Let’s do it right

Wickes Group plc Prospectus
March 2021

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This document comprises a prospectus (the "**Prospectus**") relating to Wickes Group plc (the "**Company**" or "**Wickes**") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA. This Prospectus has been filed with, and approved by, the FCA in accordance with section 87A of FSMA and has been made available to the public in accordance with the Prospectus Regulation Rules by the same being made available, free of charge, at www.wickesplc.co.uk and at the Company's registered office at Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom.

This Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 (as it forms part of retained European Union ("EU") law as defined in the EU (Withdrawal) Act 2018) (the "**Prospectus Regulation**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation; such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus has been prepared in connection with the proposed demerger of the Wickes Group from the Travis Perkins Group and on the assumptions that the Resolutions will be passed at the General Meeting and that the Demerger will become effective as proposed.

Applications will be made to the FCA for all of the ordinary shares of the Company (the "**Wickes Shares**") to be admitted to the premium segment of the Official List of the FCA (the "**Official List**") and to trading on the main market of the London Stock Exchange plc (the "**London Stock Exchange**") for listed securities (together, "**Admission**"). It is expected that Admission will become effective, and that dealings in the Wickes Shares will commence, at 8.00 a.m. (UK time) on 28 April 2021. No application is currently intended to be made for the Wickes Shares to be admitted to listing or dealing on any other exchange.

The directors of the Company, whose names appear on page 33 of this Prospectus (the "**Directors**"), and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Wickes Group plc

(incorporated under the Companies Act 2006 and registered in England and Wales with registered number 12189061)

Prospectus

Admission to the premium listing segment of the Official List and to trading on the London Stock Exchange of the Wickes Shares

Joint Financial Advisors and Joint Sponsors

Citigroup **Deutsche Bank**

Issued and fully paid share capital immediately following Admission

Number	**Nominal value**
252,143,923	**£0.10**

This document does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities offered by any person in the Company in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. This document is intended solely for holders of Travis Perkins Shares. No Wickes Shares have been marketed to, or are available for purchase by, the public in the United Kingdom or elsewhere in connection with the introduction of the Wickes Shares to the premium listing segment of the Official List or the Demerger. This document does not constitute an offer or invitation for any person to subscribe for or purchase any securities in the Company or any other company.

Investors should read the entire Prospectus and, in particular, examine all the risks that might be relevant in connection with an investment in the Wickes Shares. See Part I: "*Risk Factors*" for a discussion of certain risks and other factors that should be considered prior to any investment in the Wickes Shares.

Citigroup Global Markets Limited ("**Citi**") is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA. Citi is acting exclusively as financial adviser and sponsor for the Company and Travis Perkins plc and for no one else in connection with the Demerger and Admission or any other matters referred to in this document and will not be responsible to anyone other than the Company and Travis Perkins plc for providing the protections afforded to clients of Citi nor for providing advice in connection with the Demerger, Admission, or any other matters referred to in this document. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with the Demerger, Admission, this document, any statement contained herein, or otherwise.

Apart from the responsibilities and liabilities, if any, which may be imposed on Citi by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other applicable jurisdiction, where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Citi nor any of its affiliates, directors, officers, employees or advisers accepts any responsibility whatsoever for the contents of this document, including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or its subsidiaries, Wickes Shares or the Demerger or Admission. Citi and its affiliates, directors, officers, employees and advisers accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this document or any such statement. No representation or warranty, express or implied, is made by Citi or any of its affiliates, directors, officers, employees or advisers as to the accuracy, completeness, verification or sufficiency of the information set out in this document, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

Deutsche Bank AG is a joint stock corporation incorporated with limited liability in the Federal Republic of Germany, with its head office in Frankfurt am Main where it is registered in the Commercial Register of the District Court under number HRB 30 000. Deutsche Bank AG is authorised under German Banking Law banking law. The London branch of Deutsche Bank AG is registered in the register of companies for England and Wales (registration number BR000005) with its registered address and principal place of business at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG is authorised and regulated by the European Central Bank and the German Federal Financial Supervisory Authority (BaFin). With respect to activities undertaken in the UK, Deutsche Bank AG is authorised by the PRA with deemed variation of permission. It is subject to regulation by the FCA and limited regulation by the PRA. Details about the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the FCA's website. In connection with the Demerger and Admission, Deutsche Bank is acting through its London branch ("**Deutsche Bank**" and together with Citi, the "**Joint Sponsors**"). Deutsche Bank is acting as financial adviser and sponsor exclusively for the Company and Travis Perkins plc, and no one else in connection with the Demerger and Admission, and Deutsche Bank will not regard any other person (whether or not a recipient of this document) as a client in relation to the Demerger or Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Demerger or Admission or any other transaction, matter or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Deutsche Bank by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other applicable jurisdiction, where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Deutsche Bank nor any of its affiliates, directors, officers, employees or advisers accepts any responsibility whatsoever for the contents of this document, including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or its subsidiaries, Wickes Shares or the Demerger or Admission. Citi and Deutsche Bank and their affiliates, directors, officers, employees and advisers accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this document or any such statement. No representation or warranty, express or implied, is made by Deutsche Bank or any of its affiliates, directors, officers, employees or advisers as to the accuracy, completeness, verification or sufficiency of the information set out in this document, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

Investors acknowledge they have not relied on the Joint Sponsors or any person affiliated with the Joint Sponsors in connection with any investigation of the accuracy of any information contained in this Prospectus or that investment decision. Each investor must rely on such investor's own examination, analysis and enquiry of the Company and Wickes Shares. Investors should be aware that an investment in the Company involves a degree of risk and that, if certain risks described in the Prospectus occur, investors may find their investment materially and adversely affected. The contents of this document should not be construed as legal, business, financial or tax advice. None of the Company, Citi, Deutsche Bank or any of their respective representatives is making any representation to any prospective investor regarding the legality of an investment in the Wickes Shares by such prospective investor under the laws applicable to such prospective investor. Each prospective investor should consult such investor's own legal, business, financial or tax advisers for advice.

This Prospectus does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, any securities to any person in any jurisdiction.

NOTICE TO US SHAREHOLDERS

The Wickes Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state of the United States, and may not be offered or sold in the United States absent registration under the US Securities Act an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act, and in compliance with any applicable State or local securities laws. The Wickes Shares are expected to be issued in reliance on the position taken by the Division of Corporation Finance of the US Securities and Exchange Commission ("**SEC**"), set forth in Staff Legal Bulletin No. 4, that shares distributed in a spin-off do not require registration under the US Securities Act if, as is the case with respect to the Demerger, certain conditions are satisfied. None of the SEC, any other US federal or state securities commission or any US regulatory authority has approved or disapproved of the Wickes Shares nor have such authorities reviewed, passed upon or endorsed the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

NOTICE TO OVERSEAS SHAREHOLDERS

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Demerger. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the allotment and issue of Wickes Shares following the Demerger, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This document has been prepared for the purposes of complying with English law and the rules of the FCA, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the UK. No action has been taken or will be taken by the Company to permit a public offering of the Wickes Shares or to permit the possession, issue or distribution of this Prospectus in any jurisdiction where action for that purpose may be required. Accordingly, neither this Prospectus nor any advertisement nor any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Demerger in their particular circumstances.

This document is dated 24 March 2021.

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SUMMARY INFORMATION

A. INTRODUCTION AND WARNINGS

A.1.1 *Name and international securities identifier number ("ISIN") of the securities*

Ordinary shares in the capital of Wickes Group plc (the "**Company**" or "**Wickes**") with a nominal value of £0.10 (the "**Wickes Shares**").

ISIN code GB00BL6C2002.

A.1.2 *Identity and contact details of the issuer, including its legal entity identifier ("LEI")*

The Company is a public limited company. Its registered office is at Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom. The Company's telephone number is +44 (0)19 2365 6600 and its LEI is 213800IEX9ZXJRAOL133.

A.1.3 *Identity and contact details of the competent authority approving this Prospectus*

This Prospectus has been approved by the FCA, as competent authority, with its head office at 12 Endeavour Square, London E20 1JN and telephone number: +44 (0)20 7066 1000, in accordance with Regulation (EU) 2017/1129 (together with the delegated acts, implementing acts and technical standards thereunder as such legislation forms part of retained EU law, the "**Prospectus Regulation**").

A.1.4 *Date of approval of this Prospectus*

This Prospectus was approved on 24 March 2021.

A.1.5 *Warning*

This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and should be read as an introduction to the Prospectus. Any decision to invest in the Wickes Shares should be based on consideration of the Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital and, where any investor's liability is not limited to the amount of the investment, it could lose more than the invested capital. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Wickes Shares.

B. KEY INFORMATION ON THE ISSUER

B.1 *Who is the issuer of the securities?*

B.1.1 *Domicile, legal form, jurisdiction of incorporation and country of operation*

The Company is domiciled in England and Wales and was incorporated in England and Wales under the Companies Act on 4 September 2019 as Wickes Group Limited with registered number 12189061. Wickes Group Limited re-registered as a public limited company by shares and changed its name to Wickes Group plc on 17 March 2021.

B.1.2 *Principal activities*

The principal activity of the Company is to act as the ultimate holding company of the Wickes Group following the Demerger.

The Wickes Group is a digitally-led, service-enabled home improvement retailer, delivering choice, convenience, value and best-in-class service to customers across the United Kingdom. The Wickes Group's mission is to be the home improver's and the local tradesperson's partner of choice, with a vision for "a Wickes project in every home" and its purpose to "help the nation feel houseproud". The Wickes Group aims to support its customers however they decide to undertake their home improvement projects through three tailored customer propositions aimed at each customer segment: local trade; do-it-for-me; and do-it-yourself. The Wickes Group drives sales through its estate of 233 retail stores, which support nationwide fulfilment from convenient locations throughout the United Kingdom, and its website and TradePro mobile app for trade members, which allow customers to research and order an extended range of the Wickes Group's products and services, arrange in-person or virtual design consultations, and organise timely home delivery or "click-and-collect" from across the Wickes Group network.

B.1.3 *Major shareholders*

The Company was incorporated in anticipation of the Demerger and, as at 19 March 2021 (being the latest practicable date prior to publication of this Prospectus) (the "**Latest Practicable Date**"), is wholly owned by Travis Perkins. Immediately following the Demerger, the shareholders of the Company, and the levels of their shareholdings, will be the same as the shareholders of Travis Perkins as at the Record Time.

As at the Latest Practicable Date, insofar as it is known to the Company (by reference to notifications to Travis Perkins made in accordance with the Disclosure Guidance and Transparency Rules), the following persons are, directly or indirectly, interested in 3 per cent. or more of Travis Perkins' issued share capital and, assuming such persons do not acquire or dispose of any Travis Perkins Shares and no changes are made to Travis Perkins' issued share capital (in each case, prior to the Record Time), the amount of such person's holding of the total voting rights in respect of Wickes Shares at Admission is expected to be as follows:

Shareholder	**Percentage of total voting rights at Admission**
BlackRock Inc.	Less than 5 per cent.
Investec Asset Management	5.05
Ninety One UK Limited	4.95
Harris Associates L.P.	4.92
OppenheimerFunds, Inc.	4.91
Sanderson Asset Management LLP	4.89

B.1.4 *Key managing directors*

David Wood is Chief Executive Officer ("**CEO**") of the Company.

Julie Wirth is Chief Financial Officer ("**CFO**") of the Company.

B.1.5 *Identity of the statutory auditors*

The auditor of the Company since the date of its incorporation has been KPMG LLP, whose registered office is at 15 Canada Square, Canary Wharf, London E14 5GL. KPMG LLP is a member of the Institute of Chartered Accountants in England and Wales and has no material interest in the Wickes Group.

B.2 ***What is the key financial information regarding the issuer?***

Selected historical key financial information

The tables below set out selected key financial information for the Wickes Group as at and for the 52-week periods ended 26 December 2020, 28 December 2019 and 29 December 2018.

Consolidated Profit or Loss and Other Comprehensive Income Data

For the Financial Year 2020, Financial Year 2019 and Financial Year 2018

	Financial Year 2020			Financial Year 2019			Financial Year 2018		
	Adjusted	Adjusting (1) items	Total	Adjusted	Adjusting (1) items	Total	Adjusted	Adjusting (1) Items	Total
					(£ millions)				
Revenue	1,346.9	—	1,346.9	1,292.4	—	1,292.4	1,199.6	—	1,199.6
Cost of sales	(837.8)	—	(837.8)	(791.1)	—	(791.1)	(729.9)	—	(729.9)
Gross profit	**509.1**	**—**	**509.1**	**501.3**	**—**	**501.3**	**469.7**	**—**	**469.7**
Selling costs	(323.5)	—	(323.5)	(303.1)	—	(303.1)	(300.6)	—	(300.6)
Administrative expenses	(104.0)	(20.6)	(124.6)	(102.4)	(39.6)	(142.0)	(93.2)	(19.3)	(112.5)
Operating profit	**81.6**	**(20.6)**	**61.0**	**95.8**	**(39.6)**	**56.2**	**75.9**	**(19.3)**	**56.6**
Finance costs	(32.1)	—	(32.1)	(33.5)	—	(33.5)	(34.5)	—	(34.5)
Profit before tax	**49.5**	**(20.6)**	**28.9**	**62.3**	**(39.6)**	**22.7**	**41.4**	**(19.3)**	**22.1**
Tax	(8.9)	6.3	(2.6)	(11.8)	2.0	(9.8)	(8.1)	0.9	(7.2)
Profit for the period and total comprehensive income	**40.6**	**(14.3)**	**26.3**	**50.5**	**(37.6)**	**12.9**	**33.3**	**(18.4)**	**14.9**

Note:

(1) In Financial Year 2020, adjusting items included £8.2 million arising from activities related to the Demerger, £10.2 million in impairment charges relating to a small number of loss-making stores, £2.2 million in relation to restructuring the DIFM design consultant team, tax on adjusting items of £(3.9) million and deferred tax rate change of £(2.4) million. In Financial Year 2019, adjusting items included Wickes Group separation costs of £9.2 million, store impairment charge of £1.9 million, loss on legal entity restructuring of £26.6 million and IT impairment charges of £0.7 million, restructuring costs of £1.2 million and tax on adjusting items of £(2.0) million. In Financial Year 2018, adjusting items included IT impairment charges of £6.5 million, restructuring costs of £12.8 million, tax on adjusting items of £(3.5) million and deferred tax rate change of £2.6 million.

Consolidated Balance Sheet Data

As at 26 December 2020, 28 December 2019 and 29 December 2018

	26 December 2020	28 December 2019	29 December 2018
		(£ millions)	
Assets			
Total non-current assets	802.0	886.3	950.1
Total current assets	406.4	502.8	887.6
Total assets	**1,208.4**	**1,389.1**	**1,837.7**
Equity and Liabilities			
Total equity	**129.8**	**278.6**	**263.7**
Total non-current liabilities	(713.1)	(781.7)	(820.9)
Total current liabilities	(365.5)	(328.8)	(753.1)
Total liabilities	**(1,078.6)**	**(1,110.5)**	**(1,574.0)**
Total equity and liabilities	**1,208.4**	**1,389.1**	**1,837.7**

Consolidated Cash Flow Statement Data

For the Financial Year 2020, Financial Year 2019 and Financial Year 2018

	Financial Year 2020	Financial Year 2019	Financial Year 2018
		(£ millions)	
Net cash inflow from operating activities	76.8	108.5	176.8
Net cash (outflow) from investing activities	(19.9)	(24.1)	(41.3)
Net cash (outflow) from financing activities	(75.8)	(75.2)	(125.9)
Net decrease/(increase) in cash and cash equivalents	**(18.9)**	**9.2**	**9.6**
Cash and cash equivalents at the beginning of the period	25.4	16.2	6.6
Cash and cash equivalents at the end of the period	**6.5**	**25.4**	**16.2**

Selected pro forma key financial information

This document presents certain pro forma financial information of the Wickes Group to illustrate the impact of the Demerger on the net assets of the Wickes Group as if the Demerger had taken place on 26 December 2020.

The unaudited pro forma statement of net assets of the Wickes Group is based on the net assets of the Wickes Group as at 26 December 2020 and has been prepared on the basis that the Demerger was effective as of 26 December 2020 and in a manner consistent with the accounting policies adopted by the Company in preparing its audited consolidated financial statements for the year ended 26 December 2020.

Because of its nature, the unaudited pro forma statement of net assets addresses a hypothetical situation and, therefore, does not represent the Wickes Group's actual financial position or results. It may not, therefore, give a true picture of the Wickes Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma statement of net assets has been prepared for illustrative purposes only and in accordance with Annex 20 of the PR Regulation.

	Net assets of the Wickes Group as at 26 December 2020	Adjustment for cash settlement of intercompany balances by the Travis Perkins Group	Adjustment for the repayment of rate relief	Adjustment for transaction costs in connection with the Demerger	Adjustment for settlement of remaining intercompany balances with the Travis Perkins Group	Pro Forma
	Note 1 £'m	Note 2 £'m	Note 3 £'m	Note 4 £'m	Note 5 £'m	£'m
Non-current assets						
Goodwill	8.4	—	—	—	—	8.4
Other intangible assets	12.3	—	—	—	—	12.3
Property, plant and equipment	103.1	—	—	—	—	103.1
Right-of-use assets	654.2	—	—	—	—	654.2
Deferred tax asset	24.0	—	—	—	—	24.0
Total non-current assets	**802.0**	**—**	**—**	**—**	**—**	802.0
Current assets						
Inventories	138.3	—	—	—	—	138.3
Trade and other receivables	261.6	(156.1)	—	—	(30.0)	75.5
Cash and cash equivalents	6.5	156.1	(32.6)	(5.0)	—	125.0
Total current assets	**406.4**	**—**	**(32.6)**	**(5.0)**	**(30.0)**	**338.8**
Total assets	**1,208.4**	**—**	**(32.6)**	**(5.0)**	**(30.0)**	**1,140.8**
Non-current liabilities						
Lease liabilities	712.8	—	—	—	—	712.8
Long-term provisions	0.3	—	—	—	—	0.3
Total non-current liabilities	**713.1**	**—**	**—**	**—**	**—**	**713.1**
Current liabilities						
Lease liabilities	77.2	—	—	—	—	77.2
Trade and other payables	277.9	—	(32.6)	—	—	245.3
Short-term provisions	10.4	—	—	—	—	10.4
Total current liabilities	**365.5**	**—**	**(32.6)**	**—**	**—**	**332.9**
Total liabilities	**1,078.6**	**—**	**(32.6)**	**—**	**—**	**1,046.0**
Net assets/(liabilities)	**129.8**	**—**	**—**	**(5.0)**	**(30.0)**	**94.8**

Notes:

(1) The net assets of the Wickes Group as at 26 December 2020 have been extracted without material adjustment from the Group's audited consolidated financial statements as at and for the year ended 26 December 2020.

(2) The adjustment in Note 2 reflects the £156.1 million cash settlement of certain intercompany balances owed by the Travis Perkins Group to the Wickes Group as part of the pre-Demerger Reorganisation in order to provide that the Wickes Group had a cash balance of £130.0 million as at 26 December 2020. On the settlement of these intercompany balances immediately prior to the Demerger the Wickes Group will derecognise an equivalent amount of the intercompany receivables due from the Travis Perkins Group.

(3) The adjustment in Note 3 reflects the voluntary repayment of £32.6 million of business rates relief claimed by the Wickes Group in April to December 2020.

(4) The adjustment in Note 4 reflects transaction costs that are directly attributable to the Demerger that are being borne by the Wickes Group and which had not been incurred at 26 December 2020. These comprise estimated professional adviser fees and exclude one-off costs arising from the separation of the Wickes Business from the Travis Perkins Group which are estimated to be £5.0 million.

(5) The adjustment in Note 5 reflects the settlement of the remaining intercompany balance by the Travis Perkins Group to the Wickes Group achieved via the payment of dividends equal to a total amount of £30.0 million by the Wickes Group to the Travis Perkins Group, left outstanding as an intercompany balance and offset against the remaining equivalent intercompany balances owed by the Travis Perkins Group.

(6) Each of the adjustments in Notes 2, 3, 4 and 5 are non-recurring items.

No adjustment has been made to reflect any other change in the Wickes Group financial position in this period since 26 December 2020.

B.3 *What are the key risks that are specific to the issuer?*

Risks related to the Wickes Group's business

The Wickes Group operates in the highly competitive UK home improvement market, and competitive behaviour could negatively impact customer demand and sales.

The market for home improvement purchases, and as a result the Wickes Group's business, may be adversely affected by economic and political conditions and other factors influencing disposable income in the United Kingdom.

The Wickes Group faces risks related to the impact of COVID-19 and other communicable diseases or pandemics in the future.

The Wickes Group relies on its reputation as a trusted provider of high-quality home improvement products and services at good value, and any deterioration in its reputation could adversely affect its business.

The Wickes Group may experience interruptions involving its suppliers.

A failure to implement the Wickes Group's integrated growth strategy may adversely affect its business.

The Wickes Group may not be able to accurately predict and plan for changes in customer demand and preferences, which could lead to reductions in sales or negatively impact operating margins.

A failure of a key information technology system or process, including due to a cyber-attack, could adversely affect the Wickes Group's operations or cause a loss of customer data.

The Wickes Group faces risks relating to any property damage or interruption of operations at one of its delivery centres, which could significantly interrupt its operating activities.

Risks related to the Demerger

Wickes will incur new costs in its transition to a standalone public company and its management team will be required to devote substantial time to new compliance matters.

Following the Demerger, Wickes will face new challenges as an independent company, which could adversely affect its financial or operating performance.

The Wickes Group utilises Travis Perkins for the continued provision of certain transitional services (specifically relating to IT and human resources), and a material interruption could negatively impact the Wickes Group's operating activities.

