22 October 2015

DEBENHAMS PLC - FULL YEAR RESULTS

"Strategic priorities delivering profit in line with expectations"

Debenhams plc, the leading international, multi-channel brand, today announces full year results for the 52 weeks to 29 August 2015.

Financial headlines

- Gross transaction value up 1.3% to £2,860.1m
- Group like-for-like sales up 2.1% in constant currency, up 0.6% as reported
- Group gross margin rate maintained, with 90bps markdown improvement on last year
- Operating profit up 4.3% to £134.1m reflecting good cost control
- Profit before tax in line with market expectations, up 7.3% to £113.5m (2014: £105.8m[1])
- Basic EPS up 7.0% to 7.6p (2014: 7.1p)
- Final dividend of 2.4p per share; maintaining full year dividend of 3.4p per share
- Following strong cash generation, net debt reduced by £41.7m to £319.8m
- Current net debt/EBITDA 1.3x (2014: 1.6x), medium term leverage target improved to 0.5x from previous target of 1.0x

Operational headlines

- Further progress delivered against strategic priorities underpinning long-term sustainable growth
    - Positive sales momentum continued against background of refocused promotional activity. Own brand full price sell-through increased by 7%, following a reduction of 17 days in the promotional calendar in the financial year - a total reduction since spring 2014 of 42 days
    - Market share has improved as expected since the anniversary of promotional changes
    - Tight stock management delivered 4.1% reduction in year-end closing stock and clean terminal stock position of 3.1% in line with long-term average
    - Successful space optimisation trials moving to roll-out; 35% of targeted space now filled as planned with new brands, formats and services and on target to fill 50% by April 2016
- Multi-channel service improvements delivered to plan. Online sales grew 11.4%[2], representing 13.6% of Group sales, with online EBITDA up 11.5%. Mobile now accounts for over 40% of total online sales
- International profit maintained despite adverse foreign exchange movements, continuing like-for-like momentum at Magasin du Nord
- Strongest-ever brand launch with Nine by Savannah Miller now in 65 stores for autumn
- Five new UK stores opening this autumn as planned, including Bradford where Debenhams will be the city's only department store; Rugby and Wandsworth already open and have started well
- Development in multi-channel model internationally: entering Australian market with Pepkor SE Asia, a subsidiary of the Steinhoff Group, and new distribution arrangement for selected Debenhams brands with VinGroup of Vietnam

Michael Sharp, Chief Executive of Debenhams, said:

"We have delivered profits in line with market expectations, reflecting further progress against our strategic priorities. We have had an encouraging start to the year, with strong new product launches which have been well received by our customers, and we are in good shape to build on last year's strong performance over peak trading.

"Consequently, we are increasingly confident in the direction of the business and as a result we will accelerate our new initiatives, such as the roll-out of our successful space optimisation trials and new international growth opportunities.

"We have clear priorities for the uses of cash and our continued strong cash generation has enabled us to improve our leverage target and to adopt a progressive dividend policy as future earnings increase."

[1] Includes non-recurring finance cost of £4.5m

[2] Online sales adjusted for online orders returned to store

Presentation

A presentation for analysts and investors will be held today (Thursday 22 October 2015) at 9:00am UK time at The Lincoln Centre, 17 Lincoln's Inn Fields, London WC2A 3ED. The presentation will be webcast live at http://edge.media-server.com/m/p/bs5rgpx2.

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STRATEGIC AND OPERATIONAL REVIEW OF THE YEAR

At the end of the year Debenhams operated from 248 stores in 27 countries and was available online in more than 60 countries. We set out our strategic priorities 18 months ago to enable the delivery of our goal: Debenhams as a leading international, multi-channel brand, and the progress in the last 12 months underscores our confidence in the strategy.

Delivering a compelling customer proposition

- We continue to invest in our product and brand strategy to ensure our customer proposition remains both compelling and competitive. We have a strong track record of brand development and are delighted with the positive reception to our latest Designers at Debenhams brand, Nine by Savannah Miller. This is initially being launched in 65 stores and online in the UK and has further growth potential both in the UK and overseas.
- We enjoyed a successful peak trading period last year with our "Found it" campaign adopting a multi-channel marketing strategy, and we will build on this approach for gifting and the Christmas season in the current year. With the aim of supporting our full price trading strategy, for our new autumn season we have launched a cross-brand, multi-media campaign, "A match made in Debenhams", which showcases successful Designer brands, such as Hammond & Co, Principles and Nine by Savannah Miller.
- We set a strategic priority for FY2015 to refocus our approach to promotions and have made good progress. Over the past year we have reduced the number of days Debenhams is on promotion by a further 17 days, being 14 fewer days in the first half and three fewer days in the second half. This takes the total reduction in days since spring 2014 to 42, which leaves us in broadly the right position for the future.
- We saw increased full price sell-through on own brand products by 7% with 90bps markdown improvement on last year and we have reduced stock levels in line with our plan. This is a result of our focus on the events we are known for, such as Spectaculars and Blue Cross; the change in timing of some events to align them more closely with our customers' mindset; reduced lead-times and more flexibility on stock.
- Alongside the promotional calendar, we improved the value proposition in key categories including childrenswear, menswear and home to ensure "first price, right price", investing 30bps of gross margin. We continue to review our price positioning but for now we believe we have completed the action necessary to remain competitive. Our sourcing work should support any further necessary price investment.
- Despite the reduction in promotional activity we have seen a positive response in both sales and market share as we anniversaried the changes. Our customers regard quality as the most important element of value for money, and we continue to rate highly on this metric, as well as for competitive prices. Our latest Customer Insight survey confirms they also continue to rate us more highly for value than our nearest competitors.
- In the coming year we plan to reduce further the level of participation in promotions and to optimise promotional trading, and the effectiveness of new product launches. We are introducing a 0% interest offer ahead of peak which will help our customers spread the cost of their Christmas shopping, particularly when purchasing bigger ticket items like furniture. We traded Black Friday successfully and profitably last year and are well prepared to deliver further progress in performance over the peak trading period.

