung Yip Rd, Wong Chuk Hang, Hong Kong	Ordinary	100%	-

* indicates direct investment of the Company

** entity was dissolved on 5 February 2024

12 Trade and other receivables

	2024 (£m)	2023 (£m)
Due within one year		
Amounts owed by group undertakings	173.9	165.2
Other taxation and social security	1.5	-
Other receivables	1.0	-
	176.4	165.2

Amounts owed by group undertakings are repayable on demand, unsecured and interest free.

13 Trade and other payables

	2024 (£m)	2023 (£m)
Due within one year		
Accruals and other creditors	0.7	0.5
Amounts owed to group undertakings	139.8	133.1
	140.5	133.6

Amounts owed to group undertakings are repayable on demand, unsecured and interest free.

14 Share capital

	2024		2023	
	No.	£	No.	£
Ordinary A shares of £1 each	950,002	950,002	950,000	950,000
Ordinary C shares of £1 each	50,000	50,000	-	-
	1,000,002	1,000,002	950,000	950,000

Rights, preferences and restrictions

Ordinary Shares have the following rights, preferences and restrictions:

The holders of A ordinary shares carry full voting rights, rights to dividends, and priority on return of capital, unless a defined hurdle is met.

The holders of C ordinary shares carry voting rights and participate in dividends and capital distributions only after A Shareholders have received a specified return. C Shares are also subject to put and call options under certain exit conditions.

15 Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

Share premium reserve

The share premium reserve represents the excess monies paid over the nominal value of the shares in issue, less any costs directly attributable to the issue of that share capital. During the year the Company issued 2 ordinary A shares, one in November 2023 and one in September 2024. The share premium recognised on these transactions were £147.0m and £39.9m respectively. The shares were issued as part of a group debt restructuring that occurred in the year. 50,000 C shares were also issued in December 2023, realising a further share premium of £0.8m.

16 Parent and ultimate undertaking

The Company's immediate parent is L1R HB Limited, incorporated in Jersey.

The ultimate parent is LetterOne Investment Holdings S.A., a company incorporated in Luxembourg.

The most senior parent entity producing publicly available financial statements is L1R HB Holdings Limited. These financial statements are available upon request from 22 Grenville Street, St Helier, Jersey, Channel Islands, JE4 8PX.