C. KEY INFORMATION ON THE SECURITIES

C.1 *What are the main features of the securities?*

C.1.1 *Type, class and ISIN*

The Wickes Shares are fully paid ordinary shares with a nominal value of £0.10 each. The Company has, and on Admission will have, one class of ordinary shares, comprising the entire issued share capital of the Company. On Admission, the Wickes Shares will be registered with ISIN number GB00BL6C2002 and SEDOL number BL6C200.

C.1.2 *Currency, denomination, par value, number of securities issued and duration*

The currency of the Wickes Shares is pounds sterling.

On Admission, the number of Wickes Shares in issue will be equal to the number of Travis Perkins Shares in issue at the Record Time, all of which will be fully paid or credited as fully paid.

At the Latest Practicable Date, Travis Perkins' share capital consisted of 252,143,923 ordinary shares and therefore the Company's share capital also consisted of 252,143,923 ordinary shares. Further Travis Perkins Shares may be issued by Travis Perkins to satisfy entitlements under the Travis Perkins Share Plans, although it is not currently anticipated that any further Travis Perkins Shares will be issued. Any additional Travis Perkins Shares will, if issued, be issued prior to the Record Time and a corresponding number of Wickes Shares will also be issued prior to the Record Time.

C.1.3 *Rights attached to the Wickes Shares*

The rights attaching to the Wickes Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the Company's share capital.

Subject to the provisions of the Companies Act, any equity securities issued by the Company for cash must first be offered to the holders of Wickes Shares ("**Wickes Shareholders**") in proportion to their holdings of Wickes Shares. The Companies Act and Listing Rules allow for the disapplication of pre-emption rights which may be waived by a special resolution of the Wickes Shareholders, whether generally or specifically, for a maximum period not exceeding five years.

On a show of hands, every Wickes Shareholder who is present in person shall have one vote and, on a poll, every Wickes Shareholder present in person or by proxy shall have one vote per Wickes Share.

Except as provided by the rights and restrictions attached to any class of shares, Wickes Shareholders will under general law be entitled to participate in any surplus assets in a winding-up in proportion to their shareholdings.

C.1.4 *Rank of securities in the issuer's capital structure in the event of insolvency*

The Wickes Shares do not carry any rights with respect to capital to participate in a distribution (including on a winding-up) other than those that exist as a matter of law. The Wickes Shares will rank *pari passu* in all respects.

C.1.5 *Restrictions on the free transferability of the securities* LR 2.2.4(1)

The Wickes Shares are freely transferable and there are no restrictions on transfer. (11) 4.8

C.1.6 *Dividend or payout policy* (1) 18.5.1

Wickes is a strongly cash generative business and the Board recognises the importance of balancing investment in the business with dividends to shareholders. The Board intends to adopt a progressive dividend policy and currently expects to start with a dividend of 30 per cent. of adjusted profit after tax in respect of the full financial year ending 1 January 2022, split approximately one-third and two-thirds between interim and final dividends, respectively. The Company intends to put in place a dividend re-investment plan following Admission.

C.2 ***Where will the securities be traded?***

Application will be made to the FCA for all of the Wickes Shares, issued and to be issued, to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for such Wickes Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

C.3 ***What are the key risks that are specific to the securities?***

There is no prior trading record for the Wickes Shares and an active trading market for the Wickes Shares may not develop or be sustained.

Significant trading volumes of Wickes Shares in the public market in the period post-Demerger and subsequently could impact the share price.

The Wickes Shares are priced in pounds sterling and will be quoted and traded in pounds sterling. In addition, any dividends the Company may pay will be declared and paid in pounds sterling. Accordingly, holders of the Wickes Shares resident outside the United Kingdom are subject to risks arising from adverse movements in the value of their local currencies against the pound sterling.

D. KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

D.1 ***Under which conditions and timetable can I invest in this security?***

It is expected that admission of the Wickes Shares to listing and trading on the London Stock Exchange will become effective and that dealings will commence at 8.00 a.m. (UK time) on 28 April 2021.

D.2 ***Why is this Prospectus being produced?***

This Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in the Company. It is intended solely for holders of Travis Perkins Shares and has been prepared in connection with the application to list the Wickes Shares on the premium listing segment of the Official List and to admit the Wickes Shares to trading on the London Stock Exchange.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and date
Publication of this Prospectus and the Travis Perkins Circular	24 March 2021
Latest time and date for receipt of Proxy Forms and CREST electronic proxy appointment instruction	10.4 a.m. on 23 April 2021
Travis Perkins' Annual General Meeting	10.00 a.m. on 27 April 2021
General Meeting(1)	10.45 a.m. on 27 April 2021
Announcement of result of General Meeting	27 April 2021 (after the General Meeting)
Latest time and date for transfers of Travis Perkins Shares to be registered in order for the transferee to be registered at the Record Time	6.00 p.m. on 27 April 2021
Record Time for determining entitlement to the Demerger Dividend	6.00 p.m. on 27 April 2021
Demerger Dividend to Qualifying Travis Perkins Shareholders	After 6.00 p.m. on 27 April 2021
Admission and commencement of dealings in Wickes Shares on the London Stock Exchange	8.00 a.m. on 28 April 2021
CREST accounts credited in respect of Wickes Shares in uncertificated form	As soon as practicable after 8.00 a.m. on 28 April 2021
Posting of share certificates for Wickes Shares	Week commencing 10 May 2021

Notes:
(1) The start time for the General Meeting may be delayed if Travis Perkins' annual general meeting runs over 10.45 a.m., in which case the General Meeting shall commence immediately after Travis Perkins' annual general meeting is concluded or adjourned.

All references to time in this document are to London time unless otherwise stated.

The dates given are based on the Company's current expectations and may be subject to change. If any of the times or dates above change, Travis Perkins will give notice of the change by issuing an announcement through a Regulatory Information Service.

PART I
RISK FACTORS

Any investment in the Wickes Shares is subject to a number of risks. Prior to investing in the Wickes Shares, prospective investors should carefully consider the risk factors associated with any investment in the Wickes Shares, the Wickes Group's business and the industry in which it operates, together with all other information contained in this Prospectus, including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Wickes Group, its industry and the Wickes Shares summarised in the section of this Prospectus headed "Summary Information" are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Wickes Shares. However, as the risks which the Wickes Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary Information" but also, among other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Wickes Shares and should be used as guidance only. Additional risks and uncertainties relating to the Wickes Group that are not currently known to the Wickes Group, or that the Wickes Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Wickes Group's business, results of operations and/or financial condition and, if any such risk should occur, the price of the Wickes Shares may decline and investors could lose all or part of their investment. An investment in the Wickes Shares involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Wickes Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

The order in which the following risk factors are presented does not necessarily reflect the likelihood of their occurrence.

Risks related to the Wickes Group's business

The Wickes Group operates in the highly competitive UK home improvement market, and competitive behaviour could negatively impact customer demand and sales.

The UK market for home repair, maintenance and improvement products and services is highly competitive, particularly with respect to customer experience, price, quality, availability, product and delivery options, as well as digital capabilities. With respect to the Wickes Group's stores, it also competes based on store location and appearance as well as presentation of merchandise.

The Wickes Group's competitors include other national home improvement retailers, as well as local home improvement retailers and a variety of specialty design and home decorating stores in many of the cities and towns where the Wickes Group's stores are located, as well as online retailers. New competitors could also emerge, including as a result of a non-UK home improvement or generalist retailer expanding into the United Kingdom or merging with an existing UK home improvement retailer. Consolidation in the industry could also alter the competitive landscape.

In the past, competitors have attempted to use aggressive pricing strategies in order to gain market share, including for example Bunnings following its purchase of Homebase and brief entry into the UK market from 2016 to 2018. This created market disruption which negatively affected the Wickes Group's market share, sales volumes and revenue. Competitors may also target certain of the Wickes Group's customer markets, for example, by offering a more attractive proposition for local trade customers, or aiming to significantly improve customer service generally or competing kitchen and bathroom service offerings, or any future do-it-for-me ("**DIFM**") services offered by the Wickes Group. There can be no assurance that existing or future competitors will not undertake similar strategies in the future, which could negatively impact the Wickes Group's market share and result in defensive pricing and other strategies being undertaken by the Wickes Group in response. In particular, because DIFM services are a strategic growth area for the Wickes Group, significantly increased competition – whether from new entrants, or a return to this market by previous market participants – for these customers could have a significant impact on the Wickes Group's customer proposition and revenue from DIFM services.

The Wickes Group also competes with a variety of generalist retailers, including discounters and local grocers, as well as online retailers such as Amazon, which sell various products offered by the Wickes Group even if they do not specialise in home improvement products. As a result, the Wickes Group faces competition for its target DIY and trade customers across a variety of the product lines that it offers. Some of these competitors may have better market presence, name or brand recognition, financial resources, supply chains, distribution platforms, economies of scale and/or lower cost bases than the Wickes Group, in particular as compared to the Wickes Group's historical operations as part of the Travis Perkins Group, which could allow them to offer a wider range of products or products at lower prices than the Wickes Group and to respond more swiftly to changes in market conditions. During periods of deteriorating economic conditions, customers may become increasingly price-conscious and competitors may respond accordingly in order to maintain volume. Certain competitors may also seek to offer greater choice and convenience than the Wickes Group.

Actions taken by the Wickes Group's competitors, as well as actions taken by it to maintain its competitiveness and reputation, may place pressure on its pricing strategy, margins and profitability. The Wickes Group's competitors may also merge or form strategic partnerships, thus achieving economies of scale in buying, distribution and logistics, which could cause additional competitive pressure for the Wickes Group. There can be no assurance that the Wickes Group will be able to respond adequately to these multiple sources and forms of competition, whether from existing competitors or new market entrants. As a result of the above, or as a result of increasing competitive pressure due to factors beyond the Wickes Group's control, its business, results of operations, financial condition or prospects could be materially adversely affected.

The market for home improvement purchases, and as a result the Wickes Group's business, may be adversely affected by economic and political conditions and other factors influencing disposable income in the United Kingdom.

The Wickes Group's financial performance depends significantly on the strength of the UK home improvement market, which is in turn influenced by the housing market in the United Kingdom. Trends in home improvement, housing repair and maintenance expenditure have historically been linked to leading housing market indicators, such as housing turnover and mortgage approvals. As a result, if economic or political conditions lead to low growth levels, negatively impacting the UK housing market, this may create uncertainty in the Wickes Group's strategic business planning and negatively impact demand for the Wickes Group's products and services.

The UK housing market can be affected by a variety of economic factors, including inflation, real disposable income, salaries, interest rates, the availability of consumer credit and consumer confidence, as well as global economic conditions, health concerns (including related to COVID-19, see "*—The Wickes Group faces risks related to the impact of COVID-19 and other communicable diseases or pandemics in the future*") and UK government policy. In particular, these factors could lead to a decline in consumer confidence, increases in unemployment and repossession rates, and limited availability of credit (including mortgages, home equity loans and consumer credit), which could result in lower sales for the Wickes Group. For example, consumer confidence levels and housing transactions were impacted by the result of the 2016 UK referendum to leave the European Union, and lockdown measures early in the COVID-19 pandemic restricted home viewing activities and reduced transactions. Sentiment can also be negatively impacted by consumer perception of economic and political conditions, as well as changes to UK government regulation and policy, such as changes to stamp duty levels.

As a result, adverse conditions in, or uncertainty about, these markets, the economy or the political climate could adversely impact the Wickes Group's customers' confidence or financial condition, causing them to decide against purchasing home improvement products and services, causing them to delay purchasing decisions or impacting their ability to pay for products and services. Any of these trends may have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group faces risks related to the impact of COVID-19 and other communicable diseases or pandemics in the future.

The spread of the COVID-19 strain of coronavirus and associated responses have caused significant disruption to the global economy and financial markets, including supply chains, manufacturing processes, and travel and shipment capabilities in various countries globally. On 11 March 2020, the World Health Organisation officially declared the coronavirus outbreak a pandemic, and governments around the world have at various times implemented emergency measures, including international and domestic travel and other restrictions in an attempt to contain and slow down the further spread of the virus. Emergency measures by central banks and governments around the world may not be sufficient to offset the negative economic consequences caused by this outbreak, and there remains significant uncertainty regarding the extent to which the pandemic will affect consumer behaviour (including in relation to home purchase and home improvement activities, see "*—The market for home improvement purchases, and as a result the Wickes Group's business, may be adversely affected by economic and political conditions and other factors influencing disposable income in the United Kingdom*") in the future.

Preventative measures to contain the spread of COVID-19 have led, at times, to the temporary closure of retail locations, factory and industrial facilities, schools and public spaces, as well as travel restrictions impacting the movement of people and goods in the United Kingdom, a number of European countries and other regions worldwide. Such closures and restrictions have caused disruptions to elements of the Wickes Group's supply chain (including through distributors and production of the Wickes Group's branded products), and significant delays or shortages could negatively impact its ability to serve customers. In the longer term, the cost of production charged by such manufacturers may increase as a result of supply or other issues arising as a result of the outbreak, which may negatively affect the Wickes Group's margins.

The Wickes Group faces risks arising from the impact of COVID-19 on its customers and the UK home improvement market generally. Although the Wickes Group's stores (as with other home improvement retailers) have been classified as "essential businesses" and permitted to remain open throughout most of the pandemic, the Wickes Group experienced a one-day closure of all stores on 24 March, followed initially by an online-only light operating model, during which all locations (other than dedicated kitchen and bathroom stores) continued to operate as fulfilment centres for click-and-collect and home delivery. Subsequent public re-openings of these stores were staged, with an initial six stores on 30 April 2020 and the remainder of these locations on 14 May and 19 May for all locations on 14 May and 19 May. Kitchen and bathroom stores did not reopen until 1 July, and showroom space experienced intermittent closures across the network, including during the November-December 2020 lockdown and since 5 January 2021. In the future, a significant deterioration of public health conditions could lead to implementation of strict lockdown measures and forced closure of retail locations including Wickes stores or severely limit the number of colleagues and customers allowed in a store at one time. Under severe lockdown measures, the Wickes Group could also be prohibited from offering click-and-collect services or providing home-delivery services from store locations, or from operating fulfilment and delivery activities from its distribution centres, any of which would significantly limit the Wickes Group's ability to continue serving its customers. The pandemic could also affect the Wickes Group's colleagues, see "*The Wickes Group's success is dependent upon senior management and colleague teams, as well as skilled third-party personnel*".

In addition, the pandemic has caused particular disruption to the DIFM and Local Trade markets, as lockdowns, stay-at-home orders and social distancing measures have, at times, limited demand for home improvement services that require third parties entering the home and, in particular in DIFM, limited in-store showroom and in-person design activities due to social-distancing requirements. In addition, the Wickes Group's six kitchen and bath stores and its DIFM showrooms in a significant number of stores have been closed at times during the course of the pandemic. Although the Wickes Group has significantly expanded its virtual DIFM offering since the start of the pandemic, and it continues to engage with customers through its expanded digitally-led offering and growth in delivery and click-and-collect services, it has experienced periods of slow demand in Local Trade and significantly slower demand in DIFM at times since the start of the pandemic and there remains uncertainty whether and when demand in particular in DIFM, will reach levels observed prior to outbreak of the pandemic. In addition, while the Wickes Group has experienced a significant increase in core DIY demand since the start of the pandemic, this trend may not continue in the coming years.

Although the significance of COVID-19 and governmental actions to curtail its spread remain uncertain, it is expected to continue to have a significant negative impact on the affected economies, negatively impact global trade and markets and impact consumer demand. In the future, outbreaks of other communicable diseases or pandemics could result in implementation of similar restrictions on travel and commercial activity, or lead to supply disruptions in the United Kingdom or elsewhere, and negatively impact the Wickes Group's operations or demand for its products and services. If any of these events materialise, it could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group relies on its reputation as a trusted provider of high-quality home improvement products and services at good value, and any deterioration in its reputation could adversely affect its business.

The Wickes brand is an important asset, and maintaining the reputation of and value associated with the Wickes brand is central to the success of the Wickes Group's business. However, the Wickes Group could be adversely affected if customers lose confidence in the perceived value, quality or safety of the products or services offered by the Wickes Group, or in the Wickes Group's reputation as a responsible partner for home improvement projects.

In order to promote its products, the Wickes Group engages in promotional activity, such as limited time price reductions and sales events, which may be subject to scrutiny. If consumers or the Advertising Standards Authority ("**ASA**") conclude that promotional activity by the Wickes Group does not provide an accurate representation of the true or discounted value of a product, this could have a negative impact on the perception of the Wickes Group as offering value for money to its customers, and therefore harm its reputation and its operating and financial performance.

In addition, a significant portion of the home improvement products sold by the Wickes Group are third-party branded products. As a result, the Wickes Group is, in part, dependent on manufacturers' investment in their own marketing initiatives and efforts to promote their brands, in order for customers to purchase these products. The Wickes Group also depends on its suppliers to comply with applicable employment, environmental, safety and other laws and standards so as not to negatively impact their branded products. However, there can be no assurance that suppliers are or will continue to effectively promote their brands or remain in compliance with applicable law, and if they fail to do either of these, it could lead to a deterioration in the reputation of the third-party brands stocked by the Wickes Group.

The Wickes Group also sells a number of products under the Wickes brand. However, the Wickes Group sources these products from third parties and does not control the design or production of these items. The Wickes Group could be adversely affected if customers lose confidence in the safety and quality of the Wickes Group's own-brand products. These products are important to the Wickes Group's strategy because they support the reputation of the Wickes brand and the Wickes Group typically earns a higher margin on own-brand products than third-party branded items. Maintaining broad market acceptance of its own-brand products depends on many factors, including pricing, costs, quality and customer perception, and the Wickes Group may not achieve or maintain expected sales for its own-brand products. A shift in the Wickes Group sales mix away from own-brand products, or a decline in overall sales if any negative perception of these products adversely affects customers' perception of the Wickes Group more generally, could cause customers to switch to other home improvement retailers and have a negative impact on the Wickes Group operating results.

The Wickes Group's reputation may also depend on its perceived sustainability credentials. Across its operations, and in light of increased public focus on environmental, social and governance matters, the Wickes Group faces risks that customers and potential customers will not view it as a responsible partner for their home improvement projects. As a result, any violation, or allegations of a violation, of such laws, regulations or customer expectations by the Wickes Group or its suppliers could lead to unfavourable publicity and reputational damage, which may cause a decline in public demand for the Wickes Group's products or services. In addition, if the Wickes Group does not meet applicable legal requirements, it may be required to incur expenditure or make changes to its supply chain and other business arrangements to ensure compliance.

If the Wickes Group is not perceived as providing value for money, or is not considered a trustworthy and high-quality home improvement partner, and customers choose other products, retailers or service providers over the Wickes Group, it could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group relies on certain key suppliers, the loss of which could negatively impact operating performance.

The Wickes Group product and service offerings rely on its relationships with a variety of domestic and international suppliers. While the Wickes Group seeks to diversify its supplier network and maintains relationships with approximately 370 different suppliers, certain key products that the Wickes Group relies on, including kitchen cabinetry and timber, paint and plaster, are acquired from a limited number of suppliers. As a result, if any one of the suppliers of key products fails to deliver on commitments or, for any reason, cannot provide the Wickes Group with the products or supplies necessary for ongoing operations, the Wickes Group could experience merchandise shortages or significant delays to its DIFM services, which could lead to lost sales and reputational damage.

In addition, the Wickes Group may not be able to identify, develop and maintain relationships with qualified suppliers who can satisfy its standards for price, quality, safety standards, quantity and other requirements, including if an existing key supplier ceases trading or ends its relationship with the Wickes Group and a new supplier needs to be located. The Wickes Group typically enters into contracts with suppliers for an average of one to three years, which provides a measure of assurance of price and supply (subject to the suppliers fulfilling their contractual obligations). However, when a contract expires, the Wickes Group cannot be assured that it will be able to renew that contract or secure a contract with a new supplier on equal or better terms and its sales and inventory levels could suffer if it is unable to promptly replace a supplier.

Any substantial decrease in the availability of products from the Wickes Group's key third-party suppliers and own-brand manufacturers, including due to the loss of a key supplier, or significant changes to supply terms at the time of renewal, could lead to lost sales or increased costs, which could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group may experience interruptions involving its suppliers.

The products sold by the Wickes Group, whether they are sold under the Wickes brand or a third-party label, are produced by third parties. In addition, third-party suppliers support a number of services provided by the Wickes Group, including courier services as part of the Wickes Group's fulfilment capabilities and installation services as part of the Wickes Group's DIFM offering. The Wickes Group also relies on service providers for certain internal operating functions, such as information technology integration.

A variety of issues might disrupt these supply chains and supplier relationships. For example, political and economic instability in the countries in which foreign suppliers or manufacturers are located, the financial instability of suppliers, suppliers' failure to meet the Wickes Group's standards, issues with labour practices of its suppliers or labour problems they may experience (such as strikes), the availability and cost of raw materials to suppliers, merchandise quality or safety issues, transport availability and cost, inflation and other factors relating to the suppliers and the countries in which they are located or from which they import could interrupt the Wickes Group's sourcing activities. In addition, the COVID-19 pandemic, in particular if a significant deterioration in public health conditions leads to renewed lockdown and other restrictions, could heighten the risks of certain of these supply risks. Any of these factors, which are beyond the Wickes Group's control, could have negative implications for the Wickes Group.