Increasing availability and choice through multi-channel

- Our ambition is to grow our multi-channel business, so that online sales reach around 30% of our UK GTV. Online sales increased by 11.4% to £388.2 million, accounting for 13.6% of total sales in FY2015, up from 12.3% in the previous year. Online EBITDA grew by 11.5% over the year.
- In line with a number of department store peers, online orders returned to our stores have previously been deducted from store sales, while online orders returned via the online channel have been deducted from online sales. We have updated our reporting on online sales so that online orders returned to stores are now also deducted from online sales. This has no impact on statutory reported results, but has reduced the reported growth rate of UK online sales to 11.4% from 13.1%.
- Debenhams.com is consistently in the Top 10 most visited non-food UK retail websites, according to Hitwise, with 264 million customer visits a year. We have made significant progress in improving the online customer journey, with improved landing pages and navigation in key categories, such as furniture, childrenswear, and most recently womenswear.
- Our mobile and tablet first approach drives everything we do for our multi-channel strategy. More than 40% of online sales now come from mobile devices and our redesigned checkout has also contributed to improved conversion rates, up 14% year-on-year across all mobile devices.
- The service we offer to our online and multi-channel customers has been substantially improved in the last 12 months. In October 2014 we introduced a next day click & collect service from stores; we extended order cut-off times for click & collect on next day delivery; we introduced nominated day, weekend and evening deliveries; and we extended our Endless Aisle fulfilment-from-store option, which is now in 150 stores.
- As a result click & collect peaked at almost 40% of online orders in the week before Christmas 2014. From average penetration of 25% in the first half, we have seen further increases in the second half supported by the roll-out of in-store service counters. Overall, click & collect accounted for 26% of online orders in FY2015 and is continuing to increase its participation.
- We have also made good progress in our objective to achieve higher recovery of fulfilment costs, having introduced more competitive charges for next day delivery to home in H2. Premium delivery services have increased 32% over the year.
- We believe the investments we have made take us into the top quartile of industry service. We are rolling out further service improvements ahead of peak trading, including increased participation of our concession partners in next day delivery and click & collect services. The next day click & collect cut-offs have been extended to 9pm, and to midnight for next day delivery to home.

Focusing on UK retail

- Our stores remain central to our customer proposition. We have a well-invested, modern store estate with stores in prime locations. We are a destination for beauty, gifts and occasionwear and half our sales come from brands exclusive to Debenhams.
- The UK store estate comprises 161 stores trading from 11.2 million sq ft at the year end, with new stores opened at Borehamwood and Scunthorpe ahead of Christmas 2014, and the closure of an outlet store at Newbury.
- As part of our strategic priority to achieve a better return from stores, we identified 1m sq ft of space where there was an opportunity to achieve higher profit densities. We asked customers what they wanted to buy from Debenhams that we did not already offer, and what they would like more of. As a result, we have to date reallocated 35% of the identified space, in line with our previous guidance, with a combination of own brand extensions, new concessions offering complementary product and additional service propositions.

- Some of our newer brand launches, such as Principles casualwear and Hammond & Co by Patrick Grant, have been particularly successful and rolled out to more stores. Our customers are always looking for newness, and we have extended our newest Designer launches, Nine by Savannah Miller and Giles Deacon for Edition, to more stores for their initial season.
- Following successful initial trials we opened eight Sports Direct concessions before the year end and established new partnerships with Monsoon Kids, Danish group Bestseller for their younger fashion brands, Only and Jack & Jones, and BHS lighting, among others.
- We have also added some exciting new branded food offers, to reflect the trend towards casual dining, establishing partnerships with Costa Coffee, Insomnia, Joe & The Juice, Patisserie Valerie, Ed's Easy Diner and Chi Kitchen to extend the range of choice in our stores.
- Our space optimisation trial has moved to full roll-out. By April 2016 we expect to have reallocated at least half the 1 million sq ft, as planned, with our various initiatives. The changing nature of the retail marketplace is creating a variety of opportunities. We are also looking at how to apply some of the lessons learnt to our better-performing space.
- Five new stores are opening between September and November 2015, at Rugby, Wandsworth, Bradford, Beverley and Newport, adding 287,000 sq ft to our UK trading space. We are also modernising our Birmingham and Westfield White City stores and incorporating some of the lessons of the space optimisation programme.

Expanding the brand internationally

- Debenhams operates both its own and franchised stores overseas and sells product online in over 60 countries. Over time, we plan to grow our international business to around a third of total GTV, exploiting multi- and single channel opportunities as appropriate to the local market.
- On a constant currency basis international sales increased 5.3%. On a reported basis, sales declined by 2.2% to £536.6 million in FY2015, reflecting adverse foreign exchange translation effects, particularly the sharp depreciation of the euro from January 2015. International operating profit held broadly flat at £32.4 million.
- Our franchised store network has expanded to 70, as we opened stores in UAE - including our largest franchise store to date in Yas Island Mall - Egypt, Saudi Arabia, the Philippines, Russia and Romania. We have also closed five underperforming stores.
- Our non-franchised stores comprise six Magasin du Nord stores in Denmark and 11 Debenhams stores in the Republic of Ireland. Magasin du Nord grew like-for-like sales in constant currency by 8.1%, outperforming the Danish market. ROI traded well despite challenging markets.
- We are contracted to open 11 new franchise stores over the next three years with another 13 in negotiation.
- International online continues to grow rapidly from a small base and reaches a number of markets where we have no store representation. Our new international website launching shortly will allow us to launch local range, local currency and local payment options in several markets, including in continental Europe. Local language websites will follow in 2016.
- As part of our operational effectiveness programme, we have increased the proportion of product that is shipped direct to our international partners, which now accounts for almost half the total.
- As we look for opportunities for our brands overseas outside of Debenhams, we have added to our first trial of Faith footwear with third party online partners this season, launching Designer brands Floozie by FrostFrench and Star by Julien Macdonald for this season.

- We have also agreed terms to sell some of our brands in Vietnam through department stores owned by VinGroup and as part of our international multi-channel development we have signed an agreement with Pepkor SE Asia, a subsidiary of the Steinhoff group, to enter the Australian market – initially distributing selected brands in Pepkor's Harris Scarfe stores and then through Debenhams franchise stores. This will be coupled with a new localised Australian website launching in FY2016.

Operational effectiveness

- We are building an infrastructure that is sustainable and fit for future growth, to enable us to exploit the continuing channel shifts in UK retail and drive international growth in a cost-effective way. Operating cost growth before depreciation was held to 0.6% in FY2015, an improvement on our guidance and on a constant currency basis, cost growth was 2.1%.
- In July the Government announced the introduction of the national living wage which will be effective from 1 April 2016 and will apply to employees aged 25 and above. Although we are awaiting the outcome of consultation with the Low Pay Commission, we have estimated the cash impact for Debenhams would be approximately £3 million in FY2016 and £8 million in FY2017. Both estimates include the cost of maintaining pay differentials. We anticipate that in the context of our continuing investment in systems and infrastructure and our focus on operational effectiveness, productivity gains will mitigate the majority of this impact on our P&L in these years.
- The mix of capital investment in FY2015 has shifted as our spend on new stores and modernisations starts to normalise. We have invested £60m on IT systems this year. Our focus is on extracting productivity improvements as a result of the continuing programme of systems and infrastructure investment.
- We are introducing new buying and merchandising systems, processes and practices in order to allow us more effectively to plan and merchandise ranges as we grow in more geographies and channels.
- We are developing our sourcing capabilities, recognising the need to maintain brand clarity whilst maximising the efficiency of sourcing locations and factories. For example we have consolidated buying in key volume knitwear lines and will take further opportunities within other categories across brands where appropriate.
- We are also replacing our stock management systems, moving to a single provider and with the aim of simplifying our warehouse operations to flow stock more efficiently. As planned, our single warehouse management system will be in operation from Spring 2016.
- We have made good progress this year to improve the cost effectiveness of online order fulfilment, with daily store deliveries on our own fleet supporting our click & collect service, which is our lowest cost delivery option for customers.
- We continue to restructure our international supply chain, with direct shipping to international partners now 47% of the total, reducing handling costs and getting product to market faster.
- We see opportunities to introduce further automation to our warehouses which will bring additional cost savings and productivity improvements over the medium term.
- We have strengthened our operational management team further as we set the right structure for multi-channel growth both in the UK and overseas, with key new appointments in buying and design.

FINANCIAL REVIEW

Financial Summary

	52 weeks to 29 August 2015	52 weeks to 30 August 2014	*% change*
Gross transaction value[1,2]			
UK	£2,323.5m	£2,275.3m	*+2.1%*
International	£536.6m	£548.6m	*(2.2%)*
Group	£2,860.1m	£2,823.9m	*+1.3%*
Statutory revenue[1,2]			
UK	£1,922.3m	£1,902.1m	*+1.1%*
International	£400.4m	£410.6m	*(2.5%)*
Group	£2,322.7m	£2,312.7m	*+0.4%*
Group like-for-like sales movement[3]			*+0.6%*
Group gross margin movement[4]			*Flat*
EBITDA[1,5]			
UK	£197.6m	£188.3m	*+4.9%*
International	£41.0m	£42.5m	*(3.5%)*
Group	£238.6m	£230.8m	*+3.4%*
Operating profit[1]			
UK	£101.7m	£96.3m	*+5.6%*
International	£32.4m	£32.3m	*+0.3%*
Group	£134.1m	£128.6m	*+4.3%*
Underlying Profit before tax[6]	£113.5m	£110.3m	*+2.9%*
Non-recurring finance cost[6]	-	£4.5m	
Reported Profit before tax	£113.5m	£105.8m	*+7.3%*
Basic earnings per share	7.6p	7.1p	*+7.0%*
Dividend per share	3.4p	3.4p	-
	29 August 2015	**30 August 2014**	
Net debt	£319.8m	£361.5m	*(11.5%)*
Net debt : EBITDA (last 12 months)	1.3x	1.6x	

Notes to the above table and to all references in this statement:

1. UK operating segment comprises stores in the UK and online sales to UK addresses. International operating segment comprises the international franchise stores, the owned stores in Denmark and the Republic of Ireland and online sales to addresses outside the UK.
2. Gross transaction value (GTV): sales on a gross basis before adjusting for concessions, consignments and staff discounts. Statutory revenue: sales after adjusting for these items.
3. Like-for-like sales movement relates to sales from stores which have been open for more than 12 months plus online sales.
4. Gross margin: GTV less the value of cost of goods sold, as a percentage of GTV.
5. EBITDA is earnings before interest, taxation, depreciation and amortisation (including loss on disposal of fixed assets).
6. Before non-recurring finance cost, comprising £4.5m of unamortised issue costs which were written-off following the refinancing of the Group's borrowing facilities in July 2014 (2015: £nil).

SEGMENTAL PERFORMANCE

UK

The UK sector includes sales from UK stores and online sales to UK addresses. The inter-dependency between stores and online continues to grow. GTV increased by 2.1% and revenue by 1.1%. This was a result of continued online sales growth to UK customers and the benefit of new store openings. Stores experienced a small level of sales decline from the channel shift into online. As we have added choice in concessions, the own bought mix has decreased from 79.3% to 78.3%, with a consequent dilution to gross margin rate, offset by reduced markdown. Operating profit increased by 5.6% to £101.7 million reflecting the benefits from lower markdown and strong cost control within the Group, as well as sales growth.

International

The sector comprises our Danish and Irish stores, the franchise stores and online sales to non-UK addresses. In constant currency, GTV improved by 5.3% reflecting the continued strong performance in Denmark. In reported currency GTV was 2.2% lower than last year and revenue decreased by 2.5%, primarily impacted by the effect of the strengthening pound on the conversion of the Magasin du Nord and Republic of Ireland results. International operating profit increased by 0.3% despite the adverse foreign exchange movements.

GROUP SALES AND PROFITS

Sales and revenue

For the 52 weeks to 29 August 2015 Group GTV increased by 1.3% to £2,860.1 million and Group revenue increased by 0.4% to £2,322.7 million. Group like-for-like sales increased 2.1% on a constant currency basis and 0.6% on a reported basis. There was strong growth in online sales, which increased 11.4% to £388.2 million, net of online returns to store, and Magasin du Nord, which grew 8.1% like-for-like in constant currency. The components of the Group gross transaction growth and like-for-like sales growth are shown below:

UK stores	(0.3%)*
UK online	+1.3%*
International	+1.1%
Like-for-like sales - constant currency	+2.1%
Exchange rate impact	(1.5%)
Like-for-like sales - reported	+0.6%
New UK Space	+0.7%
GTV movement	+1.3%

**As adjusted for the deduction of online orders returned to stores from online sales. On prior basis UK stores would be (0.9%) and UK online +1.9%.*

Group own bought sales mix decreased to 75.4% from 76.2% reported in FY2014 largely as a result of the movement in UK sales mix.