A significant proportion of the products sold by the Wickes Group, whether under the Wickes brand or a third-party brand, are imported from outside the United Kingdom or purchased from domestic distributors that import from outside the United Kingdom. As a result, the terms of the United Kingdom's departure from the European Union may impact the Wickes Group's ability to procure these products in a timely and cost-effective manner, whether from EU countries or from outside the European Union pursuant to the United Kingdom's existing trade arrangements. Further exchange rate volatility may also negatively affect the Wickes Group's cost of sales, as described in "—*Cost inflation, including wage inflation, could have an impact on the Wickes Group's businesses, results of operations, financial condition or prospects*". Following its formal departure from the European Union on 31 January 2020, the United Kingdom ceased trading as part of the European Union on 31 December 2020 following entry by the United Kingdom and the European Union into the EU-UK Trade and Cooperation Agreement (the "**EU-UK TCA**"). The impact of the changes in the trading relationship between the United Kingdom following entry into and implementation of the EU-UK TCA is uncertain and may continue to change in the coming years. However, if changes to the United Kingdom's trading relationship with the European Union result in the introduction of tariffs, in particular on products from third-party countries with whom the United Kingdom needs to establish new trading relationships, or other costs arise from non-tariff measures, there can be no assurance that these costs could be passed on to customers. Disruption to the United Kingdom's import capacity could also affect the availability of products sold by the Wickes Group. As a result, the United Kingdom's departure from the European Union may cause significant disruption, which could negatively impact the Wickes Group's ability to source products.

Disruptions due to labour stoppages, strikes or slowdowns that affect the Wickes Group's suppliers, or changes in global trade that negatively impact the Wickes Group's ability to procure products on the same terms it currently does, or other disruptions involving the Wickes Group's suppliers or the shipping, transportation and handling industries also may affect its ability to receive merchandise in a timely manner and thus may negatively affect the Wickes Group's sales and profitability. The Wickes Group may in the future experience product shortages, due to any or all of the factors described above, which could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

A failure to implement the Wickes Group's integrated growth strategy may adversely affect its business.

The Wickes Group's growth strategy relies on its ability to provide customers with best-in-class service and a fast and convenient shopping experience, whether they are shopping online or in-store. As a result, the Wickes Group has undertaken efforts to improve its digital capabilities, further integrate its operations across its service offering and to improve its in-store product selection and order fulfilment services, so that the Wickes Group can provide its customers with the products they need when and where they need them. In Financial Year 2020, the Wickes Group approached two-thirds of sales that utilise its digitally-enabled capabilities, including online ordering, advanced "online, in-store" purchases from in-store, the TradePro digital app, online research ahead of an in-store purchase, showroom web leads and through the virtual DIFM journey. This strategy places the Wickes Group's digital capabilities at the heart of the customer journey and utilises its store estate to support efficient order fulfilment, but it may prove unsuccessful or additional investment may be required to support further systems improvements.

In addition, investment activities undertaken in the past may not deliver the targeted returns. For example, the Wickes Group has undertaken significant work as part of its ongoing store transformation initiative, including to improve the quality of the store estate and right-size certain store locations to support more efficient operations and improve the customer experience. While the COVID-19 pandemic has accelerated certain in-store reconfiguration activities, including to increase in-store storage space in a number of high-volume, small-footprint locations to support click-and-collect activities, there can be no assurance the extent to which they will support operating activities in the future or whether or where further investment will be required. Future re-fit activities will require additional investment and may not deliver a similar sales uplift and level of return as historical investment at other stores. The Wickes Group anticipates undertaking re-fit activities at between 35 and 40 additional stores. In addition, a decline in the Wickes Group's operating performance could limit its ability to undertake future renovation and re-fit works, which could negatively impact its revenue and reputation.

A number of factors, including the manifestation of the other risks described in this document, could limit management's ability to accurately project and strategically plan for shifts in customer demand and preferences and, as a result, prevent the Wickes Group's strategic initiatives from being successfully or promptly completed. In addition, the Wickes Group's strategy relies on customers finding the Wickes Group's website easy to use and helpful, welcoming and conveniently located stores, compelling kitchen and bathroom service offerings, as well as any future DIFM offerings, and online and in-store product range offerings that meet their needs. However, customers may not respond positively to these initiatives and digitally-enabled sales may not continue growing. If the Wickes Group is unable to continue developing and implementing its digitally-led, service-enabled strategy, it could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group may not be able to accurately predict and plan for changes in customer demand and preferences, which could lead to reductions in sales or negatively impact operating margins.

The Wickes Group derives revenue from the sale of products and provision of services that are subject to changing customer demand. As a result, its success depends, in part, on its ability to effectively predict and respond to changing market conditions and customer preferences in order to provide a compelling and targeted service proposition to its local trade ("**Local Trade**"), DIFM and do-it-yourself ("**DIY**") customers. In recent years, the Wickes Group has invested significantly to transform its physical infrastructure, digital capabilities and product and service proposition to better reflect changing behaviours in the UK home improvement market, based on customer demand and projected market trends. These changes include the expansion of its DIFM service offering and integration of operations to provide digitally-led solutions. However, in the future, customer behaviour may shift in a way that the Wickes Group cannot predict or plan for or the Wickes Group's service proposition may not continue to meet customer home improvement preferences or demands, either of which could lead to reductions in sales or require the Wickes Group to incur additional costs to continue serving its customers. For example, the COVID-19 pandemic has led to periodic lockdown restrictions, stay-at-home orders and otherwise impacted customer behaviour, which has at times negatively impacted the broader DIFM and Local Trade markets (see "—*The Wickes*

Group faces risks related to the impact of COVID-19 and other communicable diseases or pandemics in the future") and resulted in increased demand for click-and-collect and home delivery services. The Wickes Group responded to these changes by accelerating certain digital strategies, including its virtual DIFM service, and expanding its distribution and fulfilment offering. However, significant changes, or implementation moderate changes over the longer term, may require the Wickes Group to incur higher costs than it has historically and negatively impact its operating margins.

As part of this transformation in recent years, the Wickes Group has undertaken significant work on its product ranges. This strategy relies on providing curated ranges of products online and in-store, in an effort to make the shopping experience easier for its trade and DIY customers. As a result, inventory management is a key component of this strategy, and the Wickes Group must balance the need to maintain sufficient inventory levels to meet its customers' demands for timely delivery and in-store collection options, with potential increased costs associated with excess inventory and the risk this unduly impacts the Wickes Group's financial condition. This strategy also relies on the Wickes Group's ability to ensure that the right products and brands are included in its curated in-store product ranges. If the Wickes Group is unable to correctly predict the products and brands demanded by its customers, or if it selects products and brands that are not in high demand, it may result in lower sales levels and longer inventory turnover times.

In addition, the Wickes Group must ensure that it evaluates customer trends and procures the right products with adequate lead time. A significant portion of the products offered in the Wickes Group's stores are manufactured outside of the United Kingdom. The Wickes Group regularly enters into contracts for the purchase and manufacture of merchandise from suppliers outside the United Kingdom and domestic distributors that import products supplied from outside the United Kingdom. The Wickes Group is subject to variable lead times depending on where the products are sourced from, which can affect the agility of its supply chain and have knock-on effects throughout the business. There can be no assurance that the Wickes Group's orders will match actual demand. If the Wickes Group is unable to identify and source products on a timely basis and at prices that customers find attractive, or to maintain adequate stock levels of products in-store or from its extended range online, its customers may be more likely to shop from a competitor or decrease the regularity with which they visit the Wickes Group's stores. This decrease in footfall and sales could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

A failure of a key information technology system or process, including due to cyber-attack, could adversely affect the Wickes Group's operations or cause a loss of customer data.

The Wickes Group relies extensively on its key operational systems, some of which are managed or provided by third-party service providers, for the efficient functioning of its business, including to analyse, process, store, manage and protect transactions and data. In particular, the Wickes Group relies on its information technology, network and communications systems to effectively manage its sales, distribution, fulfilment, merchandise planning and replenishment functions and to maintain its in-stock positions and a record of its results of operations and financial position. As the Wickes Group continues to leverage its digitally-led service proposition and aims further embed digital capabilities in its customer relationships, it will increasingly rely on these underlying systems to support its operations. As a result, any failure or significant disruption to these information technology, network or communications systems, including due to security breach, could have an adverse effect on the proper functioning of the Wickes Group's digital proposition and its businesses.

As the Wickes Group's product range strategy involves offering a curated range of products online and in-store, and fast fulfilment options for click-and-collect orders and home delivery, in many cases from a nearby store, disruptions in sourcing or distribution across the Wickes Group's store network could have a significant impact on the customer experience, and could be costly, time consuming and resource-intensive to remedy. System disruptions could also negatively impact the Wickes Group's ability to maintain its financial records and produce timely financial information to enable it to manage its operations. As the Wickes Group continues to grow its digitally-led capabilities, it expects increasing amounts of customer data, which may create additional risks if it is improperly accessed or lost. Although the Wickes Group and its third-party service providers seek to maintain these respective systems effectively and to successfully address the risk of compromise of the integrity, security and consistent operations of these systems, the IT landscape supporting these operating systems is complex and, over time, may become increasingly difficult to support, and as a result such efforts may not be successful. Future investment in these systems may be more expensive or complex to implement than anticipated, which could negatively impact the Wickes Group's operating or financial performance.

In addition, the computer and communications systems are vulnerable to damage or interruption from a variety of sources, including attacks by computer viruses, ransomware, electronic break-ins or cyber-attacks, theft or corruption of confidential data or other unanticipated problems, particularly in light of increased home-working of the Group's head office staff. In addition, because the Wickes Group's systems sometimes contain information about individuals and businesses, any failure to appropriately safeguard the security of the data it holds, whether as a result of its own error or the malfeasance or errors of others, could harm its reputation or give rise to legal liabilities. Although the Wickes Group has introduced various security measures, including both technology and policy controls, it cannot guarantee that these measures offer the appropriate level of security or protection. For more information, see *"—Data privacy compliance breaches or failure to protect confidential information could harm the Wickes Group's reputation and expose the Wickes Group to litigation or other legal or regulatory actions*". The Wickes Group's systems may also be vulnerable to damage or interruption from fire, telecommunications failures, floods, power outages and other malfunctions or disruptions. The Wickes Group has not experienced significant outages in the past, but there can be no certainty that they will not occur in the future or that the Wickes Group's disaster recovery and contingency plans will be effective or sufficient in the event that they need to be activated. As the Wickes Group further integrates its multi-channel offering across its website and store estate, it may make further investments in its information technology and related systems. As these systems have been developed over time, they form a complex IT landscape and certain older components may be at risk of becoming incompatible, or require additional investment to integrate, with future systems advances. Despite significant investment in integrating digital capabilities, there can be no assurance that this complex infrastructure will not be subject to disruptions. In the future, the Wickes Group may not be able to upgrade or install technology in a timely manner, train its employees effectively in the use of its technology or obtain the anticipated benefits of its technology.

In connection with the Demerger, the Wickes Group will receive certain services from the Travis Perkins Group pursuant to the Transitional Services Agreement, including certain IT services. For a discussion of risks faced by the Wickes Group in connection with these services, see "*—The Wickes Group utilises Travis Perkins for the continued provision of certain transitional services (specifically relating to IT and human resources), and a material interruption could negatively impact Wickes' operating activities*".

Any of the foregoing could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group faces risks relating to any property damage or interruption of operations at one of its delivery centres, which could significantly interrupt its operating activities.

The Wickes Group operates two main delivery centres in Northampton, England, the store delivery centre (the "**SDC**") and the home delivery centre (the "**HDC**"). The SDC primarily supports fulfilment for the Wickes Group's store network, storing the range of home improvement products sold in-store for stocking on site. The HDC primarily supports the Wickes Group's DIFM services, and houses kitchen and bathroom cabinetry and other items ahead of delivery directly to the relevant customer's home.

The Wickes Group's operating strategy focuses on providing customers with a curated range of products. As a result, a key aspect of this strategy is ensuring effective inventory, distribution and stocking practices. Any disruptive events that cause significant property damage at the SDC could significantly limit the Wickes Group's ability to manage in-store inventory and stock levels across its 233-store estate. In addition, products used in the Wickes Group's DIFM services are distributed from the HDC, so any significant damage or interruption of operations at this centre could negatively impact the Wickes Group's ability to complete DIFM projects in a timely manner, which could have a material adverse effect on the Wickes brand and reputation in the DIFM market. Such property damage could be caused by a variety of factors, including: external events such as natural disasters or severe weather events; utility outages, such as power outages, fires, flooding, plumbing problems; public health concerns, including as a result of the spread of the COVID-19 strain of coronavirus or responsive measures; or other issues, such as infestation. In the event of significant property damage or interruption, there can be no assurance that the Wickes Group's continuity plans will be successful. The occurrence of any of these events would interrupt operations at one or more the Wickes Group stores, potentially for a significant amount of time, which could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

Disruptions in the Wickes Group's customer-facing technology systems could impair its interconnected multi-channel strategy and give rise to negative customer experiences.

The Wickes Group uses its digital platforms both as sales channels for its products and also as methods of providing inspiration, as well as product, project and other relevant information, such as inventory stock levels, to its customers to drive sales, regardless of whether they occur online or in-store. The retail industry is continually evolving and expanding, and the Wickes Group must effectively respond to new developments and changing customer preferences with respect to an interconnected experience. The Wickes Group continually seeks to enhance its website and social media capabilities to provide an attractive, user-friendly interface for its customers. Disruptions, failures or other performance issues with these customer-facing technology systems could impair the benefits that they provide to the Wickes Group's business and negatively affect its relationships with its customers. If the Wickes Group is unable to maintain, and to continue developing, strong customer relationships through these digital channels, it could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

Data privacy compliance breaches or failure to protect confidential information could harm the Wickes Group's reputation and expose the Wickes Group to litigation or other legal or regulatory actions.

The Wickes Group is subject to a number of laws relating to privacy and data protection, including, in particular, the General Data Protection Regulation (Regulation (EU) 2016/679) (as it forms part of retained European Union ("EU") law as defined in the EU (Withdrawal) Act 2018) ("**GDPR**"), the United Kingdom's Data Protection Act 2018 and the EU Privacy and Electronic Communications Regulations. Such laws govern the Wickes Group's ability to collect, use and transfer personal data, including relating to its customers and business partners, as well as any such data relating to its employees and others. In processing transactions through the Wickes Group's technology platforms, the Wickes Group receives and stores a large volume of personal data, including credit card information. The Wickes Group also relies on third-party service providers to collect and process certain personal data and to maintain its databases. Therefore, the Wickes Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws.

While the Wickes Group strives to comply with all applicable laws and regulations relating to privacy and data protection, such laws are subject to frequent evolution. It is possible that applicable privacy and data protection laws and regulations may be interpreted and applied in a manner that may conflict with other rules or the Wickes Group's practices. Any perceived or actual failure by the Wickes Group, including its third-party service providers, to protect confidential data or any material non-compliance with privacy or data protection or other consumer protection laws or regulations may harm its reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers, result in litigation or other actions being brought against the Wickes Group and the imposition of significant fines and, as a result, could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group faces risks related to its customer service levels, and a deterioration could adversely impact customer demand.

The Wickes Group's strategy relies on providing best-in-class service, including a convenient and welcoming shopping experience and good value in-store, online and via delivery and click-and-collect services with high levels of availability. Similarly, the success of the Wickes Group's DIFM services rely, in part, on providing customers with a positive concept-to-completion experience, from the initial design phase through to completion of the installation and their use of the new installation. If the quality or perceived quality of the Wickes Group's customer service deteriorates, it could lose existing customers to competitors or fail to win new customers, which would have a negative impact on the Wickes Group's sales. Such deterioration in customer service may include services provided by the Wickes Group's colleagues or third-party installers, and could result from any significant loss of the Wickes Group's colleagues with specialist expertise or third-party installers that undertake installation works on DIFM projects. Deterioration in customer service could also result from any product shortages, whether online or in-store, including for reasons beyond the Wickes Group's control. As a result, any deterioration or perceived deterioration in the Wickes Group's customer service levels could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group's success is dependent upon senior management and colleague teams, as well as skilled third-party personnel.

The Wickes Group is highly dependent upon key senior management personnel who have extensive experience and knowledge of the UK home improvement and broader retail industries. The successful implementation of the Wickes Group's strategy depends on the continuing availability of senior management and the Wickes Group's ability to continue to attract and retain other highly qualified employees and foster a motivated and supportive colleague culture. If members of the Wickes Group's senior management depart, the Wickes Group may not be able to find effective replacements in a timely manner, or at all, these initiatives may be interrupted or the Wickes Group's business may be disrupted or damaged.

To meet the needs and expectations of its customers, the Wickes Group must attract, develop and retain a large number of highly qualified colleagues to support the full range of its operating activities online and in-store. Although the Wickes Group has historically experienced relatively low levels of colleague turnover, the expertise and experience of its colleague teams are crucial to its reputation, customer service levels and success. As a result, the Wickes Group's ability to continue implementing its strategy, in particular following the Demerger, would be negatively affected if it is unable to continue to retain and motivate its existing personnel and maintain a strong colleague culture, or if it were to experience widespread colleague illness, absence or leave, including as a result of COVID-19 or other pandemics or significant events. The Wickes Group must also control personnel costs, which are influenced by numerous external factors, including prevailing wage rates and the impact of legislation or regulations, which are subject to change.

The Wickes Group's DIFM service offering is dependent on highly skilled design consultants and skilled third-party installers. Events or trends that negatively impact the ability of skilled tradespersons – such as the United Kingdom's departure from the European Union, which may prevent the ability of nationals of EU countries to live and work in the United Kingdom – may require the Wickes Group to incur higher costs to provide DIFM services. In addition, a decline in the population of skilled tradespersons in the United Kingdom may also result in a deterioration in the quality of installation works, which could have a negative impact on customer satisfaction and reduce demand for the Wickes Group's DIFM services. Only a limited amount of time has passed since the United Kingdom ceased trading as part of the European Union on 31 December 2020, and there remains uncertainty as to whether and to what extent the United Kingdom's exit from the European Union will impact the availability of skilled workers in the United Kingdom.

The failure to recruit and retain key senior management, other skilled personnel and experienced colleague teams across the Wickes Group's operations, while controlling labour costs, could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

If the Wickes Group is unable to effectively manage its DIFM services business, including third-party installers, it could suffer lost sales and be subject to fines, lawsuits and reputational damage.

The Wickes Group's reputation as a trusted services provider is a key component of its DIFM service offering, as this proposition is founded on the Wickes Group's ability to provide a leading and comprehensive service for significant home improvement projects. As the Wickes Group's concept-to-completion DIFM offering relies on its ability to undertake installation works, which it does through third-party installers, it faces risks arising from the quality of these works and the conduct of the installers while they are working in customers' homes. In particular, as these installers are coordinated by the Wickes Group, customers associate their conduct and performance with the Wickes brand. Although these installers are carefully screened by the Wickes Group, they are not employees, and so Wickes has limited control over their conduct or the quality of their work. If the Wickes Group fails to manage these processes effectively or to provide proper oversight of these services, it could suffer remediation costs, lost sales, fines, an impaired reputation, lawsuits and governmental enforcement actions for violations of regulatory requirements, as well as for property damage or personal injury. Further, if the quality of installation work does not meet a customer's expectations, the Wickes Group is responsible for remedying any issue, which may lead to financial loss or reputational damage related to DIFM services and more generally.

As these DIFM services rely on the use of highly skilled third-party installers, the Wickes Group's DIFM proposition may suffer if it is unable to engage installers in sufficient numbers, or with adequate skills or on reasonable terms. The availability of highly skilled installers may be impacted by a variety of factors outside the Wickes Group's control, including an aging installer workforce and potential decline of skilled UK workers. As mentioned under "*—The Wickes Group's success is dependent upon senior management and colleague teams, as well as skilled third-party personnel*", the United Kingdom's exit from the European Union may also negatively impact the availability of skilled personnel to provide installation services.

Any inability to successfully manage the use of third-party installers in the DIFM operations could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group's business could suffer as a result of weak sales during peak selling seasons, or extreme or unseasonal weather conditions.

The Wickes Group is subject to fluctuations in demand for different categories at different times of the year. The Wickes Group has seasonal peaks associated, in particular, with the Easter period and the May and, to a lesser extent, August bank holidays, as well as other periods during the year, for core Local Trade and DIY products, in addition to increased DIFM kitchen and bathroom sales during the "Winter Sale" January/February period. The Wickes Group incurs additional expenses in advance of these peak selling seasons in anticipation of higher sales during these periods, including the cost of additional inventory and seasonal advertising.

If sales during the Wickes Group's peak trading seasons for a particular category prove to be significantly lower than it expects for any reason, it may be unable to adjust its expenses for that category in a timely fashion and may be left with high levels of stock holding. In the event that this includes seasonal items – such as landscaping and gardening items, in particular growing media and other items that cannot be kept long term or other exterior products that would be difficult to store – the Wickes Group may be forced to rely on markdowns or promotional sales to dispose of stock. Such discounts may not offset additional inventory and wage costs, and could have a material adverse effect on its business, results of operations, financial condition or prospects.

The Wickes Group's sales are also sensitive to periods of extreme weather conditions. The Wickes Group may see a reduction of sales during periods of inclement weather due to reduced customer footfall or interest in home improvement activities. For example, poor weather conditions in March and April 2018, followed by extreme heat in June and July of that year, negatively affected footfall and trading during the respective Easter and summer trading periods. The number of customers visiting the Wickes Group's stores may also decline during periods of snow or extreme weather conditions affecting the relevant local catchment area. Prolonged unseasonal weather conditions, or temporary severe weather during the Wickes Group's peak trading seasons, could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The Wickes Group's business and competitive position are subject to risks associated with its leasehold property portfolio.

All of the Wickes Group's 233 retail stores are operated under leaseholds. In addition, the Wickes Group leases its two main delivery centres in Northampton, England, and its headquarters facility in Watford, England. These leaseholds are generally subject to periodic rent review, lease expiry and renegotiation. As a result, the Wickes Group is susceptible to changes in the property rental market.