Operating profit

Further progress was made against the strategic priorities as set out last year. The combination of 17 fewer days on promotion and tight stock control resulted in reduced markdown and a 90bps benefit to the gross margin rate. This was offset by the impact of sales mix from growing sales in the lower margin cosmetics and concession categories (60 bps) and planned investment in reducing prices in some categories (30 bps). The net effect on a full year basis was a flat margin rate compared with FY2014.

Costs were managed tightly throughout the year. Operating costs before depreciation increased by 0.6% over the prior year, despite the further shift into online and the investment in expanded online services such as next day click & collect from stores. Cost of sales (defined as product costs associated with gross margin, together with related buying, marketing and store costs) of £2,023.5 million decreased by 0.5% as own bought mix declined and cost saving initiatives were implemented. Distribution costs increased by 12.8% to £111.1 million, reflecting increased costs associated with online growth. Administrative expenses increased by 3.4% to £54.0 million from additional systems costs. Depreciation and amortisation, including losses on disposal of property, plant and equipment, increased by 2.3% to £104.5 million reflecting higher capital expenditure in recent years.

As a result of the foregoing, Group operating profit increased by 4.3% to £134.1 million from £128.6 million in the previous year.

Net finance costs

Net finance costs increased by 12.6% to £20.6 million as a result of increased interest following the refinancing of the borrowing facilities in 2014. This increase is before a non-recurring write-off last year to the income statement of £4.5 million of unamortised issue costs relating to the refinancing in 2014. Including the impact of this write-off, net finance costs decreased by 9.6%.

Profit before tax

Increased operating profits resulted in a 7.3% increase in reported profit before tax from £105.8 million to £113.5 million. Excluding the non-recurring finance cost of £4.5 million in FY2014, the year-on-year increase was 2.9%.

Taxation

The Group's tax charge of £20.0 million equates to an effective tax rate of 17.6%, in line with 2014. The effective tax rate benefited from the resolution of prior year tax matters, the utilisation of losses within Magasin and the reduction in the UK corporation tax rate. The charge for the year was also marginally impacted by timing benefit resulting from the adoption of FRS 101 "Reduced Disclosure Framework" by Debenhams Retail plc at the beginning of the financial year, and by Debenhams Properties Limited from 1 September 2013.

Profit after tax

Profit after tax increased by 7.2% to £93.5 million.

Earnings per share

Increased profits resulted in a 7.0% increase in both basic and diluted earnings per share (including the non-recurring finance cost) to 7.6 pence. The basic weighted average number of shares in issue decreased from 1,226.8 million last year to 1,226.4 million and diluted weighted average number of shares remained at 1,228.7 million.

CASH FLOW, USES OF CASH AND MOVEMENT IN NET DEBT

Debenhams is a cash generative business and has clear priorities for the uses of cash. The first priority for cash is to invest in our strategy to build a leading international, multi-channel brand. Second, we pay our shareholders a dividend. Third, we have set a new medium term target for net debt to earnings before tax, interest, depreciation and amortisation ("EBITDA") of 0.5 times over the medium term, previously a target of 1.0 times. Operating cash flow before financing and taxation decreased from £112.5 million to £102.9 million as a result of a working capital outflow of £2.3 million in FY2015 compared with a £9.7 million inflow in FY2014. Whilst benefiting from the reduction in stocks held, our reported working capital includes recovery plan payments to the defined benefit pension schemes of £9.6 million (2014: £9.4 million). The movement in working capital from last year is largely associated with timing of capital invoices in FY2014.

Cash flow generation, the uses of cash and the movement in net debt are summarised below.

	52 weeks to 29 August 2015	52 weeks to 30 August 2014
EBITDA	£238.6m	£230.8m
Working capital	(£2.3m)	£9.7m
Cash generated from operations	£236.3m	£240.5m
Capital expenditure	(£133.4m)	(£128.0m)
Operating cash flow before financing & taxation	£102.9m	£112.5m
Taxation	£1.1m	(£20.6m)
Financing	(£19.3m)	(£13.1m)
Dividends paid	(£41.7m)	(£41.7m)
Share buyback	-	(£15.1m)
Other non-cash movements	(£1.3m)	(£11.5m)
Change in net debt	£41.7m	£10.5 m
Opening net debt	£361.5m	£372.0m
Closing net debt	£319.8m	£361.5m

Capital expenditure

Capital expenditure amounted to £133.4 million during the year, slightly higher than last year's expenditure of £128.0 million. Capital spend has shifted from a focus on modernisations in previous years to operational effectiveness, including systems development, particularly to support the Group's multi-channel business, and investment in space optimisation initiatives. Spend in FY2016 is expected to be c.£130 million with the mix of spend broadly in line with 2015, as we continue with investment in operational effectiveness.

Dividends

An interim dividend of 1.0 pence per share was paid to shareholders on 3 July 2015 (2014: 1.0 pence). The board is recommending a final dividend of 2.4 pence per share which will be paid to shareholders who are on the register on 4 December 2015, on 22 January 2016 taking the total dividend for the year to 3.4 pence (2014: 3.4 pence). Given the cash generative nature of the business and confidence in future performance, the board intends to adopt a progressive dividend policy in future, applying earnings growth to both dividend increases and the rebuilding of cover towards a medium term target of 2.5 times.

Net debt

The Group's net debt position on 29 August 2015 was £319.8 million, £41.7 million lower than at the same point a year ago (30 August 2014: £361.5 million), benefiting from operating cash flow and reduced tax payments from the adoption of FRS 101 "Reduced Disclosure Framework". The ratio of reported net debt to EBITDA of 1.3 times improved from last year's position at 1.6 times, moving towards the new medium term target for net debt to EBITDA of 0.5 times. The medium term target has been reduced from 1.0 times in FY2014. During the year ended 29 August 2015, the Group repurchased £25.0 million of the £225.0 million senior notes, for a consideration of £24.8 million and cancelled £75.0 million of the £425.0 million revolving credit facility.

Inventory

Stock levels were managed tightly during the year in line with our aim of setting more prudent sales targets and reducing our level of stock. Total stock decreased by 4.1% to £331.6 million reflecting tight control and the benefit of flexible purchasing strategies. Terminal stock at year end of 3.1% was in line with historical results.

Treasury management

The board has an established treasury policy which has approved authority levels within which the treasury function must operate. Treasury policy is to manage risks within the agreed framework whilst not taking speculative positions.