As most rent reviews occur every five years, and a significant number of the lease agreements related to the Wickes Group's retail stores are renewable every five to 15 years, the Wickes Group may be affected in the future by changes in the commercial property rental market, such as a decrease in available sites or fluctuations in market rents for new stores, and scheduled rent reviews. In the event that the Wickes Group does not continue operations in a location following the expiration of a lease, there can be no assurance that it will not lose customers or suffer reputational damage. In addition, while the Wickes Group regularly maintains the condition of its properties, including as part of its ongoing refurbishment programme, it may be liable for costs arising from dilapidation or other damage to premises during the course of its lease term that it did not anticipate or provision for.

In addition, the Wickes Group may not be able to renew its existing store leases where, for example, the landlord is able to establish statutory grounds for non-renewal or if the leases do not have the benefit of statutory or contractual rights of renewal. In these cases, the Wickes Group may face competition for existing or potential premises, including from retailers or businesses in other industries, or companies that have greater financial resources. As of 31 December 2020, a limited number of stores were operated under a lease arrangements that do not have the benefit of a right of renewal (or security of tenure protections under the Landlord and Tenant Act 1954).

Any inability to renew existing leases may result in, among other things, significant alterations to rental terms (including increasing rental rates), the closure of stores in desirable locations, increased costs to fit out replacement locations or failure to secure a relocation in attractive locations. The manifestation of any of these risks could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

Cost inflation, including wage inflation, could have an impact on the Wickes Group's businesses, results of operations, financial condition or prospects.

The Wickes Group is exposed, either directly or indirectly, to price fluctuations or price increases related to products it sells or, for its DIFM services, the products used in these projects, which may result in higher costs or reduced sales. These items are subject to fluctuations in availability and price, which may be attributable to, among other things, changes in supply and demand for raw materials, changes in tariffs on imported goods, energy prices, exchange rates and global trade matters. In particular, as the Wickes Group imports, or purchases from distributors that import, a significant portion of its products from outside the United Kingdom, exchange rate volatility (such as following the UK referendum to leave the European Union) can negatively affect its cost of sales. General economic conditions, unanticipated demand, problems in production or distribution, natural disasters or compliance with environmental regulations can also adversely affect availability and prices. These cost increases may negatively affect the Wickes Group's gross profits or require the Wickes Group to increase the prices of products and services it offers to customers, which may have a negative impact on sales and revenue levels.

In addition, the Wickes Group needs to comply with UK labour laws and regulations such as national minimum wage and national living wage requirements and faces the risk that more stringent labour regulations will be implemented in the future. Wickes individuals may be subject to criminal prosecution for deliberate non-compliance with the legislation and anyone found guilty may be disqualified from being a company director for a certain number of years. Any increase in the national minimum wage or the national living wage, or their scope, would increase the Wickes Group's operating costs.

Any inability to pass such cost increases on to customers could have a material adverse effect on Wickes' business, results of operations, financial condition or prospects.

The Wickes Group's business may be materially adversely affected by compliance with, or changes to, governmental regulations that could require it to modify its current business practices, incur increased costs and subject it to potential liabilities.

The Wickes Group's business operations are affected by various statutes, regulations and laws applicable to businesses generally, some of which are complex in nature and subject to interpretation, including but not limited to, laws affecting advertising, consumer protection, product safety, quality and liability, health and safety, environmental (including emissions, energy consumption, packaging and waste), fire, planning, landlord tenant, competition, tax, data protection, employment practices (including pensions) and other laws and regulations that apply to retailers generally and/or govern the import, promotion and sale of products and the operation of retail stores and delivery centres. The Wickes Group is also subject to regulation by the FCA in connection with facilitating customer borrowings for DIFM project purchases coordinated by a third-party lender. The Wickes Group is also subject to challenge by the ASA in relation to its promotional positionings. In Financial Year 2019, the ASA upheld a complaint in relation to promotional activities undertaken by the Wickes Group. Although this finding has not resulted in a material impact on the Wickes Group's financial or operating performance, any adverse findings in the future could adversely impact promotional activities and, in certain circumstances, the Wickes Group's financial or operating performance.

If any statutes, laws or regulations to which the Wickes Group is subject were to change, including as a result of change of government or policy in the United Kingdom, or the Wickes Group's management, employees or suppliers were to fail to comply with them, the Wickes Group may be required to implement extensive system and operating changes and it could experience delays in shipments of its goods, be subject to fines or penalties, or suffer reputational harm. Furthermore, changes in tax laws, the interpretation of existing laws or the Wickes Group's failure to sustain its reporting positions on examination could adversely affect its effective tax rate or lead to increases in operating costs.

As a result, changes in these requirements, or in the interpretation thereof, could have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

The terms of the Wickes Group's borrowings could materially adversely affect its financial condition.

As of 26 December 2020, the Wickes Group had no outstanding borrowings. However, in connection with the Demerger, on 23 March 2021 the Wickes Group entered into an agreement with National Westminster Bank plc as agent and security agent and Barclays Bank plc, BNP Paribas, London Branch, National Westminster Bank plc, and The Governor and Company of the Bank of Ireland as lenders to provide a revolving credit facility of £80 million (the "**Revolving Credit Facility**"). The Wickes Group may utilise the Revolving Credit Facility from time to time to support its cash flow management activities. A material increase in the Wickes Group's finance costs may limit its cash available for investment expenditure in the future, which could negatively affect its operations. The Wickes Group does not currently anticipate incurring additional indebtedness in relation to existing strategic plans or other activities, and its ability to do so may be affected by a number of factors, including its operating and financial performance as well as broader market and macroeconomic conditions. A significant change in finance costs, whether to higher levels of borrowing or an increase in interest payable on future borrowings, may have a material adverse effect on the Wickes Group's business, results of operations, financial condition or prospects.

Risks related to the Demerger

Wickes will incur new costs in its transition to a standalone public company and its management team will be required to devote substantial time to new compliance matters.

As a standalone public company, Wickes will incur additional legal, accounting, financing and other expenses, including the costs of recruiting and retaining non-executive directors, costs resulting from public company reporting obligations and the rules and regulations regarding corporate governance practices, including the listing requirements of the London Stock Exchange. There can be no assurance that, under a changed Board structure and ownership, and in an environment where it is subject to greater scrutiny and disclosure requirements, the Wickes Group will be able to manage its operations in the same manner as it has done as part of the Travis Perkins Group.

In particular, the Wickes Group will be subject to increased regulatory obligations as a result of being listed, and its management team will need to devote a substantial amount of time to ensure that the Wickes Group complies with all of these requirements. Although certain members of the Wickes Group's management team have experience managing other public companies, the implementation of new policies and procedures at the Wickes Group could require significant time and energy that would otherwise be devoted to the business's operating activities and strategy. In addition, the reporting requirements, rules and regulations will increase the Wickes Group's legal and financial compliance costs and make some activities more time-consuming and costly.

Following the Demerger, Wickes will face new challenges as an independent company, which could adversely affect its financial or operating performance.

As a standalone public company, Wickes will face risks arising from operating under policies and procedures without the experience and oversight historically provided through its relationship with Travis Perkins.

While the Wickes Group has historically existed as a standalone business within the Travis Perkins Group, the Wickes Group's operations have benefitted from certain Travis Perkins central resources including, among other things, access to its larger finance and treasury, corporate secretariat, legal, information technology, investor relations and human resources teams. The Wickes Group has also benefitted from negotiating arrangements with third-party suppliers, distributors, licensors, lessors, other business partners and/or other counterparties as part of the larger Travis Perkins Group. Following the Demerger, the Wickes Group will take on additional responsibility for certain activities, including operational treasury functions (such as managing its cash flow and funding requirements), investor relations and internal communications, organisational matters (such as optimising its capital structure) and maintaining best practice in the areas of corporate governance and compliance.

Although the Wickes Group will continue to have access to certain technical service resources under the terms of the Transitional Services Agreement for a transitional period as required by the Wickes Group, of up to a maximum of 24 months following the Demerger (depending on the service) (and subject to the right to a single extension for up to six months under certain circumstances), it may lose access to some or all such resources (as described under "*—The Wickes Group utilises Travis Perkins for the continued provision of certain transitional services (specifically relating to IT and human resources), and a material interruption could negatively impact Wickes' operating activities.*") or could otherwise encounter difficulties and incur additional costs in conducting its business following the Demerger that could have a material adverse effect on its business, results of operations, financial condition or prospects.

The Wickes Group utilises Travis Perkins for the continued provision of certain transitional services (specifically relating to IT and human resources), and a material interruption could negatively impact Wickes' operating activities.

In connection with the Demerger, Wickes Building Supplies and Travis Perkins Trading Company Limited entered into the Transitional Services Agreement. Services to be procured by the Wickes Group under the Transitional Services Agreement include certain human resources and IT services for a transitional period as required by the Wickes Group, of up to a maximum of 24 months following the Demerger (depending on the service) (and subject to the right to a single extension for up to six months under certain circumstances). As the Wickes Group does not currently have the capabilities to provide these services internally, on a standalone basis, without third-party support, the Transitional Services Agreement provides contractual protections for the continued provision of these services during the relevant transitional period, absent which the Wickes Group would need to procure these services from other third-party providers or provide these services internally. As a result, any significant disruption or other issues in the services provided by the Travis Perkins Group under the Transitional Services Agreement, even if they give rise to a contractual claim, may cause operational difficulties that could negatively impact the Wickes Group's customer service levels and customer relationships and interruptions to day-to-day operating activities. Disruptions to the Wickes Group's IT systems may also arise as a result of separation processes at the time of the Demerger or during the term of the Transitional Services Agreement, or at the time that services are fully separated from the Travis Perkins Group (whether migrated to a third-party service provider or undertaken in-house by the Wickes Group). Any such service disruptions or other issues may require the Wickes Group to procure third-party services, and the cost of doing so could be significantly higher than under the terms of the Transitional Services Agreement. Further, procuring and integrating such third-party services could divert management attention.

Following the transitional period set out in the Transitional Services Agreement, the Wickes Group will be required to provide these services internally or obtain these services from a third-party provider. If the Wickes Group does not effectively develop and implement these capabilities, or it is unable to source further arrangements from third-party providers, its business, results of operations, financial condition and prospects could be materially adversely affected.

Third parties may terminate or seek to modify existing contracts with the Wickes Group as a result of the Demerger.

As part of the Demerger, it is intended that the Wickes Group or its subsidiaries will become counterparties by assignment and/or novation of a number of contracts of the Travis Perkins Group or any of its subsidiaries, with third party suppliers, distributors, licensors, lessors, other business partners and/or other counterparties. Some of these contracts require the counterparty's consent to assignment and/or novation. If these consents cannot be obtained, or if a number of these consents remain outstanding following the Demerger, the Wickes Group may be unable to obtain some of the benefits, assets and/or contractual commitments that are intended to be allocated to it as part of the Demerger. In addition, certain agreements require amendment or renegotiation to the extent that the counterparty will continue to receive or provide services from or to the Wickes Group. Counterparties may seek to renegotiate the contracts on terms less favourable to the Wickes Group.

In addition, some of the contracts to which the Wickes Group is, or following the Demerger will be, a party contain "change of control" or similar clauses that allow the counterparty to terminate or change the terms of their contract as a result of the Demerger, or may otherwise enable the counterparty to seek to modify the terms of the existing contract. This is especially relevant for contracts with longer contractual terms. There can be no assurance that the Wickes Group will be able to contract on the same terms as the Travis Perkins Group has done prior to the Demerger.

If a large number of third-party consents cannot be obtained, or the terms of such contracts are modified in a manner that is adverse to the Wickes Group, its business, results of operations, financial condition and prospects could be materially adversely affected.

Risks related to the Wickes Shares

There is no existing market for the Wickes Shares and an active trading market for the Wickes Shares may not develop or be sustained.

Prior to Admission, there has been no public trading market for the Wickes Shares. Although the Company has applied to the FCA for admission to the premium listing segment of the Official List and has applied to the London Stock Exchange for admission to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Wickes Shares will develop or, if developed, could be sustained following the closing of the Demerger. If an active trading market is not developed or maintained, the liquidity and trading price of the Wickes Shares could be adversely affected.

Shares in the Company may be subject to market price volatility and the market price of the shares in the Company may decline disproportionately in response to developments that are unrelated to the Wickes Group's operating performance.

The market price of the Wickes Shares may be volatile and subject to wide fluctuations. The market price of the Wickes Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in this Part I, as well as period-to-period variations in operating results or changes in revenue or profit estimates by the Wickes Group, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Wickes Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Wickes Group, speculation about the Wickes Group in the press or the investment community, unfavourable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions, regulatory changes and broader market volatility and movements. In addition, the market price could be negatively affected by sales of Wickes Shares by Travis Perkins Shareholders following the Demerger, commonly referred to as "flowback", including due to any of the reasons discussed above. Any or all of these factors could result in material fluctuations in the price of Wickes Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

Shareholders in the United States and other jurisdictions outside of the United Kingdom may not be able to participate in future equity offerings.

The Articles provide for pre-emption rights to be granted to Wickes Shareholders in the Company, unless such rights are disapplied by a shareholder resolution. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Wickes Shareholders in future offerings. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the Wickes Shares and any other securities that are offered and sold are registered under the US Securities Act, or the Wickes Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other Wickes Shareholders to exercise their pre-emption rights or, if available, that the Company will utilise any such exemption.

Not all rights available to shareholders under US law will be available to holders of the Wickes Shares.

Rights afforded to shareholders under English law differ in certain respects from the rights of shareholders in typical US companies. The rights of holders of the Wickes Shares are governed by English law and the Articles. In particular, English law currently limits significantly the circumstances under which the shareholders of English companies may bring derivative actions. Under English law, in most cases, only the Company may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against it and, generally, neither an individual shareholder, nor any group of shareholders, has any right of action in such circumstances. In addition, English law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders in a US company.

The Company's ability to pay dividends in the future depends, among other things, on the Wickes Group's financial performance and capital requirements.

There can be no guarantee that the Wickes Group's historic performance will be repeated in the future, particularly given the competitive nature of the industry in which it operates, and its sales, profit and cash flow may significantly underperform market expectations. If the Wickes Group's cash flow underperforms market expectations, then its capacity to pay dividends will suffer. Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, restrictions on the payment of dividends in the Wickes Group's financing arrangements, the Wickes Group's financial position, the Company's distributable reserves, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

The issuance of additional shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings.

The Wickes Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, issue additional equity or convertible equity securities. As a result, existing holders of Wickes Shares may suffer dilution in their percentage ownership or the market price of the Wickes Shares may be adversely affected.

Overseas shareholders may be subject to exchange rate risk.

The Wickes Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in Wickes Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Wickes Shares or any dividends in foreign currency terms.

PART II
PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

This Prospectus comprises a prospectus for the purposes of Article 6 of the Prospectus Regulation and is issued in compliance with the Listing Rules.

Investors should rely solely on the information contained in this Prospectus. No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person other than the Company and the Directors, as to the accuracy, completeness, verification or sufficiency of, the information contained herein, and nothing in this Prospectus is, or may be relied upon as, a promise or representation by any of the Company's advisers (including the Joint Sponsors) or any of their respective affiliates in this respect, as to the past or future, and any of the Company's advisers or their respective affiliates, directors, officers, employees or advisers accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Company.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Regulation Rules, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Wickes Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

This Prospectus has been filed with, and approved by, the FCA and has been made available to the public in accordance with the Prospectus Regulation Rules. This Prospectus does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities offered by any person in the Company, nor shall this Prospectus alone (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to any offer, invitation or otherwise. The Company will update the information provided in this document by means of a supplement hereto if a significant new factor that may affect Admission occurs prior to Admission or if this document contains any material mistake or inaccuracy.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Recipients of this Prospectus should consult their lawyers, financial advisers or tax advisers for legal, financial or tax advice.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, any of the Company's advisers (including the Joint Sponsors) or any of their affiliates or representatives regarding the securities of the Company.

None of the Company, the Directors or the Joint Sponsors accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Company and the Wickes Group. None of the Company, the Directors or the Joint Sponsors make any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

The Joint Sponsors and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company for which they would have received customary fees.

Presentation of financial information

Historical financial information

All financial information relating to the Wickes Group in this Prospectus, including the historical financial information set out in Part IX: "*Historical Financial Information*", is stated on a consolidated basis for the entirety of the 52-week periods ended 26 December 2020, 28 December 2019 and 29 December 2018.

Unless otherwise stated, the consolidated financial information in this Prospectus has been prepared in accordance with the requirements of the Prospectus Regulation, the Listing Rules and the basis of preparation included in Note 2 of Section B of Part IX: "*Historical Financial Information*". The historical financial information is prepared for inclusion in this Prospectus for the purposes of admission to the premium listing segment trading on the London Stock Exchange, and has been prepared in accordance with the requirements of the Prospectus Regulation, Listing Rules and international accounting standards in conformity with the requirements of the Companies Act 2006.

Unless otherwise stated, financial information relating to Wickes Group has been extracted without material adjustment from Part IX: "*Historical Financial Information*".

The Wickes Group also presents certain financial measures from Financial Year 2017, Financial Year 2016, Financial Year 2015, Financial Year 2014 and Financial Year 2013.

To enable presentation of the historical financial information on a consistent and comparable basis, the Wickes Group have early adopted IFRS 16 – Leases from 1 January 2017 in advance of its effective date. The accounting policies applied and stated in the consolidated historical financial information of the Wickes Group, set out in Note 2 therein, are those expected to be applied to future financial information reported by the Company.

Non-IFRS financial information

This Prospectus contains certain financial measures that are not defined or recognised under IFRS, including Adjusted Operating Profit and Adjusted Operating Profit Margin, Gross Profit, and Like-for-Like Sales Growth, each as defined below.

The Directors consider these metrics to be the non-IFRS financial measures used by the Wickes Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies. The Directors believe that these non-IFRS financial measures, in addition to IFRS measures, provide an enhanced understanding of the Wickes Group's results and related trends, therefore increasing transparency and clarity into the Wickes Group's results and business. There are no generally accepted accounting principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Wickes Group's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or loss or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Wickes Group does not regard these non-IFRS financial measures as a substitute to, or superior to, the equivalent measures that are calculated in accordance with IFRS. The non-IFRS financial measures presented in this Prospectus may not be comparable to other similarly titled measures used by other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Wickes Group's operating results as reported under IFRS.

The following non-IFRS measures are presented in this Prospectus:

- "Adjusted Operating Profit" – operating profit for a given financial year, reflecting adjustments for one-off charges (including separation costs, restructuring costs and IT impairment).
- "Adjusted Operating Profit Margin" – for a given financial year, Adjusted Operating Profit divided by revenue, expressed as a percentage.
- "Gross Profit Margin" – for a given financial year, gross profit divided by revenue, expressed as a percentage.
- "Like-for-Like Sales Growth" – stores contribute to Like-for-Like Sales once they have been trading for more than 12 months. Revenue included in Like-for-Like Sales is for the equivalent time periods in both financial years being compared. When a store closes for an extended period, revenue is excluded from the prior year figures for the months equivalent to the post-closure period in the current year. Like-for-Like Sales Growth represents this between two financial years, expressed as a percentage.

For further detail on the calculation of these non-IFRS financial measures, including reconciliations to their nearest IFRS measures, see Part VI "*Selected Financial Information—Non-IFRS Financial Measures*".

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "**sterling**", "**pounds sterling**" or "£" are to the lawful currency of the United Kingdom. The Wickes Group prepares its financial information in pounds sterling.

Rounding

Percentages and certain amounts in this Prospectus, including financial, statistical and operating information, have been rounded. As a result, the figures shown as totals may not be the precise sum of the figures that precede them.

Market, economic and industry data

This Prospectus contains economic, industry, statistics, market data, forecasts and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Business and markets. Unless otherwise indicated, such information is based on the Directors' analysis of multiple sources, including peer financial and operating data and third-party market research and reports, in aggregate representing the beliefs of management and the Directors. The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Where third-party information has been used in this Prospectus, the source of such information has been identified. While industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, the accuracy and completeness of such information is not guaranteed. The Company has not independently verified any of the data from third-party sources, nor has the Company ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which the Company believes to be reliable based upon the Directors' knowledge of the industry, have not been independently verified.

Information regarding forward-looking statements

This Prospectus includes certain forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "would", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "goal", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Directors or the Company concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies, and dividend policy of the Company and the industry in which it operates. In particular, the statements under the headings "Risk Factors", "Business Description" and "Operating and Financial Review" regarding the Company's strategy, targets and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

Forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. The Company, the Directors and the Company's advisers expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules or the Market Abuse Regulation. The statements above related to forward-looking statements should not be construed as a qualification of the working capital statement contained in Part XII: "*Additional Information—Working Capital*".

Definitions

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other terms, are defined and explained in Part XIII: "*Definitions*".

Information not contained in this Prospectus

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

No incorporation of website information

The contents of the Company's website, any website mentioned in this Prospectus or any website, directly or indirectly, linked to these websites have not been verified and do not form part of this Prospectus, and information contained therein should not be relied upon.

US Considerations

The Wickes Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the Wickes Shares in the United States for the purposes of the US Securities Act. At the time of the Demerger, the Wickes Shares will not be listed on any securities exchange in the United States, and the Wickes Group expects to rely on an exemption from registration under the US Securities Exchange Act 1934, as amended, provided by Rule 12g 3-2(b) thereunder.

The Wickes Shares are expected to be issued in reliance on the position taken by the Division of Corporation Finance of the US Securities and Exchange Commission ("**SEC**"), set forth in Staff Legal Bulletin No. 4, that shares distributed in a spin-off do not require registration under the US Securities Act if, as is the case with respect to the Demerger, certain conditions are satisfied.