Supplier income

The Group receives income from its suppliers, mainly in the form of settlement discounts, volume based rebates and marketing and advertising income. Supplier income is recognised as a deduction from cost of sales, based on the expected entitlement that has been earned up to the balance sheet date. Included in prepayments and accrued income is £4.7 million (2014: £3.9 million) of accrued supplier income relating to rebates which have been earned but not yet invoiced.

Pensions

The Group provides a number of pension arrangements for its employees. These include the Debenhams Retirement Scheme and the Debenhams Executive Pension Plan (together "the pension schemes") which both closed for future service accrual from 31 October 2006. Under IAS 19 revised "Employee benefits", the surplus on the Group's pension schemes as at 29 August 2015 was £26.2 million (30 August 2014: net deficit of £2.4 million). The surplus was driven by asset returns. During June 2015, the triennial actuarial valuation was completed and a new agreement was concluded under which the Group agreed to contribute £9.5 million per annum to the pension schemes (previously £8.9 million per annum) for the period from 1 April 2014 to 31 March 2022 increasing by the percentage increase in RPI over the year to the previous December. The Group agreed to continue to cover the non-investment expenses and levies of the pension schemes, including those payable to the Pension Protection Fund. Current pension arrangements for Debenhams' employees are provided by a defined contribution pension scheme which is administered by Legal & General.

GUIDANCE FOR 2016

Gross margin	Flat to +50bps
Total costs	+2-4%*
Depreciation & amortisation	c.£110 million
Net finance costs	£18-20 million
Taxation	c.20%
Capital expenditure	c.£130 million
Net debt	c£270-290 million
**including estimated cost of implementing National Living Wage proposals*	

OUTLOOK

As a result of good progress against our strategic priorities we have delivered profits in line with expectations. This has underscored our confidence in the strategic direction of the business. We will continue to focus on delivering our plan to drive sustainable growth as we build an international multi-channel brand.

We are maintaining focus on the strategic priorities we outlined in FY2014 but looking to accelerate new initiatives in FY2016. For example, we have moved to roll-out of our successful space optimisation trials and we are testing new international growth opportunities. The market remains competitive but following the work we have done, we have seen an encouraging start to the year, with strong new product launches which have been well received by our customers, and we are in good operational shape to build on the successful performance delivered last year over peak trading.

We have clear priorities for the uses of cash and our continued strong cash generation has enabled us to improve our leverage target. The board is intending to adopt a progressive dividend policy in future, applying earnings growth to both dividend increases and the rebuilding of cover towards a medium term target of 2.5 times.

BOARD OF DIRECTORS

Matt Smith, Chief Financial Officer, was appointed to the board as an executive director on 26 January 2015. Terry Duddy, former Chief Executive of Home Retail Group plc, was appointed an independent non-executive director on 10 April 2015. Sophie Turner-Laing stood down as an independent non-executive director on 31 July 2015 following the expiry of her second three year term.

The board of directors as at 22 October 2015 is as follows: Nigel Northridge (Chairman), Michael Sharp (Chief Executive), Matt Smith (Chief Financial Officer), Suzanne Harlow (Group Trading Director), Dennis Millard (senior independent non-executive director), Terry Duddy (non-executive director), Peter Fitzgerald (non-executive director), Stephen Ingham (non-executive director), Martina King (non-executive director) and Mark Rolfe (non-executive director).

GOING CONCERN

After making enquiries, the directors of Debenhams plc consider that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the Group's financial statements.

NOTES TO EDITORS

Debenhams is a leading international, multi-channel brand with a proud British heritage which trades from 248 stores across 27 countries. Debenhams gives its customers around the world a unique, differentiated and exclusive mix of own brands, international brands and concessions.

In the UK, Debenhams has a top five market share in womenswear and menswear and a top ten share in childrenswear. It is a market leader in premium health and beauty.

Debenhams has been investing in British design for 20 years through its exclusive Designers at Debenhams portfolio of brands. Current designers include Abigail Ahern, Ted Baker, Jeff Banks, Jasper Conran, Giles Deacon, Vicki Elizabeth, FrostFrench, Patrick Grant, Henry Holland, Betty Jackson, Ben de Lisi, Julien Macdonald, Savannah Miller, Jenny Packham, Stephen Jones, Todd Lynn, Preen, Janet Reger, John Rocha, Ashley Thomas, Eric Van Peterson and Matthew Williamson.

Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences and prospects are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect Debenhams' current expectations concerning future events and actual results may differ materially from current expectations or historical results. Neither the content of the Company's website nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is (or is deemed to be) incorporated into or forms (or is deemed to form) part of this announcement.

Consolidated Income Statement
For the financial year ended 29 August 2015

	Note	**52 weeks ended 29 August 2015 £m**	52 weeks ended 30 August 2014 £m
Revenue	2, 3	**2,322.7**	2,312.7
Cost of sales		**(2,023.5)**	(2,033.4)
Gross profit		**299.2**	279.3
Distribution costs		**(111.1)**	(98.5)
Administrative expenses		**(54.0)**	(52.2)
Operating profit		**134.1**	128.6
Finance income	6	**0.2**	0.6
Total finance costs		**(20.8)**	(23.4)
Analysed as:			
Recurring finance costs	7	**(20.8)**	(18.9)
Non-recurring finance costs	7	**-**	(4.5)
Profit before taxation		**113.5**	105.8
Taxation	8	**(20.0)**	(18.6)
Profit for the financial year attributable to owners of the parent		**93.5**	87.2

Earnings per share attributable to owners of the parent (expressed in pence per share)

		Pence per share	Pence per share
Basic earnings per share attributable to owners of the parent	10	**7.6**	7.1
Diluted earnings per share attributable to owners of the parent	10	**7.6**	7.1

The notes on pages 19 to 26 form an integral part of this condensed consolidated financial information.