The Wickes Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Wickes Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

PART III
DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS

Directors	Christopher Rogers	Chair
	David Wood	Chief Executive Officer
	Julie Wirth	Chief Financial Officer
	Mark Clare	Senior Independent Non-Executive Director
	Sonita Alleyne	Independent Non-Executive Director
	Michael Iddon	Independent Non-Executive Director
General Counsel and Company Secretary	Helen O'Keefe	
Registered and head office of the Company	Vision House 19 Colonial Way Watford WD24 4JL United Kingdom	
Joint Financial Advisors and Joint Sponsors	**Citigroup Global Markets Limited** Citigroup Centre Canada Square London E14 5HQ United Kingdom	
	Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom	
Legal advisers to the Company	**Linklaters LLP** One Silk Street London EC2Y 8HQ United Kingdom	
Legal advisers to the Joint Financial Advisors and Joint Sponsors	**Ashurst LLP** London Fruit & Wool Exchange 1 Duval Square London E1 6PW United Kingdom	
Reporting Accountants and Auditor	**KPMG LLP** 15 Canada Square Canary Wharf London E14 5GL United Kingdom	
Registrar	**Link Market Services Limited, trading as Link Group** 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL	

PART IV
BUSINESS DESCRIPTION AND MARKET OVERVIEW

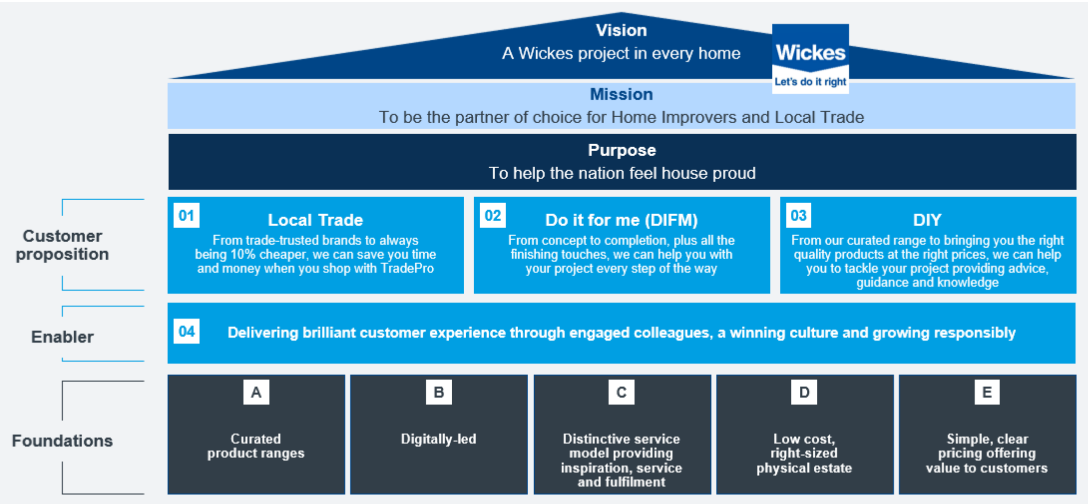
1 Overview

Company Overview

The Wickes Group is a digitally-led, service-enabled home improvement retailer, delivering choice, convenience, value and best-in-class service to customers across the United Kingdom.

The Wickes Group's mission is to be the home improver's and the local tradesperson's partner of choice, with a vision for "a Wickes project in every home" and its purpose to "help the nation feel houseproud". The Wickes Group aims to support its customers however they decide to undertake their home improvement projects through three tailored customer propositions aimed at each customer segment: local trade ("**Local Trade**"); do-it-for-me ("**DIFM**"); and do-it-yourself ("**DIY**"). The Wickes Group drives sales through its estate of 233 retail stores, which support nationwide fulfilment from convenient locations throughout the United Kingdom, and its website (www.wickes.co.uk) and TradePro mobile app for trade members, which allow customers to research and order an extended range of the Wickes Group's products and services, arrange virtual and in-person design consultations, and organise timely home delivery or "click-and-collect" from across the Wickes Group's store network.

The following diagram encapsulates the Wickes brand and value proposition, across these activities:



The COVID-19 pandemic presented challenges and opportunities in 2020, as agility and acceleration of key operating initiatives within the Wickes Group's digitally-led, service-enabled model reinforced customer relationships across Local Trade, DIFM and DIY. These initiatives, including enhancements to digital capabilities, improvements to in-store fulfilment, click-and-collect and home delivery services, are expected to continue to support operations moving through and beyond the recovery phase of the pandemic.

The Wickes Group's operating and financial performance has supported its position as a leading UK home improvement retailer. From 2013 to 2019, the Wickes Group's revenue grew at a compound annual growth rate ("**CAGR**") of 4.9 per cent. from £972 million in Financial Year 2013 to £1,292.4 million in Financial Year 2019, as compared to estimated market growth at a CAGR of 2.5 per cent. during that period, and from Financial Year 2019 to Financial Year 2020 the Wickes Group's revenue increased by 4.2 per cent. to £1,346.9 million, outpacing a flat UK home improvement market during the COVID-19 pandemic.

Market Overview

The Wickes Group operates in the UK retail market for home repair, maintenance and improvement products and services, with a specific focus on home improvement projects that are undertaken either directly by the homeowner or occupier or with the assistance of a local trade professional or turnkey "do-it-for-me" service-provider. Management estimates that annual sales in this market were approximately £25 billion in 2020, including sales by DIY retailers, generalist and specialist merchants, fixed-price operators, direct-to-site sales and pure-play online retailers.

Management believes this market is underpinned by strong long-term fundamentals, such as aging UK housing stock, trends in home purchases and remodelling work, and the proportion of single residency homes in the United Kingdom, which supported market growth at a CAGR of 2.5 per cent. between 2013 and 2019 to reach approximately £25 billion. The COVID-19 pandemic and related lockdown and other restrictions starting in early 2020 severely disrupted consumer behaviour over the course of the year, which resulted in lower levels of demand for home improvement works undertaken by third-party suppliers, such as local trade professionals and, in particular, "do-it-for-me" service-providers, while leading to significant increases in spending on DIY activities. Management believe that the overall home improvement market was broadly stable at approximately £25 billion in 2020. Despite the impact of the COVID-19 pandemic on the home improvement market, management expect that historical structural trends will, in the longer term, continue to support market growth at a CAGR of over 2.5 per cent. between 2020 and 2024-2025 to reach approximately £28 billion.

In the last 15 years, the UK home improvement market has experienced a gradual shift due to changes in consumer behaviours and approaches to undertaking home improvement projects. These changes have been driven in part by a continued broad decline in DIY skills, capabilities and experience, and more limited time available to homeowners and occupiers to undertake DIY projects, although demand for DIY has increased since the start of the COVID-19 pandemic with the potential for continued growth in the coming years. The market has also been impacted by an increasing number of skilled tradespersons operating in the United Kingdom and increasing demand for high quality end-to-end design and installation services. In addition, customers have increasingly demanded digitally-led solutions, such as online ordering and web-based product research and support capabilities, that go beyond straightforward ecommerce offerings. These customer expectations require advanced, integrated digital capabilities, including convenient and flexible fulfilment choices, such as scheduled home delivery and click-and-collect options, alongside broader support for their home improvement projects.

In response to this gradual structural shift, the Wickes Group has rebalanced its business and developed its service proposition across these three main journeys.

- Local Trade – includes home improvement projects where the end consumer appoints a tradesperson to a project, and the tradesperson purchases the products required to complete the job. This is most likely to be a local one or two-person trade business, undertaking works including relatively complex projects such as home extensions, kitchen and bathroom renovations, and flooring and tiling. These require products such as timber, plasterboard, sheet materials, quick-set cement and other building products. Local Trade customers are typically focused on convenience, immediate access to the products they require and competitive pricing.
- DIFM – is an end-to-end service-led proposition, where an adviser provides design support and the relevant project products. The consumer can choose a comprehensive installation service overseen by the adviser or can arrange professional installation separately. These services can cover a wide range of home improvement projects including kitchens, bathrooms, flooring and tiling. DIFM customer needs include inspiration, on-trend designs, trustworthy support across the design and installation process and post-completion assurance on the quality of the work.
- DIY – includes projects where the end consumer purchases the products and undertakes the project. DIY projects are typically more straightforward in nature, such as painting and decorating, shelving, and planting and gardening, which require products such as brushes and paint, light power tools and simple landscaping supplies. DIY customers are typically most concerned with convenient access to the right product ranges at the right price, supportive advice from knowledgeable store staff and ease of purchase or delivery.

2 History and Transformation

The Wickes business was initially founded by Henry Dunn Wickes, commencing operations in the United States in 1854. In 1972, the first Wickes stores opened in the United Kingdom. By 1987, the UK business had grown to over 40 stores and was floated on the London Stock

Exchange. Operations during the 1990s included international store openings in South Africa (as part of a joint venture) and Northern Europe, which were disposed of in 1997. By 2000, when the company was purchased by Focus Do It All, it had grown to over 130 stores in the United Kingdom. In 2004, the business exceeded 170 stores across the United Kingdom and was purchased by Travis Perkins. As part of the Travis Perkins Group, the Wickes Business continued to grow its estate and its digitally-led, service-enabled offering, expanding to 233 stores by December 2020.

At a capital markets event in December 2018, Travis Perkins announced its intention to focus on two overarching strategic aims: to renew its focus on advantaged trade businesses and to simplify the Travis Perkins Group. At the same time, Travis Perkins committed to review the options for maximising the value of the Wickes Business in the medium to long term.

Following the good progress made in strengthening the Wickes Business's trading performance, steps were taken to provide it with greater autonomy from the Travis Perkins Group through the separation of its systems and processes. On 31 July 2019 the decision to demerge the Wickes Business was announced.

In recent years, the Wickes Business has undergone a transformation in order to evolve from its historical focus on Local Trade and experienced-DIY to a digitally-led, service-enabled home improvement retailer, to better position its product and service offering for evolving customer demands. Since 2014, this transformation has included significant renovation and re-fit works across the Wickes Business's store estate, development of its online and in-store ranges of core Local Trade and DIY products, and growth of its DIFM service offering, alongside improvements in customer service and building strong colleague engagement and a winning culture. During this time, there have also been a number of store relocations to ensure that Wickes stores are operating at a suitable size, as well as re-negotiations of existing leases to reduce the footprint at certain locations. These initiatives are guided by the Wickes mission to be the home improver's and the local trade's partner of choice, offering a welcoming environment and a customer-project focus with a vision for "a Wickes project in every home".

The outbreak of the COVID-19 pandemic has validated the Wickes Group's digitally-led, service-enabled customer proposition, highlighting the resilience of its deep-rooted customer relationships and its robust service platforms as a result of transformation activities undertaken in recent years. The pandemic has severely disrupted customer behaviour, including demand for home improvement projects utilising Local Trade and DIFM providers, while travel restrictions and periodic lockdown measures limited customers' ability to visit store locations—including one-day closure of all locations on 24 March 2020, and "dark" trading to support click-and-collect and home delivery only until reopening almost all locations in mid-May 2020. However, the Wickes response, guided by its purpose to "help the nation feel houseproud", enabled it to meet customer needs through expanded click-and-collect offerings, growth in home delivery services, improvements in operating efficiencies and enhancements to digital and virtual DIFM capabilities while further embedding its digitally-led service proposition in its customer relationships. The Wickes Business undertook a number of proactive measures early in the pandemic to ensure the safety of customers, colleagues and other community stakeholders, such as store closures of dedicated kitchen and bathroom locations and showrooms and layout modifications to support social distancing, while accelerating digital transformation activities and trialling "park-and-collect" services alongside other COVID-secure measures. Changes in operating activities and customer behaviours accelerated development of best practices to drive efficiencies and new learning for click-and-collect and home delivery across the stores network, given the significant increase in volume network during the course of the year. In addition, higher levels of website traffic, advances in data analytic capabilities and renewed focus on range development supported improvements in stocking productivity and drove order fulfilment efficiencies. These steps enabled the Wickes Group to tailor inventory management and ordering to high-demand products and ensure in-store accessibility, while limiting the use of promotional periods and discounting activity to drive sales through the course of the year.

Digital Transformation

The Wickes Group has invested in its digital capabilities in recent years to integrate its online and in-store offerings and provide a digitally-led service proposition through its website, advanced "online, in-store" ("**OLI**") product search and order capabilities and targeted TradePro mobile app, in addition to the DIY app targeted for launch in the first half of 2021.

In 2014, the Wickes Group launched its mobile e-commerce capabilities, including an expansion of online ordering and delivery capabilities. This was followed by the launch of click-and-collect purchasing and day-of-choice fulfilment in 2015 and allocated customer delivery slots in 2016. In addition to online ordering, customers can use the Wickes Group's website to research recent design trends, book DIFM consultations and access a range of "how-to" guides, which cover a variety of projects such as decorating, flooring and tiling, home maintenance, and landscaping. In Financial Year 2019, approximately 77,000 DIFM customer leads originated online, as compared to approximately 18,000 in Financial Year 2015, and during that time sales per lead increased by approximately 33 per cent. and DIFM installation sales growth was over 100 per cent. Between Financial Year 2017 and Financial Year 2019, the average order value of a DIFM project increased by approximately 13 per cent.

By early 2020, at the start of the COVID-19 pandemic, this digital offering provided the Wickes Group with an established platform to continue supporting customers with their home improvement projects. Accelerated development of the digital proposition, including through tailored customer-facing in-store and click-and-collect services, enhancements to its online and delivery offerings and growth in its data analytic capabilities, allowed the Group to continue trading and deepen customer relationships during the year. Within DIFM, the roll-out of enhanced virtual capabilities in the kitchen and bathroom showroom journey, including investment in new equipment and design consultant training for virtual consultations, 360-degree virtual visits and advanced digital planning, supported DIFM activities during periods of showroom closures and changing customer needs. An increasing number of customers have utilised these virtual journey tools, requiring no face-to-face contact, and the number of DIFM customer-leads originating online increased from approximately 77,000 in 2019 to approximately 101,000 in 2020. Across the business, demand increased significantly for versatile fulfilment options, with customer home deliveries more than doubling during the course of the year and average click-and-collect orders growing by over 450 per cent., and by over 12 times during the first lockdown as compared to the prior year. New, tailored service offerings have been introduced, including a trial service whereby customers identify themselves when they arrive at the store for their collection and products are delivered to their vehicle. Throughout the year, visits to the Wickes Group website increased by approximately 96 per cent., resulting in a strong growth in digital market share (measured by website visits) against UK home improvement retailers, and investments in page-view and sales analytics capabilities to identify customers high-demand products and suggest them to customers supported an increase website visitor conversion rates. These digitally led capabilities are expected to continue supporting the Wickes Group, including as a result of renewed home improvement interest in the 18-34 demographic since the start of the pandemic and their use of digital channels for project inspiration. The Wickes Group grew its active customer database by approximately 92 per cent. during the year, supporting advanced data analytics to enable personalised interactions with customers to drive engagement, loyalty, sales and profitability. Management estimate that across the business core product sales delivered double digit market outperformance in the second half of 2020.

This digitally-led proposition operates on the Wickes Group's centralised systems, which utilise a "smart fulfilment" approach to track product availability across the store estate and the Wickes Group's delivery centres and match online orders with a nearby store location for efficient stock-picking and fulfilment. These systems support digital capabilities including the Wickes OLI system, which was introduced in 2018. OLI allows colleagues to track stocking and inventory information from the extended product ranges and place customer orders from the shopfloor, as well as providing website features for customers to check stock availability at a nearby store and arrange at-home delivery or in-store click-and-collect purchases. Website features include options for customers, such as the "kitchen visualiser" and other virtual DIFM capabilities, online tile installation services, and AI-driven real-time product search and recommendations based on products already selected by a customer. The Wickes Group believes that it is moving towards two-thirds of sales from digitally-enabled customer interactions, including online ordering, OLI purchases from in-store, the TradePro digital app, online research ahead of an in-store purchase and showroom web leads.

Across these capabilities, the Wickes Group has leveraged its digitally-led proposition and data analytic capabilities to drive growth. This approach creates a virtuous cycle, (i) utilising data and significant growth in digital customers and visibility in demand and preferences, as well as the planned DIY app launch in the first half of 2021, (ii) providing insight matched with third-party data and machine learning models to map strategic value, (iii) enabling action based on behavioural value drivers to target communications and identify lookalike audiences, and (iv) driving outcomes through high engagement levels, increased loyalty, and higher retention rates.

The following chart shows the approximate proportion of the Wickes Group's Financial Year 2020 sales by fulfilment option, highlighting the various methods through which complementary digitally-enabled and in-store capabilities continue to serve customers.

In 2014, the Wickes Group implemented a Local Trade customer programme to further engage these customers and support new local trader relationships, followed by full launch of TradePro in 2017. The TradePro programme is available exclusively to Local Trade customers and offers registered members an everyday, every-purchase 10 per cent. discount. The TradePro programme is facilitated by the TradePro mobile app, which allows customers to check stock and to place and pay for orders in real-time. It is also a key client relationship management tool that provides the Wickes Group with direct access to its Local Trade customers for periodic offers and regular communications along with advanced capabilities to analyse their purchasing patterns.

Store Estate Improvements

The Wickes Group has undertaken significant work as part of its store transformation initiative, including to improve the quality of the Group's store estate and right-size certain stores to a smaller footprint to support more efficient in-store operations and provide an improved and more consistent customer experience. The estate improvement initiative has included renovation works at nearly 110 stores since 2015, comprising re-fit activities to make the stores more welcoming and easier for customers to use. The Wickes Group has benefitted from an average sales uplift of approximately 25 per cent. at re-fit stores, which it has sustained in subsequent years, and has historically exceeded its targeted average return on capital investment of 25 per cent. across these activities. As of 26 December 2020, the Wickes Group operated 142 stores in its new format, and future targets include re-fit activities at between 35 and 40 additional stores over the medium term, 5 to 7 strategic relocations and right-size activities at 15 to 20 additional stores. The Wickes Group expects to open approximately 10 new stores and close approximately 10 locations in the coming years.

The COVID-19 pandemic has accelerated certain in-store reconfiguration activities, including to increase in-store storage space at nearly 40 high-volume, small-footprint locations to support click-and-collect activities, and technology improvements, such as bringing forward pilot programmes for handheld technology to improve the efficiency of product picking. These targeted efforts, which require lower investment levels than a full re-fit, allowed the Wickes Group to simplify in-store processes and storage for click-and-collect services, shortening the amount of time required for a collection and increasing the number of slots available, at a low cost and without significantly reducing the in-store product range offering. These tailored improvements are expected to continue supporting operating efficiencies in the future, with the potential to undertake similar reconfigurations in additional stores, as the Wickes Group continues to grow click-and-collect services and the role its store estate plays in supporting its digitally-led service proposition.

While there are opportunities for further re-fits to the store estate with between 35 and 40 additional re-fit projects targeted in the medium term, management believes the geographic reach of the current store estate is adequate to drive the required footfall. The Wickes Group also intends to undertake refresh activities, on a rolling five-year basis, following the completion of re-fit activities to maintain its store estate going forward. These renovation and re-fit activities also support the Wickes Group's digital proposition and flexible fulfilment capabilities by simplifying in-store stock-picking and collections while leveraging the 233 store locations to better serve customers.

Service Transformation

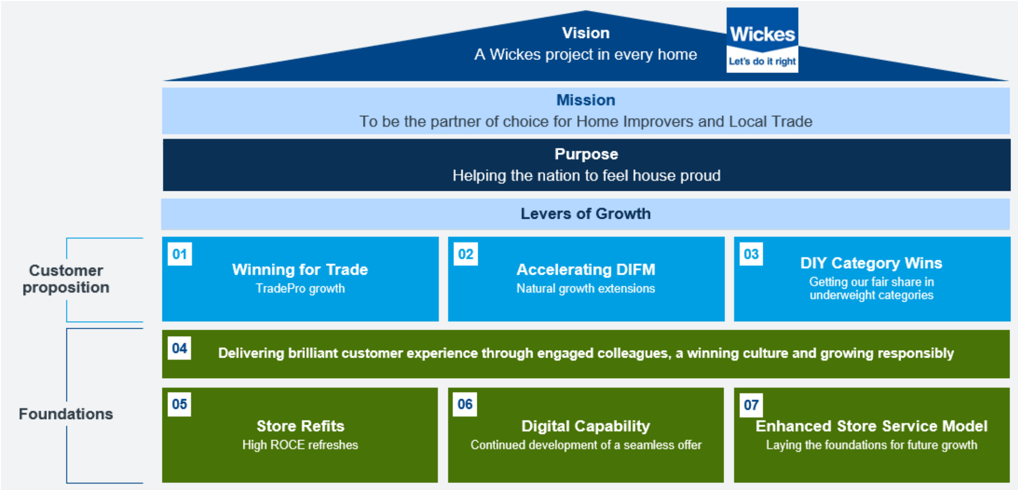
In response to growing customer demand for start-to-finish support on their home improvement projects in recent years, the Wickes Group has also expanded its DIFM design and installation services. This includes expanding its kitchen and bathroom offering to more stores and increasing the number of design consultants and qualified installers to support these projects. Continued efforts to improve process management (from effective design and a targeted product range to improving the quality of installations) have supported significant growth. The Wickes Group's in-house oversight team manages the process to ensure quality control throughout each project, including accurate delivery to the customer's home and engaging with the Wickes Group's specialised third-party installation teams aiming to ensure a seamless DIFM journey. In Financial Year 2019, the Wickes Group's net promoter score was 91 per cent. and the business received Service Mark with Distinction from the Institute of Customer Service for DIFM installation services.

From its existing strength in kitchens and bathrooms, the Wickes Group expanded its DIFM offering in 2019 to include tiling for its kitchen and bathroom projects and as a standalone offering, with significant growth since launch and approximately 14,200 projects sold and 13,600 projects delivered during 2020. The tiling service has also seen high attachment rates across kitchen and bathroom installation projects. Recent DIFM service introductions include flooring, with approximately 3,800 projects sold and 1,500 delivered during 2020. The Wickes Group continues to explore ways to strategically leverage its successful DIFM model into new and adjacent service offerings. For example, the Wickes Group piloted installation of home offices within its DIFM kitchens offering and, following positive customer feedback, plans to launch a standalone home office service in the first half of 2021 alongside door and window, specialist works and associated carpentry.