Consolidated Statement of Comprehensive Income

For the financial year ended 29 August 2015

	52 weeks ended 29 August 2015 £m	52 weeks ended 30 August 2014 £m
Profit for the financial year	**93.5**	87.2
Other comprehensive income/(expense)		
Items that will not be reclassified to the income statement		
Remeasurements of pension schemes	**17.8**	8.8
Taxation relating to items which will not be reclassified	**(3.6)**	(1.6)
	14.2	7.2
Items that may be reclassified to the income statement		
Currency translation differences	**(5.2)**	(4.2)
Change in the valuation of available-for-sale investments	**(1.5)**	2.5
Gains/(losses) on cash flow hedges	**39.2**	(24.9)
Transferred to the income statement on cash flow hedges	**1.6**	2.7
Recycled and adjusted against cost of inventory	**(8.7)**	8.1
Taxation relating to items that may be reclassified	**(6.7)**	3.0
	18.7	(12.8)
Total other comprehensive income/(expense)	**32.9**	(5.6)
Total comprehensive income for the financial year	**126.4**	81.6

The notes on pages 19 to 26 form an integral part of this condensed consolidated financial information.

Consolidated Balance Sheet

As at 29 August 2015

	Note	**29 August 2015 £m**	30 August 2014 £m
Assets			
Non-current assets			
Intangible assets		**931.5**	892.8
Property, plant and equipment		**675.3**	689.2
Available-for-sale investments		**2.1**	3.6
Derivative financial instruments		**12.1**	3.0
Trade and other receivables		**14.9**	15.6
Retirement benefit surplus		**26.2**	6.9
Deferred tax assets		**20.8**	51.0
		1,682.9	1,662.1
Current assets			
Inventories		**331.6**	345.7
Trade and other receivables		**78.0**	74.7
Derivative financial instruments		**17.4**	1.5
Cash and cash equivalents		**32.7**	64.4
		459.7	486.3
Liabilities			
Current liabilities			
Bank overdraft and borrowings		**(155.4)**	(202.1)
Derivative financial instruments		**(1.3)**	(11.4)
Trade and other payables		**(523.6)**	(529.3)
Current tax liabilities		**(9.0)**	(9.2)
Provisions		**(6.4)**	(6.0)
		(695.7)	(758.0)
Net current liabilities		**(236.0)**	(271.7)
Non-current liabilities			
Bank overdraft and borrowings		**(197.1)**	(223.8)
Derivative financial instruments		**(1.1)**	(2.7)
Deferred tax liabilities		**(54.8)**	(53.4)
Other non-current liabilities	11	**(340.6)**	(332.7)
Provisions		**-**	(1.1)
Retirement benefit obligations		**-**	(9.3)
		(593.6)	(623.0)
Net assets		**853.3**	767.4
Shareholders' equity			
Share capital		**0.1**	0.1
Share premium account		**682.9**	682.9
Merger reserve		**1,200.9**	1,200.9
Reverse acquisition reserve		**(1,199.9)**	(1,199.9)
Hedging reserve		**17.9**	(7.9)
Other reserves		**(16.5)**	(9.4)
Retained earnings		**167.9**	100.7
Total equity		**853.3**	767.4

The notes on pages 19 to 26 form an integral part of this condensed consolidated financial information.

Consolidated Statement of Changes in Equity

For the financial year ended 29 August 2015

	Share capital and share premium account £m	Merger reserve £m	Reverse acquisition reserve £m	Hedging reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 31 August 2013	683.0	1,200.9	(1,199.9)	3.2	(7.7)	64.9	744.4
Profit for the financial year	-	-	-	-	-	87.2	87.2
Other comprehensive (expense)/income for the financial year	-	-	-	(11.1)	(1.7)	7.2	(5.6)
Total comprehensive (expense)/income for the financial year	-	-	-	(11.1)	(1.7)	94.4	81.6
Share-based payment credit	-	-	-	-	-	(1.8)	(1.8)
Purchase of treasury shares	-	-	-	-	-	(15.1)	(15.1)
Dividends paid	-	-	-	-	-	(41.7)	(41.7)
Total transactions with owners	-	-	-	-	-	(58.6)	(58.6)
Balance at 30 August 2014	683.0	1,200.9	(1,199.9)	(7.9)	(9.4)	100.7	767.4
Profit for the financial year	-	-	-	-	-	93.5	93.5
Other comprehensive income/(expense) for the financial year	-	-	-	25.8	(7.1)	14.2	32.9
Total comprehensive income/(expense) for the financial year	**-**	**-**	**-**	**25.8**	**(7.1)**	**107.7**	**126.4**
Share-based payment charge	-	-	-	-	-	1.1	1.1
Unallocated dividends	-	-	-	-	-	0.1	0.1
Dividends paid	-	-	-	-	-	(41.7)	(41.7)
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**(40.5)**	**(40.5)**
Balance at 29 August 2015	**683.0**	**1,200.9**	**(1,199.9)**	**17.9**	**(16.5)**	**167.9**	**853.3**

The notes on pages 19 to 26 form an integral part of this condensed consolidated financial information.

Consolidated Cash Flow Statement
For the financial year ended 29 August 2015

	Note	**52 weeks ended 29 August 2015 £m**	52 weeks ended 30 August 2014 £m
Cash flows from operating activities			
Cash generated from operations	12	**236.3**	240.5
Finance income		**0.1**	1.2
Finance costs		**(19.4)**	(14.3)
Tax received/(paid)		**1.1**	(20.6)
Net cash generated from operating activities		**218.1**	206.8
Cash flows from investing activities			
Purchase of property, plant and equipment		**(79.6)**	(102.3)
Purchase of intangible assets		**(54.0)**	(25.7)
Sale of property, plant and equipment		**0.2**	-
Net cash used in investing activities		**(133.4)**	(128.0)
Cash flows from financing activities			
Issue of senior notes	13	**-**	225.0
Repurchase of senior notes		**(24.8)**	-
(Repayment)/drawdown of revolving credit facility	13	**(65.0)**	200.0
Repayment of term loan and revolving credit facilities	13	**-**	(410.7)
Settlement of term loan facility		**-**	13.3
Purchase of treasury shares		**-**	(15.1)
Dividends paid	9	**(41.7)**	(41.7)
Finance lease payments		**(3.3)**	(2.2)
Debt issue costs		**0.2**	(7.1)
Net cash used in financing activities		**(134.6)**	(38.5)
Net (decrease)/increase in cash and cash equivalents		**(49.9)**	40.3
Net cash and cash equivalents at beginning of financial year		**64.4**	24.1
Foreign exchange losses on cash and cash equivalents		**(0.1)**	-
Net cash and cash equivalents at end of financial year	13	**14.4**	64.4

The notes on pages 19 to 26 form an integral part of this condensed consolidated financial information.

1 Basis of preparation

The consolidated financial statements have been prepared on the going concern basis and in accordance with International Financial Reporting Standards ("IFRSs") as adopted for use in the EU and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared on the basis of the accounting policies set out in the financial statements of Debenhams plc for the financial year ended 29 August 2015. Accounting policies have been consistently applied.

The financial information set out in this document does not constitute the statutory accounts of the Group for the years ended 29 August 2015 and 30 August 2014 but is derived from the 2015 annual report and financial statements. The annual report and financial statements for 2014, which were prepared under IFRS, have been delivered to the Registrar of Companies and the Group's annual report and financial statements for 2015, prepared under IFRS, will be delivered to the Registrar of Companies in due course. The Group's external auditors PricewaterhouseCoopers LLP have reported on these accounts and have given an unqualified report which does not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2 Gross transaction value

Revenue from concession and consignment sales is required to be shown on a net basis, being the commission received rather than the gross value achieved on the sale. Management believes that gross transaction value, which presents revenue on a gross basis before adjusting for concessions, consignments and staff discounts, represents a good guide to the overall activity of the Group.

	29 August 2015 £m	30 August 2014 £m
Gross transaction value	**2,860.1**	2,823.9

A reconciliation of gross transaction value to external revenue is included in note 3.

3 Segmental reporting

IFRS 8 "Operating segments" requires disclosure of the operating segments which are reported to the Chief Operating Decision Maker ("CODM"). The CODM has been identified as the executive committee, which includes the executive directors and other key management. It is the executive committee that has responsibility for planning and controlling the activities of the Group.

The Group's reportable segments have been identified as UK and International. The segments are reported to the CODM to operating profit level, using the same accounting policies as applied to the Group accounts. Current assets, current liabilities and non-current liabilities are not reported to or reviewed by the CODM on the basis of operating segment as these are reviewed on a Group-wide basis and therefore these amounts are not presented below.

Segmental analysis of results	**UK** **£m**	**International** **£m**	**Total** **£m**
Financial year ended 29 August 2015			
Gross transaction value	**2,323.5**	**536.6**	**2,860.1**
Concessions, consignments and staff discounts	**(401.2)**	**(136.2)**	**(537.4)**
External revenue	**1,922.3**	**400.4**	**2,322.7**
Operating profit	**101.7**	**32.4**	**134.1**
Other segment items			
- Depreciation	**80.9**	**6.8**	**87.7**
- Amortisation	**14.9**	**1.6**	**16.5**
Financial year ended 30 August 2014			
Gross transaction value	2,275.3	548.6	2,823.9
Concessions, consignments and staff discounts	(373.2)	(138.0)	(511.2)
External revenue	1,902.1	410.6	2,312.7
Operating profit	96.3	32.3	128.6
Other segment items			
- Depreciation	78.9	8.6	87.5
- Amortisation	11.7	1.6	13.3

Total segmental operating profit may be reconciled to total profit before taxation as follows:

	29 August 2015 **£m**	30 August 2014 £m
Total operating profit	**134.1**	128.6
Finance income	**0.2**	0.6
Recurring finance costs	**(20.8)**	(18.9)
Non-recurring finance costs	**-**	(4.5)
Total profit before taxation	**113.5**	105.8

Revenues analysed by country, based on the customers' location, are set out below:

	29 August 2015 £m	30 August 2014 £m
United Kingdom	**1,922.3**	1,902.1
Denmark	**174.7**	175.8
Republic of Ireland	**126.0**	135.5
Rest of the world	**99.7**	99.3
Total external revenue	**2,322.7**	2,312.7

Non-current assets, which comprise intangible assets, property, plant and equipment and other receivables excluding financial assets, analysed by country, are set out below:

	29 August 2015 £m	30 August 2014 £m
United Kingdom	**1,561.2**	1,532.9
Denmark	**22.1**	23.1
Republic of Ireland	**23.1**	25.6
Rest of the world	**0.4**	0.4
Total non-current assets	**1,606.8**	1,582.0

Additions to property, plant and equipment and intangible assets analysed by operating segment are set out below:

	UK £m	**International £m**	**Total £m**
Financial year ended 29 August 2015	**125.0**	**8.0**	**133.0**
Financial year ended 30 August 2014	109.1	9.8	118.9

4 Operating profit

The following items have been included in arriving at operating profit:

	29 August 2015 £m	30 August 2014 £m
The amounts of inventory written down during the financial year	**10.1**	10.4
Cost of inventory recognised as an expense	**1,164.7**	1,165.0
Depreciation of property, plant and equipment	**87.7**	87.5
Amortisation of intangible assets	**16.5**	13.3
Loss on disposal of property, plant and equipment	**0.3**	1.4
Operating lease rentals	**213.9**	216.3
Foreign exchange gains	**(5.7)**	(1.3)
Auditors' remuneration	**0.4**	0.5

5 Employment costs

	29 August 2015 £m	30 August 2014 £m
Wages and salaries	**344.7**	334.4
Social security costs	**21.7**	20.5
Other pension costs	**15.1**	16.1
Share-based payments	**1.1**	(1.8)
Employment costs	**382.6**	369.2

6 Finance income

	29 August 2015 £m	30 August 2014 £m
Interest on bank deposits	**0.1**	0.2
Net interest on net defined benefit pension schemes	**0.1**	-
Other financing income	**-**	0.4
	0.2	0.6

7 Finance costs

	29 August 2015 £m	30 August 2014 £m
Recurring finance costs		
Interest payable on bank loans and overdrafts	**5.3**	10.9
Interest payable on senior notes	**11.4**	1.9
Cash flow hedges reclassified and reported in the income statement	**1.6**	2.7
Amortisation of issue costs on loans and senior notes	**1.6**	2.0
Interest payable on finance leases	**0.2**	0.2
Net interest on net defined benefit pension schemes liability	**-**	0.6
Other financing costs	**1.4**	1.2
Capitalised finance costs – qualifying assets	**(0.7)**	(0.6)
	20.8	18.9
Non-recurring finance costs		
Unamortised issue costs written off on repayment of term loan and revolving credit facilities	**-**	4.5