Product Range Transformation

The Wickes Group has taken significant steps to enhance its range of core Local Trade and DIY products in recent years. This initiative has supplemented the Wickes Group's own-brand products by introducing leading third-party brand products in 2013, such as Bosch, DeWalt, Dulux and Yale. The range of products available in-store has been edited to improve the in-store shopping experience for all customers, while avoiding a "warehouse" approach, which it believes is less conducive to fostering customer loyalty and driving sales and is typically more expensive and complex to stock and operate. This strategy supports the evolution to operating in smaller-footprint stores. The Wickes Group's tailored in-store approach to its product range is complemented by an extended product offering available online. When customers are shopping from home or with the help of colleagues through the Wickes Group's advanced OLI capabilities, they are able to access the full range of products, in quantities and with variations beyond what is available in-store, which are able to be delivered to the customer's home or collected from the store through click-and-collect.

These investments and initiatives have bolstered the Wickes Group's position in the UK home improvement market, fostering strong brand support and customer relationships. This transformation has also supported the Wickes Group's relationships with its Local Trade customers, with over 550,000 enrolments in the TradePro programme since launch in 2014, supporting strong trading through the COVID-19 pandemic.



Strategy – Levers for Future Growth

The Wickes Group aims to continue developing its digitally-led, service-enabled proposition across Local Trade, DIFM and DIY through focused efforts on key strategic levers. The outbreak of the COVID-19 pandemic has resulted in acceleration of key initiatives, leveraging existing digital capabilities through targeted investment to continue to support customers and colleagues and grow its service offering for Local Trade, DIFM and DIY customers.

This strategy includes continuing to develop its customer proposition, while leveraging its highly-engaged colleagues and foundations:

- Growing the Wickes Group's TradePro programme by expanding the customer base, creating targeted personalised marketing offers and utilising digital rewards to increase loyalty and the frequency of Local Trade and TradePro purchases. The Wickes Group aims to grow TradePro from over 550,000 members to over one million members and to double TradePro revenue in the medium term.
- Accelerating growth in DIFM through enhancing its existing proposition, including through the introduction of new kitchen ranges, activities to refresh and re-fit showrooms, launch of an improved bathrooms offering, and natural extensions into adjacent service offerings such as flooring and home offices, by leveraging its DIFM model.
- Building on its DIY proposition and driving volume growth and solidifying market share in core DIY product categories by targeting large markets for common DIY projects, in particular where the Wickes Group is currently underweight, and driving footfall and new customers through its curated in-store and extensive online range, simple pricing, welcoming in-store experience, and fast and flexible fulfilment.
- Continuing to improve the store estate through re-fit and refresh activities, including between 35 and 40 additional re-fit projects, 5 to 7 relocations, 15 to 20 store downsizes, approximately 10 new stores and approximately 10 closures in the medium term, enabling the Wickes Group to operate from a fully modernised store estate with a right-sized format and efficient fulfilment capabilities and positioning the business on a five-year cycle for store refresh activities.
- Building on digital capabilities and the digitally-led service proposition, including initiatives to double fulfilment capacity in stores, utilising semi-dark areas of stores to drive efficiency, leveraging online DIFM service capabilities, personalising the web experience through AI and refining the project and bundle focus to drive sales while helping customers locate the products they need for their projects. Data analytics continue to drive improvements across operating activities, inventory management, website features and customer relationships. These initiatives aim, over the medium term, for all customer journeys to start online, for 70 per cent. of DIFM leads to be generated online and to increase the percentage of orders fulfilled to customer homes from 16 per cent. in Financial Year 2019 to one-third under normalised trading conditions, in order to provide customers across Local Trade, DIFM and DIY with a seamless offer.

- Enhancing the store service model to lay the foundations for future growth, across its Local Trade, DIFM and DIY offerings. This approach will aim to further leverage Wickes' stores across its digitally-led operations, developing customer-delivery and click-and-collect capability, and supporting Wickes' growth levers across its operations.

The Wickes Group's strategic aims are enabled by engaged colleagues, supported by high internal promotion rates and evidenced by employee engagement levels exceeding 70 per cent. across the business, with higher levels for design consultants and for store and regional management (see "*—Foundations of the Wickes Group's Customer Proposition—Highly Engaged Colleagues, a Winning Culture and Leading Sustainability Position*", and its articulated desire to grow responsibly (see "*—Sustainability*").

3 The Wickes Group's Service Proposition – Three Customer Journeys

The Wickes Group's evolution into a digitally-led, service-enabled home improvement retailer positions it uniquely with a differentiated customer proposition balanced across Local Trade, DIFM and DIY.

A customer's specific needs will vary depending on whether a home improvement project is undertaken through a turnkey DIFM service, as a DIY project or relying on Local Trade professionals. The Wickes Group's service proposition is designed to provide the support and products needed to get the job done by offering tailored ranges and advice within product categories that align to key customer needs for each of these three routes. The following chart shows the variety of home improvement projects targeted by the Wickes Group's service-enabled offering, from relatively complex projects, such as home extensions, to more straightforward projects, such as painting and decorating.

Across this range of home improvement projects, there is overlap between the types of projects undertaken by customers across the Wickes Group's target customer bases, as represented in the chart above. This dynamic is reflected in the Wickes Group's product stocking and product range management, which aim to ensure that its core product offering reflects the needs of these customers. As these types of home improvement projects can be undertaken by different types of customers, it is not always possible to categorise specific purchases of these core home improvement projects to a particular customer group, but management estimates that sales are broadly balanced across Local Trade, DIFM and DIY.

Although the COVID-19 pandemic has resulted in periods of varying demand within each of these three customer journeys, management believe that as the recovery continues these three journeys will continue to underlie the home improvement market and its service proposition in the coming years. The Wickes Group has implemented targeted responses for each type of customer journey, allowing it to continue to support customers online and in-store during the course of the pandemic, as further described below.

The Wickes Group's Local Trade Service Proposition

The Wickes Group's Local Trade offering provides a simple and straightforward proposition to help Local Trade customers save time and money by shopping with TradePro which gives them 10 per cent. off all purchases and access to trade trusted brands.

For Local Trade customers, the Wickes Group offers a targeted proposition to serve small-sized trade professionals that may be overlooked by large-scale merchants that focus on larger trade operations. It builds relationships founded on respect for the Local Trade job at hand and recognition that Local Trade needs differ from DIY. The approach supports Local Trade by providing stocking certainty, a trade-focused product range that includes trade-trusted, high-quality products (under the Wickes brand and leading third-party brands), available at competitive prices and convenient online and in-store fulfilment options.

Through the digital TradePro programme and a straightforward pricing proposition for all Local Trade customers, the Wickes Group aims to continue growing its Local Trade customer relationships. The Wickes Group estimates that Local Trade sales represent approximately one third of total sales, reaching over £225 million in TradePro sales in Financial Year 2020.

The UK Local Trade market

In 2019, the UK Local Trade market for home improvement materials was estimated to be approximately £11 billion, having grown at a CAGR of 2.7 per cent. from approximately £10 billion in 2013 based on management estimates.

The UK Local Trade market is highly fragmented because the products required for home improvement projects can be purchased from a variety of trade and specialist merchants as well as national DIY retail chains and smaller hardware stores. Approximately 50 per cent. of Local Trade purchases are from specialised merchant suppliers that focus on the trade market, which creates a significant amount of diversity and relatively low market share.

The UK Local Trade market has grown faster than the overall UK home improvement market and the market for DIY between 2013 and 2019. This growth has been supported by the increased availability of skilled tradespersons in the United Kingdom, including due to immigration in the early parts of the twenty-first century, and a shift away from DIY skills and capabilities among homeowners, landlords and renters. The COVID-19 pandemic has negatively impacted demand for Local Trade services, influenced by lockdown, stay-at-home and social distancing measures that reduced demand for in-home third-party service providers and higher levels of DIY activity. Although these factors are expected to have moderately reduced the size of the Local Trade market as compared to recent years, management believes the underlying trends that supported historical growth will continue to do so in the coming years.

The Wickes Group's differentiated Local Trade offering

The Wickes Group has established itself as a leading Local Trade supplier, with a tailored service proposition for the Local Trade portion of the UK home improvement market. This approach aims to ensure that products regularly used by Local Trade customers, from the brands they trust, are readily available in-store and by stocking key products in easy-to-locate positions near the front of the store. Local Trade sales continue to be an essential component of the Wickes Group's home improvement proposition, and it aims to continue growing its relationships with Local Trade professionals as the supplier of choice by providing a consistent, convenient and straightforward service. The Wickes Group's broader transformation initiatives have supported its differentiated Local Trade proposition, as described under "*—History and Transformation*".

The Wickes Group's differentiated Local Trade proposition is powered by its TradePro programme, through which approximately 55 per cent. of the Wickes Group's sales to trade customers were made in Financial Year 2020. This digitally-enabled programme is facilitated by the TradePro mobile app, which provides Local Trade customers with a convenient and easy-to-use mobile solution for checking in-store stock, ordering for click-and-collect or on-site delivery, and verifying membership for a simple and straight forward 10 per cent. discount on every purchase. This straightforward approach differentiates the Wickes Group's Local Trade proposition from other trade loyalty schemes, which can require volume purchases or rely on complicated tiered pricing structures or rebates. Because TradePro is a fully digital programme, it is a key client relationship management tool and provides the Wickes Group with direct access to these customers, including for targeted advertising and the ability to analyse their purchasing patterns. For example, analysis shows that the average transaction value for Local Trade customers ordering through the TradePro app is 4.1 times higher than for an average Wickes Group customer and approximately 2.5 times higher than TradePro member purchases outside the app. The Wickes Group does not offer credit within its Local Trade proposition.

The Wickes Group Local Trade customer journey

A typical customer journey for a Local Trade customer may start through a targeted TradePro offer sent via the Wickes Group mobile app. Using the app, the TradePro member can identify the products they need, check stock and arrange for delivery to the site or reserve for collection in-store *en route* to a job, maximising speed, convenience and efficiency for the customer, while offering value with the TradePro discount. For Local Trade customers who are not registered TradePro members, the Wickes Group actively engages in targeted social media advertising, to support in-store footfall and online purchases for key trade products.

Since the start of the COVID-19 pandemic, an increasing proportion of Local Trade interactions have taken place through digitally-led capabilities, including the TradePro app and Wickes website, and higher proportion of purchases utilising click-and-collect and on-site delivery capabilities.

In-store, Local Trade customers can find the products they regularly need located in convenient positions near the front of the store and near the tills. This facilitates quick and easy visits to stores and minimises the need to move heavy items a long distance. Additional support is also available in-store, including the ability to place orders for items from the Wickes Group's extended online range with the help of a Wickes colleague using OLI capabilities, and to arrange for on-site delivery. At check-out, TradePro members verify their membership status by scanning their digital membership card on the mobile app, which applies the TradePro 10 per cent. discount to all purchases.

The Wickes Group's DIFM Service Proposition

The Wickes Group offers a comprehensive home improvement showroom and service proposition from concept to completion, with all the finishing touches that provides customers with best-in-class service, primarily for kitchen and bathroom projects.

This solution provides a single place that gives customers the inspiration to co-create the best design, the help and advice they need to do it right, an end-to-end service, including installation, that takes away their concerns and clarity over who is responsible for delivering the whole project.

The Wickes Group has developed a repeatable, trainable customer journey followed by its 550+ design consultants to ensure a successful outcome. This service covers the whole process from initial contact, through the inspirations stage, working with the customer to create the design for their space and lifestyle, a dedicated two-person room-of-choice delivery process and finally a quality checked and guaranteed installation service. The whole journey is led by the customer's dedicated design consultant, who not only ensures a home visit is completed to properly understand the space they are designing for, how the customer uses this space and their vision for their new kitchen and bathroom, but they also stay with the customer throughout the whole process to ensure they have a single Wickes point of contact.

In 2019, the Wickes Group's installation service was awarded a distinction level accreditation from the Institute of Customer Services, and their benchmarking study noted that the customers of this service recorded a 91 per cent. Net Promoter Score.

The Wickes Group's DIFM offering is a digitally-led, service enabled proposition. Big projects that are going to transform their home are often weeks, months or years in the dreaming stage. In the early stages, this dreaming and planning is increasingly done online, often searching Pinterest for ideas, looking at various websites for tips and deciding what style and finish the customer wants. The Wickes Group has, in recent years, increasingly contributed to these communities (with over 19 million views on Wickes Pinterest pin boards) and created online resources to support customers at this stage, whether this be better content to help them visualise the finished project, videos to bring the journey to life, pictures of real kitchens in real customer homes that showcase the beautiful products and finishing touches.

These DIFM offerings aim to simplify complex home improvement projects and provide positive experiences for customers and incremental profitability for the Wickes Group in a growing segment of the UK home improvement market. The Wickes Group's DIFM sales grew by 12.8 per cent. from Financial Year 2018 to Financial Year 2019, as set out in Note 3 of Section B of the Historical Financial Information, before declining as a result of the COVID-19 pandemic in Financial Year 2020.

The Wickes Group's experience in DIFM services positions it to expand into additional areas, including services ancillary to its existing strengths in kitchens and bathrooms, as well as exploring potential growth in new home improvement projects. For example, in 2019 the Wickes Group commenced offering DIFM tiling services alongside its existing kitchen and bathroom offering, with approximately 14,000 installations sold since the launch of the service, and the

Wickes Group plans to continue rolling out the service across additional stores. In 2020, the Wickes Group commenced a flooring offering, and it trialled a home office proposition within kitchens with plans to roll-out more broadly in the first half of 2021.

Management believes that by leveraging its design capabilities, comprehensive service and ability to provide all of the finishing touches, the Wickes Group's DIFM offering is a market-leading proposition with significant strengths over other national providers.

The UK DIFM market

DIFM services include a variety of home improvement projects, including kitchens, bathrooms, flooring, staircases, windows and doors. As a result, the UK market for DIFM services is generally comprised of a diverse range of service providers that undertake these types of home improvement projects. Management believes that this market has grown at a CAGR of 3.6 per cent. from approximately £3 billion in 2013 to approximately £4 billion in 2019, as customers increasingly require end-to-end support for their home improvement projects.

Between 2013 and 2019, the UK market for DIFM services grew faster than the overall UK home improvement market, and considerably faster than the specific DIY market segment. This growth was supported by a continued broad decline in individuals' home improvement skills, capabilities and experience, as well as the prevalence, in particular in urban areas, of "time-poor" homeowners, landlords or renters with limited leisure and other time available to undertake, or hire and coordinate tradespersons to undertake, these home improvement projects. These trends have driven demand for comprehensive, all-in-one solutions. Customers undertake these projects infrequently and therefore demand expertise and high product and service quality levels, especially as these projects typically entail major transformations in key rooms in their homes, and straightforward solutions are required to manage the various joinery, electrical and plumbing works. As a result, making the right choice requires the availability of experienced guidance about current trends and project design, in-store, print and online materials as well as showroom displays to help visualise completed projects, and experienced consultants to bring the project together and coordinate the process.

In 2020, the DIFM market experienced periods of significant disruption due to the COVID-19 pandemic. Demand for at-home and in-store consultations, historically a key step in a DIFM project, reduced as a result of lockdowns, stay-at-home orders and social distancing measures, resulting in a decline in the DIFM market size as compared to recent years. In addition, closure of storeroom spaces negatively impacted DIFM sales and interest in new projects.

The UK market for DIFM services is fragmented, with only a limited number of national service providers that undertake DIFM services other than the Wickes Group, a large number of small, local traders and a number of providers that focus on specialist projects. Despite continued growth in customer demand for DIFM services, certain competitors have faced challenges implementing a profitable DIFM strategy due to design, installation and process oversight issues that required costly remedial actions, and as a result exited this market in recent years. Management believes this market provides a significant growth opportunity, using its existing strengths in kitchen and bathrooms to expand its service offering into additional home improvement project categories.

Management expects customer demand trends to continue to support growth in the UK market for DIFM services in the coming years, creating significant opportunities for DIFM service providers such as the Wickes Group with compelling and comprehensive service offerings.

The Wickes Group's differentiated DIFM offering

The Wickes Group has grown its DIFM offering in recent years in response to increasing customer demand for comprehensive support on their home improvement projects. This integrated offering has historically focused on kitchen and bathroom projects and recently expanded into tiling and other services, providing customers with an all-in-one service solution, from concept to completion, to simplify complex home improvement projects.

The Wickes Group's differentiated DIFM offering provides customers with an end-to-end service offering, commencing with expert and empowered design consultants who can inspire customers at the design phase. The Wickes Group's multifunctional oversight teams manage the entire DIFM process through to installation and oversee post-installation quality control. This comprehensive and bespoke approach to meeting customer needs supports the Wickes Group's ability to undertake projects in an efficient and profitable manner, by aligning customer needs and designs with a curated range and effective project management and oversight. The Wickes Group carefully manages its designs and available ranges, which reduces the risk of costly errors or other issues at the design or installation stages. The Wickes Group's in-house oversight team manages the process and provides quality control across each project, overseeing over 40,000 home quality control inspections in 2019. This includes coordinating to ensure accurate delivery and, where the customer selects installation services, engaging with the relevant installation team and confirming works are undertaken to a high standard. This model has proven successful for kitchen and bathroom projects and the Wickes Group recently expanded its DIFM offering into tiling services, with plans to continue growing into new service offerings in line with customer demand.

In-store kitchen and bathroom showrooms support active customer engagement to inspire new projects and help customers visualise design options and features. In addition, in-store DIFM appointments give customers the opportunity to select appliances and other products, facilitates cross-selling opportunities for appliances and services related to customers' projects. Customers can also select their finishing touches, including tiling, flooring, paint and lighting.

The Wickes Group has reinforced its position by continuing to develop its kitchen and bathroom DIFM offering as part of its broader digitisation and range transformation initiatives. For example, the Wickes Group expanded its online capabilities, including a gallery of finished projects, design and installation details, and appointment-booking features, which improves the tracking of new-customer leads and supports lead conversion rates. The Wickes Group enhanced these capabilities during the pandemic through the development of virtual tools to manage the kitchen and bathroom sales journey, enabling customers to undertake the full process through video conferencing and tailored one-to-one sessions without leaving home. These virtual services offer customers a versatile and convenient approach to undertaking DIFM projects across the Wickes Group's range of DIFM services, while improving design consultant efficiency. Many of these enhancements will also continue to support operational efficiencies beyond the pandemic, including through roll-out across the range of DIFM service offerings.

Across these activities, the Wickes Group's DIFM proposition is uniquely positioned against local operators and other national competitors, as well as DIY, generalist and online retailers that cannot provide comprehensive and bespoke service solutions for these types of projects. As compared to smaller scale DIFM service providers, the Wickes Group's national presence allows it to access significant scale benefits, including its branding and marketing, as well as sourcing, design and process management oversight and expertise. Unlike many of its national competitors, the Wickes Group's comprehensive offering is supported by a large and developed installer network of more than 2,300 third-party installation teams, approved by the Wickes Group to undertake DIFM projects.

The Wickes Group offers customer financing for DIFM projects. For many customers, financing options are an important factor when making the decision to undertake major home improvement projects and when planning the scope and scale of such projects. A variety of options are available, including the Wickes Group's "Buy Now, Pay Later" programme as well as traditional interest-bearing credit. In addition, the Wickes Group undertakes periodic promotions that offer interest-free credit to support DIFM sales and volumes in strategic periods during the year.

The Wickes Group partners with a third-party lender, who facilitates these financing programmes. Under this arrangement, interested customers apply online or from in-store and are approved for financing by the third-party lender, who retains credit risk in connection with the financing. The Wickes Group selects which financing options are made available to customers at any given time, which allows it to undertake seasonal promotional periods such as interest-free credit to drive DIFM volumes throughout the course of the year. The Wickes Group incurs a fee depending on the type of credit arrangement offered to the customer.

The Wickes Group's DIFM customer journey

The Wickes Group's DIY service offering supports its customers' DIY needs, providing a curated range of quality products at competitive prices, along with advice, guidance and knowledge.

The first point of contact will often be through the Wickes Group's digital capabilities or an in-store kitchen consultant, who can arrange a dedicated design consultant for the project.

At the design stage, the design consultant will arrange either a virtual consultation or an at-home meeting and survey with the customer to discuss the customer's ideas, better understand the customer's aims for the project and take measurements of the space for use early in the design process. The customer can then review their plans online or arrange an in-store meeting to review a preliminary 3D design, explore the Wickes Group's showroom installations and discuss appliances and other features that fit the style and budget for their project, or continue through the process using a fully digital journey for consultant meetings. The Wickes Group's expansion of its DIFM service into a fully-virtual journey will support growth of additional DIFM services in the future.

Once the customer confirms the final design, the Wickes Group will schedule the home delivery and installation, providing the customer with a single point-of-contact for the process – including for shipping, fitting and any needed plumbing, wiring, gas or lighting works. The Wickes Group has taken steps to ensure these activities are undertaken in a COVID-safe manner. Following installation, the Wickes Group completes its quality control process and the customer will receive an in-home visit to ensure the project meets the customer's requirements. The Wickes Group provides each kitchen with a 20-year guarantee on cabinets, units, hinges and drawer runners and a 10-year guarantee on cabinet doors and drawer fronts. Installation works are provided with a two-year workmanship guarantee.

The Wickes Group's DIY Service Proposition

The Wickes Group's DIY service offering supports its customers' DIY needs: "from Wickes' curated range to bringing customers the right quality products at the right prices, Wickes can help customers to tackle their projects by providing advice, guidance and knowledge".