8 Taxation

Analysis of taxation charge to the income statement for the financial year

	29 August 2015 £m	30 August 2014 £m
Current taxation		
Current taxation charge on profit for the financial year	**3.4**	7.7
Adjustments in respect of prior financial years	**(2.5)**	(0.8)
Current taxation charge	**0.9**	6.9
Deferred taxation		
Origination and reversal of temporary differences	**19.4**	13.0
Pension cost relief in excess of pension charge	**(0.1)**	(0.4)
Adjustments in respect of prior years	**(0.2)**	0.1
Effects of change in current tax rate on the net deferred tax asset recognised at the beginning of the financial year	**-**	(1.0)
Deferred taxation charge	**19.1**	11.7
Taxation charge for the financial year	**20.0**	18.6

9 Dividends

	29 August 2015 £m	30 August 2014 £m
Final paid 2.4 pence (2014: 2.4 pence) per £0.0001 share		
- Settled in cash	**29.4**	29.4
Interim paid 1.0 pence (2014: 1.0 pence) per £0.0001 share		
- Settled in cash	**12.3**	12.3
	41.7	41.7

A final dividend of 2.4 pence per share (2014: 2.4 pence per share) was paid during the financial year in respect of the financial year ended 30 August 2014, together with an interim dividend of 1.0 pence per share (2014: 1.0 pence per share) in respect of the financial year ended 29 August 2015. The directors are recommending a final dividend in respect of the financial year ended 29 August 2015 of 2.4 pence per share (2014: 2.4 pence per share), which will absorb an estimated £29.4 million (2014: £29.4 million) of shareholders' equity. It will be paid on 22 January 2016 to shareholders who are on the register of members at close of business on 4 December 2015. No liability is recorded in the financial statements in respect of the final dividend as it was not approved at the balance sheet date.

10 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial year, excluding any shares purchased by the Company and held as treasury shares. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has one class of dilutive potential ordinary shares, those share options granted to employees where the exercise price is less than the market price of the Company's ordinary shares during the financial year.

Basic and diluted earnings per share	**Basic £m**	**29 August 2015 Diluted £m**	Basic £m	30 August 2014 Diluted £m
Profit for the financial year after taxation	**93.5**	**93.5**	87.2	87.2
	Number m	**Number m**	Number m	Number m
Weighted average number of shares	**1,226.7**	**1,226.7**	1,227.1	1,227.1
Shares held by ESOP (weighted)	**(0.3)**	**(0.3)**	(0.3)	(0.3)
Shares issuable (weighted)	**-**	**2.3**	-	1.9
Weighted average number of shares used in calculating earnings per share	**1,226.4**	**1,228.7**	1,226.8	1,228.7
	Pence per share	**Pence per share**	Pence per share	Pence per share
Earnings per share	**7.6**	**7.6**	7.1	7.1

11 Other non-current liabilities

	29 August 2015 £m	30 August 2014 £m
Property lease incentives received	340.6	331.7
Other non-current liabilities	-	1.0
Total other non-current liabilities	**340.6**	**332.7**

Property lease incentives received from landlords either through developers contributions or rent-free periods are recognised as non-current liabilities and are credited to the income statement on a straight line basis over the term of the relevant lease. Property lease incentives received also relate to the spreading of the charges in respect of leases with fixed annual increments in rent (escalating rent clauses) over the term of the relevant lease.

12 Cash generated from operations

	29 August 2015 £m	30 August 2014 £m
Profit before taxation	**113.5**	105.8
Depreciation and amortisation	**104.2**	100.8
Loss on disposal of property, plant and equipment	**0.3**	1.4
Share-based payment charge/(credit)	**1.1**	(1.8)
Fair value gains on derivative instruments	**(4.4)**	(1.1)
Net movements in provisions	**(0.7)**	0.4
Finance income (note 6)	**(0.2)**	(0.6)
Finance costs (note 7)	**20.8**	23.4
Pension current service cost	**0.4**	1.4
Cash contributions to pension schemes	**(11.1)**	(10.8)
Net movement in other long-term receivables	**(0.5)**	0.2
Net movement in other non-current liabilities	**7.9**	10.6
Changes in working capital		
Decrease in inventories	**14.3**	12.4
(Increase)/ decrease in trade and other receivables	**(3.9)**	2.8
Decrease in trade and other payables	**(5.4)**	(4.4)
Cash generated from operations	**236.3**	240.5

13 Analysis of changes in net debt

	30 August 2014 £m	Cash flow £m	Non-cash movements £m	29 August 2015 £m
Analysis of net debt				
Cash and cash equivalents	64.4	(31.6)	(0.1)	**32.7**
Bank overdrafts	-	(18.3)	-	**(18.3)**
Net cash and cash equivalents	64.4	(49.9)	(0.1)	**14.4**
Debt due within one year	(198.8)	65.0	(0.4)	**(134.2)**
Debt due after one year	(220.6)	24.6	(0.8)	**(196.8)**
Finance lease obligations due within one year	(3.3)	3.3	(2.9)	**(2.9)**
Finance lease obligations due after one year	(3.2)	-	2.9	**(0.3)**
	(361.5)	43.0	(1.3)	**(319.8)**

During the year ended 29 August 2015, the Company repurchased £25.0 million of the £225.0 million senior notes, for a consideration of £24.8 million. The repurchased senior notes were cancelled during the financial year. Also during the year ended 29 August 2015, the Company cancelled £75.0 million of the £425.0 million revolving credit facility. This revolving credit facility was arranged and an existing term loan and revolving credit facility were cancelled during the year ended 30 August 2014. The revolving credit facility at 29 August 2015 of £350.0 million (2014: £425.0 million) is due to expire in October 2018 and contains an option to request an extension to October 2019.

At 29 August 2015, the Group's drawings under credit facilities outstanding comprised revolving credit facility drawings of £135.0 million (2014: £200.0 million).

During the current and prior financial years, the Group has complied with its covenants relating to its credit facilities.

The amortisation charge relating to the issue costs of the revolving credit facility was £1.0 million for the year ended 29 August 2015 (2014: £1.9 million relating to the issue costs of term loan and revolving credit facility). The amortisation charge relating to the issue costs of the senior notes was £0.6 million for the year ended 29 August 2015 (2014: £0.1 million). The write-off of unamortised issue costs in relation to cancelled credit facilities was £0.4 million (2014: £4.5 million).

14 Related parties

There have been no significant related party transactions during the year (2014: none).

15 Financial information

Copies of the statutory accounts will be available from the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA (Tel: 0371 384 2766) and at the Company's registered office, 10 Brock Street, Regent's Place, London, NW1 3FG.