This approach provides DIY customers with simple, clear choices and certainty that the Wickes Group will stock the products and provide the support to get the job done. This digitally-led service proposition supports DIY customers with online resources and in-store support and offers reliable and flexible in-store fulfilment and home-delivery options to ensure the products are delivered where and when desired to fulfil their projects. The Wickes Group estimates that DIY sales typically represent approximately one-third of total sales, which increased during Financial Year 2020.

The UK DIY market

Despite growth and supportive structural trends in the overall UK home improvement market, the UK DIY market experienced periods of low growth in recent years, although DIY activity increased dramatically as a result of the COVID-19 pandemic.

In 2019, the UK DIY market was estimated to be approximately £10 billion, having grown at a CAGR of 1.8 per cent. between 2013 and 2019, based on management estimates. Although this market is fragmented, a number of well-known, national retailers operate in the industry. In addition, DIY customers are also served by regional and local retailers, including small hardware stores and specialist retailers such as painting and decorating retailers and garden and landscaping centres. A variety of generalist online retailers also sell products used for DIY activities, aiming to compete on the basis of price and convenient delivery options for the products they stock.

In 2020, DIY activity increased during lengthy periods of lockdown and widespread working from home. Management believe that this trend was supported by a number of factors including how people live and work during the pandemic, including increased time spent at home changes to commuting patterns and spending habits, restrictions on holiday travel, and hesitancy to have third-party service providers entering the home during peak periods of the pandemic. These factors are estimated to have supported an increase in the DIY market as compared to recent years.

The UK DIY market is expected to continue to be supported by structural fundamentals, including the age of housing stock and repair, maintenance and improvement trends across the broader industry, in addition to renewed interest in DIY activities. While these longer term trends in consumer behaviour, and an anticipated rebound in Local Trade and DIFM demand, are expected to lead to lower growth levels in DIY than the broader UK home improvement market in the coming years, heightened core DIY demand in 2020 highlights the potential for continued growth as compared to historical levels.

The Wickes Group's differentiated DIY offering

The Wickes Group's DIY proposition offers customers an integrated, easy-to-use digital service and a welcoming in-store environment with a curated product range supplemented by an extended range online.

This approach supports DIY customers whether they shop online or in-store. In recent years, the Wickes Group has aligned its DIY proposition across online capabilities and its in-store offering by significantly developing its product ranges and improving its in-store environment, as described in "—*History and Transformation*". By reducing in-store shelf clutter and providing customers with convenient in-store access to the products they need, the Wickes Group aims to reduce the complexity and confusion that can be associated with tackling a DIY project and differentiate its DIY offering from large "warehouse" style DIY stores by making it easier to shop. This approach has supported sales growth in key product areas, including garden maintenance sales, which more than doubled between Financial Year 2014 and Financial Year 2019, and colour paint sales, which increased by approximately 49 per cent. during that time. The Wickes Group believes that it is under-indexed in many product categories, and this approach targets future sales growth. In addition to customer service benefits, this approach supports in-store stock availability and creates procurement efficiencies, which helps the Wickes Group to invest in the overall service proposition.

The Wickes Group offers a broad range of categories for "light trade" and "heavy trade", including a strong stable of trusted Wickes-branded products, such as paint, screws and nails under "light trade" and timber, aggregates and plaster under "heavy trade", as well as recognisable, leading third-party brands, such as Bosch, DeWalt, Dulux and Yale. The Wickes Group own-branded products support brand loyalty and continue to be popular with customers, in particular for product lines that are regularly purchased by DIY customers, such as paint, hand tools and growing media (e.g. compost). In addition, these Wickes-branded products typically provide relatively higher margins than third-party branded products, supporting profitability across the Wickes Group's operations. The Wickes Group differentiated DIY service proposition provides customers with curated in-store product ranges and comprehensive online offerings at good value, as well as warm and friendly assistance and flexible fulfilment options, all of which provide a unique and more rewarding experience for DIY customers.

Alongside these initiatives, the Wickes Group has expanded its digital proposition in recent years by integrating its stocking and fulfilment capabilities across its website and store locations to simplify shopping for DIY customers. The Wickes Group offers a variety of straightforward fulfilment options – whether a customer is shopping in-store, ordering from the website for in-store collection or arranging delivery from a website or in-store purchase from the extended range that is not available in-store, as described under "—*Multi-channel Fulfilment and Distribution Capabilities*". This approach efficiently utilises the Wickes Group's 233-store estate as a fulfilment network. It also differentiates the Wickes Group from competitors in the DIY market, in particular generalist retailers that cannot provide an extended range of products and online retailers that cannot efficiently dispatch or provide convenient collection options for many types of larger or bulky items. These flexible fulfilment options have become increasingly popular in recent years, as orders delivered to customers more than doubled between Financial Year 2018 and Financial Year 2020 for products regularly purchased by DIY customers, such as tiles, flooring and garden fences.

The Wickes Group's DIY customer journey

A typical Wickes DIY project will start with a customer's visit to the Wickes Group's website, where they can research the supplies necessary for the job. Once the customer has viewed the Wickes Group's product range online, they can place an order for home-delivery or click-and-collect, or make the purchase in-store after checking stock availability.

If required, the next step of the journey is typically an in-store visit, where customers can quickly find the products they need and select from accessories and other products they may require for their project with the help of in-store colleagues. For click-and-collect orders, the customer receives a notification when the product is ready for collection from the store, and they can complete the purchase at the collection counter. If a customer requires a specialist product, or a greater quantity of a particular product than is in stock at the relevant store, a colleague can help with viewing the extended range via the Wickes Group's OLI capabilities and, as a result, capture a sale without risk of losing the customer to another provider. Once the customer has the products they need, they receive fast service at the front-of-store till points and can get back to their project.

4 Foundations of the Wickes Group's Customer Proposition

The Wickes Group's Local Trade, DIFM and DIY customer propositions are enabled by its highly engaged colleagues and winning culture and further supported by its digitally-led capabilities, complementary low-cost and right-sized store estate, distinctive service model to provide inspiration, service and fulfilment, and simple, clear pricing to provide value to customers.

Highly Engaged Colleagues, a Winning Culture and Leading Sustainability Position

The Wickes Group's customer proposition is founded on its engaged colleagues and experienced management team, creating a winning culture to support high customer service levels across its Local Trade, DIFM and DIY offerings. This culture promotes and rewards an inclusive colleague environment and engages them to support customers, whether during an in-store visit or via the Wickes Group's digitally-enabled capabilities or call centre. Across its operations, the Wickes Group has implemented a common set of values and aims to ensure that all colleagues are recognised and rewarded for living these values.

The culture at the Wickes Group reflects a modern approach to working, which promotes personal responsibility, flexible working arrangements and family leave, the use of effective performance management underpinned by regular feedback, and a focus on health and wellbeing. Management believes the positive culture has enabled the Wickes Group's colleagues to operate to their maximum potential and positions the Wickes Group to take full advantage of market opportunities and overcome challenges as they arise. The success of this approach is evidenced by the high levels of internal promotions (in Financial Year 2019, prior to the pandemic, 72 per cent. of store managers were promoted internally) and retention rates across the business (87 per cent. for design consultants, 89 per cent. for store managers, 79 per cent. for regional leaders and 75 per cent. across the business). In addition, the Wickes Group has attained high employee engagement levels, as evidenced by scoring nearly 75 per cent. across the business on nationally recognised employee engagement surveys during 2020 (79 per cent. for design consultants, 94 per cent. for store managers and 86 per cent. for regional leaders), which is higher than pre-pandemic levels and management believe is significantly higher than industry average. By maintaining low turnover levels and high levels of internal promotions, the Wickes Group develops experience and expertise among its colleagues, allowing them to spend less time in recruiting and training activities than would be required to support operations affected by higher turnover rates and more time on the shopfloor.

The Wickes Group has a successful track record of promoting diversity through its partnerships with Stonewall, Working Mums and the Armed Forces, and through its "Evolving Women in Leadership" programme. In 2020, Wickes was named one of the top ten diverse retailers in the United Kingdom by the *Financial Times*, and commenced partnerships as a member of Valuable 500 and with Mind and joined the British Disability Forum. This positive culture is underpinned by a focus on internal progression where possible (with the vast majority of promotions internally), a continued investment in internal talent through the "Leadership, Effectiveness and Development" programme ("LEAD") and through the Wickes Group's partnership with Oxford Summer School, and by maximising the use of apprenticeships through the "Learn and Earn Apprenticeship Programme" ("LEAP"). The Wickes Group is committed to a policy of equal opportunities for staff at all levels and provides direct employment and career development to thousands of employees across the United Kingdom. The Wickes Group is dedicated to training and development, and has invested significant amounts in training programmes. The Wickes Group also provides opportunities for large numbers of people seeking flexible or part-time hours. The Wickes Group regularly reviews its operations and its sourcing and supply chain functions to seek to ensure that its suppliers operate fairly and ethically, and in compliance with anti-slavery laws.

Across the Wickes Group's operations, the culture also promotes a safety-first approach, which aims to ensure that sites are safe, legal and compliant. This is demonstrated by the Wickes Group achieving a score of 6+ out of a maximum score of 8 on internal health and safety audits. These audits assess and measure the implementation of risk management controls by operational management and provide assurance that hazards and risks have been adequately identified and that controls and risk management measures are suitable, fit for purpose and operating as intended. The Wickes Group employs a team of health and safety business partners to ensure that a safe and healthy environment is provided for its employees and customers. It also endeavours to ensure that its suppliers, manufacturers and licensees also provide appropriate working standards for their employees and do not contravene the employment laws of their countries.

Strategic incentive programmes reinforce the Wickes Group's culture, including schemes that support in-store colleagues' role in implementing the Wickes Group's digitally-led and integrated fulfilment strategy, which capture in-store support for digitally-enabled sales within each store's revenue and profit totals, and targeted sales tracking for DIFM design consultants.

Working together, the management team continues to develop and build upon the winning entrepreneurial culture that has made the Wickes Group so successful to date, with extensive experience in the retail and home improvement sectors. David Wood, CEO, joined Wickes in May 2019. With almost 30 years in the retail and consumer sector, David is a highly experienced executive with extensive board level experience in both the UK and internationally, having worked for Tesco, Unilever, Kmart and Mondelez. Julie Wirth joined Wickes as CFO in November 2018, having held board and senior finance roles at group and divisional level in the retail sector, including twenty years at Home Retail Group plc, five years at Musgrave GB Ltd and three years at Countrywide Farmers plc, with responsibility across finance, IT, legal and secretariat, and change management. Fraser Longden, the Chief Operating Officer, has been with Wickes for over six years, prior to which he was a B&Q Board Director, having spent over 15 years with Kingfisher in senior roles in both the United Kingdom and Asia. Other members of the management team have significant retailing and home improvement experience, including at Marks & Spencer, Tesco, Kingfisher, Homebase and Wilko.

Delivering a sustainable approach to business is fundamental to the Wickes Group's service proposition. The Wickes Group aims to be a sustainable business sourcing from sustainable supply chains and helping customers to have more sustainable homes, as described in "Sustainability" below.

Curated Product Ranges

The Wickes Group's service proposition aims to provide customers with an in-depth and carefully curated range that offers customers the variety of options they require without overwhelming them with redundant product offerings, which simplifies the customer journey, while supporting the Wickes Group's efficient operating model.

The Wickes Group's product range provides an average of approximately 9,500 products in-store, supplemented by the extended range available online, which means Wickes Group colleagues "never have to say no" to customers. Across its Local Trade, DIFM and DIY service offerings, all product categories are purchased by all customer groups, creating significant efficiencies in the Wickes Group's operations, both online and in-store, regardless of customer type. In addition, Wickes utilises this curated approach across its store estate, which provides customers with a consistent experience and the confidence that they will be able to find the products they need for their projects.

Utilising a curated product range enables the Wickes Group's efficient operating model. A tighter product range enables simpler and more efficient product refreshing, and it reduces complexity for distribution and in-store stocking activities. Product range and inventory efficiencies support the business to keep prices low. During Financial Year 2019, the Wickes Group's inventory stock turn was approximately 5 times. In Financial Year 2020, the Wickes Group's inventory stock turn was approximately 5.6 times, reflecting COVID-related inventory management.

This strategy relies on active category management to produce a balanced product offering, supplementing the existing offering within a particular product range with additional own-brand or third-party branded options to reflect changing customer needs or other trends. Management undertakes targeted volume and margin management (in particular for high-volume building products) to ensure changes to the product range support the business's operating results. Similarly, own-brand products are important to the Wickes Group's strategy because they support the reputation of the Wickes brand and the Wickes Group typically earns a higher margin on own-brand products than third-party branded items. During Financial Year 2020, own-brand products comprised approximately two-thirds of sales.

Digitally-Led Proposition

In response to fundamental shifts in customer behaviour, the Wickes Group has integrated its operations across its website and retail store channels to provide customers with a unique, digitally-led comprehensive service offering, as described in "—*History and Transformation*". The Wickes Group's digital proposition sits at the heart of each of the three customer journeys, integrating online and in-store service offerings and providing advanced operational and customer service capabilities from flexible fulfilment options to OLI service on the shopfloor. These digital capabilities have become increasingly important to customer relationships, and the Wickes Group continues to move toward two-thirds of sales through digitally-enabled capabilities (including online ordering, OLI purchases from in-store, the TradePro digital app, online research ahead of an in-store purchase and showroom web leads). Digitally-enabled sales are attributed to stores resulting in an alignment of incentives.

The Wickes Group continues to develop ways to build customer relationships through a variety of advanced features across its digital capabilities. On its website, customers can browse and research the Wickes Group's full range of home improvement products, explore ideas for larger projects, obtain information about the Wickes Group's DIFM services and view online tutorials and "how-to" guides. Recently added website features include options for customers to create project lists and save favourite products or designs, and AI-driven real-time product recommendations based on products already selected by a customer. In addition, the website offers more standardised features, including optimised search functions, product details and customer reviews to help customers find the products they need for their home improvement projects.

Management believes that its fully integrated digital offering differentiates the Wickes Group from its competitors and other online marketplaces, and will continue to drive customer loyalty and sales going forward.

Distinctive Service Model Providing Inspiration, Service and Fulfilment

The Wickes Group's store estate is the front line of its fulfilment capabilities, using a versatile and integrated system to enable the Wickes Group to fulfil certain website orders locally through its 233 retail stores (in addition to purchases fulfilled directly through the Wickes Group centralised delivery centre). As the Wickes Group continues toward two-thirds of sales utilising digitally-enabled capabilities, approximately 98 per cent. of purchases touch a Wickes Group store in some manner (whether visiting a store or utilising store network fulfilment capabilities), showing the essential role the store estate continues to play in the Wickes Group's customer proposition, even as the ways that customers interact with the Wickes Group evolve.

This model utilises an approach to store layout and capabilities that is complementary to the digital journey, offering inspiration, service and fulfilment. Self-service customers are supported by in-store colleagues and re-fitted shopfloor spaces, which create a welcoming environment that makes it simple, quick and easy to shop. Dedicated showroom space in-store supports DIFM customers, with space to dream and visualise their projects and with expert help at hand. Assisted selling capabilities across the store are easy-to-find for customer questions across in-store product ranges, and OLI capabilities provide access to the full range of products, in quantities and with variations beyond what is available in-store. Each store's operations are integrated with the Wickes Group's digitally-enabled capabilities, with colleagues picking orders and preparing for either in-store collection or home delivery. The COVID-19 pandemic has accelerated certain in-store reconfiguration activities and technology trials to simplify in-store product picking and storage for click-and-collect services, as described in "—*History and Transformation*", and trials of "park-and-collect" services alongside other COVID-secure measures. During the course of 2020, alongside rapid growth in click-and-collect and home orders, the Wickes Group also continued to evaluate its ability to holistically leverage the broader store, including use of in-store space to support customer delivery demand across geographic areas. The Wickes Group is also reviewing end-to-end customer order management systems to build more capacity throughout the customer journey.

The following graphic illustrates how a Wickes Group store is typically structured.

Across the Wickes Group's operations, this approach utilises a centralised smart fulfilment system to manage distribution and track in-store inventory across the Wickes Group's store estate, matching online orders with a nearby store location. When an order is placed online, the relevant store is notified, and an in-store colleague will pick and prepare the products from the shopfloor. Click-and-collect orders are typically ready for collection within one hour of the online order. If the customer selects a home-delivery option, a specialist courier service will be centrally arranged, for collection and onward delivery by the courier from the local store once the order has been prepared and packaged. This approach to local fulfilment is supported by efficient centralised distribution processes that are flexible and aligned to customer needs – varying depending on the type of product, with some large products shipped directly from the supplier to the store (either for in-store shopping or click-and-collect), while other items are distributed via the HDC or, for certain DIFM and core DIY items, directly to the customer. As a result, the digitally-led proposition drives efficiency and sales density across the physical store network.

These integrated capabilities provide the Wickes Group with a competitive advantage over online-only vendors, allowing it to fulfil a number of customer orders in real-time rather than shipping from centralised or even regional warehouse facilities for the vast majority of products. This approach maximises efficiency across the nationwide store estate and helps customers save time by collecting products in-store when they need them, as compared to next-day delivery from online retailers. In addition, these capabilities also allow the Wickes Group to take advantage of the expertise of its in-store colleagues, who pick and prepare customer orders from the store's available stock, to ensure orders are accurate and ready when the customer arrives. During Financial Year 2019, prior to commencement of the pandemic, approximately 16 per cent. of the Wickes Group's online orders were fulfilled through its store estate, which increased to approximately 28 per cent. in Financial Year 2020, and the Wickes Group is aiming for these sales to comprise over one-third under normalised trading conditions in the future. In-store visits also create the opportunity for additional sales from the Wickes Group's curated product ranges.

Low-Cost, Right-Sized Physical Estate

The Wickes Group's retail estate of 233 stores provides the backbone of its customer proposition, encompassing approximately 6.6 million square feet of sales and inventory space and a nationwide fulfilment network for click-and-collect and home-delivery orders. In Financial Year 2019, prior to the pandemic, the Wickes Group averaged approximately £194 in sales per square foot across its store network, which increased to approximately £204 per square foot from an average store size of 28,400 square feet.

The illustration below shows the locations of Wickes Group stores throughout the United Kingdom.

As at 26 December 2020, all of the Wickes Group's stores were operated under leasehold agreements with a diverse landlord base. Individual store leases vary as to their terms, rental provisions and expiration dates. The Wickes Group aims to enter into store lease agreements for terms of between 5 and 15 years, with rent renewals typically every 5 years if relevant, although certain historic leases are for longer periods. As of 26 December 2020, the weighted average unexpired lease term of the Wickes Group's store estate was approximately 9.4 years. Annual rental costs (cash basis) are approximately £100 million. The table below shows the maturity profile for lease expiries for the Wickes Group's stores as of 26 December 2020:

	0-5 years	**5-10 years**	**Over 10 years**
Number of stores	36	105	92

The Wickes Group's store estate comprises a key component of the Wickes Group's integrated and digitally-led, service-enabled proposition by providing customers with inspiration for their projects, in-person service to support their work, and broad and flexible fulfilment options to help them tackle projects quickly.

The Wickes Group continually reviews the footprint of its store network, utilising a "right size, right place, right cost" approach, to ensure that stores are strategically located for maximum footfall and to act as fulfilment centres to support digital sales across the network. Store spaces have been designed for ease of use by Local Trade customers, DIFM customers and DIY customers alike. This approach aims to provide customers an in-depth and carefully curated product range alongside strategically positioned adjacencies aimed at providing customers with the options they require in easy-to-access store locations while creating operating efficiencies across a cost-effective right-sized format.

In recent years, the Wickes Group has commenced a store estate improvement initiative, as described in "*—History and Transformation*". These activities have included renovation works at nearly 110 stores since Financial Year 2015, with an aim to improve the customer experience by making stores brighter, more comfortable and easier to navigate. The Wickes Group has observed a sustainable sales increase of approximately 25 per cent. from these re-fit activities, which it benchmarks against control stores in the network. Over the course of the re-fit programme, the Wickes Group has observed stronger uplift performance as it refines its store re-fit activities. In Financial Year 2020, the Wickes Group's sales were approximately £170 per square foot in heritage format stores and £227 per square foot in new format stores.

These activities have also supported more efficient in-store operations by simplifying re-stocking activities, making room for key products in easy-to-reach locations and creating showroom space for key DIFM services. Across these activities, the Wickes Group has maintained a broadly stable average store footprint while making its stores more customer friendly and efficient. The

Wickes Group has focused historically on operating stores that are relatively smaller than those of its "big box" DIY competitors in the UK home improvement market (with the larger stores generally on long leases). The Wickes Group currently operates between 15 and 20 stores that it deems to be oversized. Further, it anticipates approximately 10 closures in the medium term. In recent years, the Wickes Group has undertaken a number of store relocations and completed re-negotiations of existing leases to ensure that stores are operating at a suitable size and reduce the footprint at certain store locations. These efforts aim to keep lease expenses low across the store estate while supporting efficient in-store operations. The Wickes Group anticipates undertaking 5 to 7 store relocations and 10 new openings in the medium term. Although there remain significant opportunities for further re-fits to the store estate with between 35 and 40 additional re-fit projects targeted in the medium term, management believes the geographic reach of the store estate is adequate to drive the required footfall.

Simple, Clear Pricing Offering Value to Customers

The Wickes Group's product pricing strategy is based on providing customers with a simple and transparent offering, with consistency across its website and each of its store locations. The Wickes Group undertakes a weekly market benchmarking exercise, across its top products and its total offering, to evaluate its product and service pricing on top selling lines and across its product ranges to deliver value for all customers. This approach aims to support loyal customer relationships and stable, volume-driven sales, through its four-part pricing architecture:

- Simple pricing – the Wickes Group's straightforward pricing structure is at the heart of its pricing strategy, whether customers shop online or in-store. Through a simple and consistent pricing structure, without confusing volume-based discounts for different sized customers, the Wickes Group aims to maintain and foster its customer relationships as a trustworthy outlet for home improvement products and services.
- Everyday value and quality – the Wickes Group's pricing strategy relies on providing customers with good value across its product lines and ranges, by offering products at a variety of price points from value brands to own-brand, lead brands and premium brands, to meet each customer's needs. In addition, the Wickes Group regularly benchmarks its product pricing against the market. This approach aims to provide customers with pricing consistency across the product range to support repeat customer visits and stability in sales.
- Volume through offers – the Wickes Group employs strategic targeted offers and seasonal high-low promotional periods, including around Easter and the May and, to a lesser extent, August bank holidays, to support sales volumes and footfall at store locations throughout the year, in particular for its DIY customers.
- Passing cost savings on to customers – the Wickes Group's ongoing efforts to simplify its in-store product ranges and leverage its scale, along with procurement initiatives, to improve costs are expected to continue to support value for customers.

In addition, the Wickes Group offers members of the TradePro programme a 10 per cent. discount on their purchases. This simple programme aims to provide Local Trade customers with everyday transparency and predictable pricing, without requiring volume purchases or relying on complicated tiered pricing structures or rebates, to support its relationships with programme members.

The Wickes Group's DIFM services are provided as an end-to-end service, and as a result projects are priced on an all-inclusive basis, including design, production and installation. These DIFM prices are generally driven by the size of the project and each customer's design selections, including the specific design range, customisable features including worktops, sinks, taps, splashbacks, handles and lighting, as well as appliances. As a result, pricing will vary from customer-to-customer, and across the different services that the Wickes Group offers. The Wickes Group offers customers a variety of flexible third-party financing options on its DIFM services, as well as running occasional promotional periods during the course of the year.

5 Further Details of the Wickes Group's Operating Model

Products

Across its three customer journeys, the Wickes Group offers approximately 9,500 different products on the shop floor and, in total, approximately 22,000 when including its website and OLI capabilities. The Wickes Group's product offering of core product categories, across hundreds of product ranges and growing DIFM services, is tailored to meet the requirements of its customers for their home improvement projects – from "light trade" and "heavy trade" to painting and decorating. Although DIY and Local Trade customers tend to undertake projects of different types and different complexity levels, and so require different products on a day-to-day basis, there is significant overlap along the spectrum of home improvement products. This allows the Wickes Group to leverage its proposition for each customer journey while offering a comprehensive variety. Across its online and in-store operations, the Wickes Group offers the following core product lines: joinery; tools, electrical and hardware, building supplies; garden; decorative; tiles and flooring; ready-to-fit kitchens and bathrooms; showroom products (currently primarily kitchen and bathroom); and services (installation).

Within its curated product offering, the Wickes Group's ranges are developed to provide customers with choice to select the products they need to complete their home improvement projects. Ranges include:

- Value – a variety of value brand products, at opening price points to provide customers with good quality home improvement products at low prices.
- Own-brand – the Wickes Group's offering of products bearing the Wickes label (produced by third parties) across a broad range of product types and projects. These products are provided online and in-store, at better value than third-party brands.
- Lead brands – a number of market-leading home improvement brands, with full store distribution across a wide range of products, and additional brands available online. Lead brands are priced competitively and include Dulux paint and decorating products, Stanley tools and home improvement products, McAlpine plumbing products and Mapei grouting, sealants and adhesives.
- Premium brands – a limited range of specialised products available to complement the Wickes Group's full service and product offering. Premium brands include Bosch appliances and Harris decorating brushes and tools.

Sourcing

The Wickes Group maintains strong relationships with a broad range of suppliers. In total, the Wickes Group purchased from approximately 370 suppliers in Financial Year 2020 across light-side and heavy-side products.

Due to the volume of suppliers, management believes that most of the products offered for sale by the Wickes Group could be sourced from alternative suppliers if necessary.

The Wickes Group regularly enters into contracts for the purchase and manufacture of merchandise from suppliers outside the United Kingdom or domestic distributors that import products from outside the United Kingdom.

6 Multi-channel Fulfilment and Distribution Capabilities

In-store Fulfilment and Home Delivery

The Wickes Group offers customers a variety of collection and delivery options, whether they are shopping online or in-store. As described in "*—Foundations of the Wickes Group's Customer Proposition*", these flexible fulfilment options comprise a unique aspect of the Wickes Group's service proposition by integrating its digital and in-store offerings. The Wickes Group's integrated capabilities support its broader strategic planning, by extending the breadth of its domestic reach and the speed at which it can reach customers. This allows the Wickes Group to provide customers with a fully national offering and grow its operations, without the expense of adding in-fill stores to its existing retail network.

For in-store purchases, customers can choose from various collection and delivery options, depending on the type of product, the quantity being purchased and the availability in-store. Customers shopping in-store may collect and take away items at the time of purchase, in particular for smaller home improvement products, such as decorating, plumbing or electrical supplies. In addition, the Wickes Group offers home-delivery services for products that customers select and purchase at one of the Wickes Group's stores, and the popularity of the Wickes Group's home delivery and use of third-party local courier services highlight the importance of fulfilment support for home improvement customers. These delivery services allow customers to discuss their home improvement needs with the Wickes Group's experienced colleagues in-store, helping them to make informed decisions and select the product that best supports their requirements, even if they do not have capabilities to transport items. Delivery services can be arranged by colleagues in-store, allowing them to discuss the customer's delivery timing and requirements, including any access restrictions or special instructions, face-to-face.

Wickes Group colleagues can also arrange home delivery for products that are not available in-store during a customer's visit. From the shopfloor, Wickes Group colleagues have access to the full range of home improvement products available on the Wickes Group's website through its OLI capabilities, including additional product ranges and colours and larger volumes than are stocked or available in-store. Home delivery can be arranged for a small cost, or free of charge for large orders, and certain orders are fulfilled by the manufacturer or supplier.

Customers making purchases online can choose to collect their orders in a Wickes Group store, for the range of products stocked in-store, or by home delivery. The Wickes Group utilises outsourced third-party couriers and delivery providers for these delivery options.

The Wickes Group's DIFM services include a coordinated delivery service, which is included in the overall cost of the DIFM project. These deliveries typically require a significant number of individual boxes, allowing for on-site installation. This coordinated approach reduces the number of deliveries typically required prior to installation and aims to ensure that each delivery is accurate and complete, which is essential to prevent installation delays or costly re-delivery to correct any issues or errors.

Centralised Distribution Capabilities

The Wickes Group's multi-channel offering is supported by an advanced, integrated distribution function. The distribution function utilises centralised distribution for Wickes Group stores and certain direct-to-customer deliveries, which supports the Wickes Group's decentralised in-store fulfilment, providing customers with fast service for click-and-collect or home delivery for products stocked in-store. Additionally, in recent years, an increasing proportion of distribution is coordinated via shipments directly from a third-party manufacturer or distributor directly to the relevant Wickes Group store locations, in particular for heavy building materials. This approach reduces distribution costs and increases the speed of re-stocking store locations with these key products.

The Wickes Group operates two delivery centres in Northampton, England. The SDC primarily supports fulfilment for the Wickes Group's store network, storing and shipping the range of home improvement products sold in-store. The HDC primarily supports the Wickes Group's DIFM services, holding kitchen and bathroom cabinetry and other items ahead of delivery directly to the relevant customer's home.

The Wickes Group also works closely with a number of manufacturers and suppliers for certain direct-to-customer deliveries. These include a variety of items, such as specific lines of sheds and doors, as well as lawn turf, that are not stocked in-store or kept at centralised delivery centres. For these purchases, the Wickes Group takes payment from the customer, and delivery is arranged directly between the supplier and the customer.

7 Centralised Support

The Wickes Group operates a centralised support management model, which aims to ensure consistency in the customer experience across the Wickes Group's 233 stores and website and to support effective and efficient operations throughout the Wickes Group.

This approach relies on the Wickes Group's centralised management functions, in particular its category directors for product line and product range selection, as well as inventory procurement, stocking and pricing decisions, and its regional and store management. Wickes

Group management also centralises other support functions including marketing operations, human resources, finance, legal and information technology.

Information Technology

As part of the Demerger, the Wickes Group is undertaking actions to put in a place an efficient, integrated, resilient and scalable standalone IT infrastructure. This approach aims to cover all major aspects of the Wickes Group's business, including in-store systems, product management, warehousing, logistics, human resources, finance and other administrative systems by utilising a web-based approach and supported by targeted third-party capabilities.

Following the Demerger, the Wickes Group will continue to procure certain IT systems and capabilities from Travis Perkins under the Transitional Services Agreement for as long as the Wickes Group requires up to 24 months (depending on the service) (and subject to the right to a single extension for up to six months under certain circumstances). These services primarily relate to the supply of infrastructure (e.g. wide area network) and hosting services for certain applications and data access tools. These capabilities provide the Wickes Group with an efficient solution with independent access to its business data, entirely separated from business data of the Travis Perkins Group. The Transitional Services Agreement covers datacentre capabilities for access to the Wickes Group's general ledger and independent purchase ledger, HR systems (including user profiles to access stored payroll information) and Google based collaboration and productivity services (including email). In addition, cyber security capabilities have historically been predominantly managed by the Travis Perkins information security team across the shared networks and will continue to be for these IT capabilities during the term of the Transitional Service Agreement. All Wickes Group stores currently have a broadband connection to the Wickes Group's support centre that is provided by Vodafone, and Cisco Meraki devices are used for Wi-Fi connectivity and management, which will also continue under the Transitional Services Agreement. Further details in relation to the Transitional Services Agreement are set out in "—*Transitional Services Arrangements*" and section 18.3 of Part XII: "*Additional Information*".

During the term of the Transitional Services Agreement, the Wickes Group will continue to develop internal IT infrastructure and capabilities supported by third-party services with a focus on moving onto a cloud-based environment, where possible. As part of this process, the Wickes Group is also undertaking work to separate internal cyber security capabilities, including by setting up an internal security team and planning to procure third-party support for threat monitoring and management activities in the future.

The Wickes Group has historically operated a suite of additional IT applications that support its ongoing business activities, strategy planning and budgeting, financial processes and other procedures. These include the e-commerce platform, in-store point-of-sale systems and supplier portals. In addition, the Wickes Group continues to operate its financial reporting and data systems, including aggregation and presentation capabilities to prepare internal management reporting materials and undertake budget analysis and HMRC reporting processes.

Hosting and back-up capabilities are provided for applications managed by Travis Perkins from primary and secondary data centres in Northampton, which the Wickes Group will also utilise under the Transitional Services Agreement from the time of the Demerger. Data between these data centres is backed up on a daily basis. Active business continuity planning activities focus on a number of areas and outline appropriate actions, including identifying responsible persons and resources required to manage the relevant issue. As the Wickes Group moves to a cloud-based infrastructure, it will become less reliant on these datacentres culminating in full separation. For example, at the time of the Demerger, certain existing Wickes Group capabilities rely on Amazon cloud one-region back-up capabilities.

Marketing and Branding

The "Wickes" brand is an important part of the Wickes Group's business and underpins its reputation and marketing. It has been associated with quality, value and innovation in the UK market for nearly 50 years and is one of the most recognised home improvement brands in the United Kingdom.

The Wickes Group's marketing initiatives, across its multi-channel operations, are centrally managed by its marketing team. These activities cover the full range of the Wickes Group's customer and marketing initiatives, from in-store design and layout as part of the store estate transformation to advertising and promotional activities using the full spectrum of media outlets, including television, radio, print, direct mail and online advertising. During the year, the Wickes Group targets key markets with strategic campaigns and seasonal high-low promotional periods.

The Wickes Group actively monitors changes in underlying trends in customer behaviour, including customer needs and preferences, and customer satisfaction. This allows the Wickes Group to modify in-store product display and run periodic promotional offers to take advantage of seasonal trends and shifts in consumer preferences.

In recent years, the Wickes Group has sought to better align its public image with its operational initiatives to modernise the store estate, including its efforts to make its stores easier to use and more welcoming to customers, and to fully integrate its digitally-enabled and in-store propositions. Digital marketing has played a significant role in this process. The Wickes Group has established an active social media presence, including on Facebook, Twitter, Instagram, Pinterest and TikTok, which allows it to communicate directly with customers and foster deeper relationships and loyalty. The use of social media is increasingly important in the DIFM space as customers look for inspiration for their home improvement projects. The Wickes Group also operates a YouTube channel, where it provides customers with how-to guides that cover a range of home improvement projects.

8 Sustainability

Delivering a sustainable approach to business is fundamental to the Wickes Group's service proposition. This approach embeds sustainability within the Wickes Group's strategy and demonstrates its desire to grow responsibly through its supply-chain and sourcing, its community interactions and its support for sustainability in customers' homes. Performance across all material sustainability topics is closely monitored and key focus areas have specific programmes to drive these forward. The five key focus areas are:

Sustainable business

- "Everyone is welcome at Wickes" – building on the already diverse and inclusive culture of the business with ambitious targets to lead in this area. Over the last five years, working groups including 'LGBT+ – Let's do it with Pride', 'RAACE – Let's have fairness through transparency', 'Ability – Let's make Wickes accessible to all', 'Balance for Better – Let's balance the gender pay gap', 'Wellbeing – Let's create a place of wellbeing' and 'Youth Board – Let's plan for the future' have been built and led by Wickes Group colleagues to effect positive change with support from the executive board. Activities include influencing the development of policy and training, running events and driving engagement through communications and forums for colleagues to share experiences and support each other.
- "Developing skills in our communities" – expanding development opportunities for existing colleagues and creating new opportunities for local communities. Apprenticeships provide a broad range of development opportunities and the Wickes Kickstart program provides opportunities to support people into work. In addition, Wickes Group colleagues are empowered through a culture of self-directed learning and are motivated to learn through the provision of relevant and accessible resources and tools and the use of technology to enhance the learning experience, enabling learning to be easily incorporated into a working day.
- "Protecting our environment" – bringing together commitments to reduce both carbon and waste. The Wickes Group has committed to net zero carbon targets for scope 1 & 2 emissions by 2035 and plans to set a scope 3 target once it has completed a carbon footprint assessment. Carbon emissions have been reduced through the introduction of LED lighting and through fleet management systems and the replacement of vehicles to improve driving efficiencies. Detailed decarbonisation roadmaps are under development for our estate and fleet. Waste targets on own-label products have been set to eliminate unnecessary packaging by 2023, have at least 50 per cent. recycled content by 2025 and for all packaging to be reusable, recyclable or compostable by 2025. In addition, targets have been set for zero operational waste by 2025 and recovering and recycling customer packaging from DIFM services. Approximately 94 per cent. of waste was

diverted from landfill in 2020 and recyclable waste is backhauled to distribution centres and recycled.

Sustainable supply chain

- "Sourcing responsibly" – sourcing and partnering responsibly and helping suppliers to operate more sustainably. Wickes Group suppliers and products are assessed to ensure they meet the Wickes Group's quality, ethical, safety and environmental standards. Approximately 97 per cent. of Wickes timber is FSC or PEFC certified.

Sustainable homes

- "Sustainable products and services" – providing more sustainable products and services and helping customers create more sustainable homes. The Wickes Group promotes sustainable products such as certified timber and products which can be used under government green homes schemes. Wickes plans to work with customers to understand their sustainability needs to inform the development and promotion of sustainable products and services.

The Wickes Group has a clear and simple sustainability framework which is set out for colleagues in a Code of Business Ethics, backed up by policies, guidance and training and underpinned by minimum standard assessments to monitor compliance against policies and expectations. The sustainability framework is embedded in the business and is overseen by senior management, which will include a board level Environmental, Social and Governance (ESG) Committee comprising the non-executive directors and attended by members of senior management following the Demerger.

9 Transitional Services Arrangements

Following the Demerger, Travis Perkins and the Wickes Group have agreed to put in place certain transitional services arrangements pursuant to the Transitional Services Agreement which was entered into between Travis Perkins Trading Company Limited and Wickes Building Supplies on 23 March 2021.

Travis Perkins Trading Company Limited has agreed to provide (or procure that the relevant members of the Travis Perkins Group provide) certain transitional services to the relevant members of the Wickes Group for a transitional period (the "**Travis Perkins Transitional Services**"). No transitional services will be provided by the Wickes Group to the Travis Perkins Group. The Travis Perkins Transitional Services include:

- Human resources: Payroll; rewards and benefits; compensation; HR information systems access and administration; HR data management; employee relations and legal services; management of apprenticeships levy; recruitment systems access; company car expenses support; and pensions services.
- Information technology: Wide and local area network support; telephony and internet access; data centre, storage and computation facilities; on-premise technology solutions (including business applications, delivery services, end-user and platform services); Google collaboration and productivity services (G-Suite); software as a service solution; and technical support and maintenance services.

The Wickes Group has access to the Travis Perkins Transitional Services as long as required following the Demerger, up to long stop dates of up to 24 months in respect of human resources and IT services (depending on the service) (and subject to the right to a single extension for up to six months under certain circumstances). The Wickes Group will continue to evaluate the need for the Travis Perkins Transitional Services as it develops and sources these capabilities and aims to cease utilisation of these services when able.

The Travis Perkins Group is under an obligation to use its best endeavours to provide the Travis Perkins Transitional Services to the same standards, in terms of scope, performance levels and efficiency and the time period in which they will be performed, as those services that were provided to members of the Wickes Group immediately preceding the Demerger, that were provided in the 12-month period immediately preceding the Demerger. The fee payable for all of the Travis Perkins Transitional Services will be at arm's length. Further details in relation to the Transitional Services Agreement are set out in section 18.3 of Part XII: "*Additional Information*".

10 Intellectual Property

The Wickes Group owns a wide range of trademarks, including the rights to "Wickes", "Intelliga", "Trade Pro" and "Wickes Let's Do it Right", which are the Wickes Group's most important trademarks. These trademarks are registered (in word form) with the appropriate authorities in the United Kingdom. The Wickes Group uses the "Wickes" name as a trade name, as a trademark in connection with various products and as a service mark.

In addition, the Wickes Group manages various web domain names, particularly www.wickes.co.uk. The Wickes Group has no patents. The Wickes Group regards its trademarks and other intellectual property rights as valuable assets and takes appropriate action to protect and will, when necessary, enforce them.

11 Regulation

Overview

While the Wickes Group is not engaged in a highly regulated industry, its operations are subject to governmental regulation from national regulatory authorities concerning, among other things, export and import quotas and other customs regulations, consumer and data protection, the advertisement, promotion and sale of products, taxation, product safety, the health, safety and working conditions of the Wickes Group's colleagues, the safety of the Wickes Group's stores and their accessibility for the disabled, environmental matters, sourcing and supply chain matters, and the Wickes Group's competitive and marketplace conduct. A brief overview of certain key areas of regulation for the Wickes Group is set out below.

Consumer credit regulation

As described above, the Wickes Group introduces its customers to financing options to support customers undertaking DIFM projects and the purchase of the Wickes Group's products and services. The Wickes Group's provision of financing options is subject to financial regulation relating to credit broking. Credit broking is a regulated activity under FSMA, and as such, requires the Wickes Group to be authorised before it undertakes a regulated activity.

The detailed rules and guidance made by the FCA under the powers given to it by FSMA are contained in the FCA Handbook. Wickes Building Supplies (FRN: 723596) is an FCA-registered entity and an FCA authorised firm and has the permission to undertake credit broking, on a limited basis. The credit-broking permission is limited to secondary broking, such that the broking must be a secondary activity to help finance the purchase of Wickes Building Supplies' goods or non-financial services (i.e. its main business). Wickes Building Supplies' credit broking activities are currently limited to providing introductions to finance provider(s), who in turn enter into a credit agreement with the customer. As a regulated entity, Wickes Building Supplies is subject to FCA principles and rules in connection with its credit-broking activities, including the Consumer Credit Sourcebook and Senior Managers and Certification Regime.

Consumer protection

The products which the Wickes Group sells are subject to various consumer protection laws in the national market, which influences the pricing of products, product descriptions and promotional activity among other things.

The Wickes Group must comply with the terms of the Consumer Rights Act 2015 which consolidates the rules dealing with the fairness of contractual terms in relation to consumers as well as clarifying the remedies that consumers have. The Wickes Group must also comply with legislation controlling the claims made in advertising, including the Consumer Protection from Unfair Trading Regulations 2008. These regulations prohibit unfair commercial practices during the lifetime of a consumer to trader transaction, including in advertising, and enable consumer claims for civil redress in respect of certain breaches, including rights to refunds. Insofar as it governs advertising, the regulations are reflected and expanded upon in the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing ("**CAP Code**"), which is the rule book for non-broadcast advertisements, sales promotions and direct marketing communications, and must be complied with by the Wickes Group.

The CAP Code is endorsed and administered by the ASA who investigate and assess complaints received from consumers and make recommendations to ASA Council, which is the independent jury that is responsible for deciding if the CAP Code has been breached (the "**ASA Council**"). Rulings made by the ASA Council are published on the ASA website. If a ruling is upheld against an advertiser, the ASA can require the amendment or withdrawal of the non-compliant advertisement while persistent breach of the CAP Code could lead to referral to other bodies for the further action, such as Trading Standards or The Office of Communications (Ofcom).

Product safety regulation

Brexit has affected a number of regulations that govern product safety. Primarily the United Kingdom has adopted the existing EU regulations and directives into UK law with a few notable changes detailed below:

- Replacing the EU conformity mark known as CE with its own version UKCA. All products that currently carry the CE mark will be updated to the UKCA mark in line with the timings defined by the UK government;
- Chemicals will now be registered into a UK REACH database. All existing UK companies that have registered products will automatically be enrolled;
- Energy Labelling – the United Kingdom will adopt the same rating system, but labels must show the UK flag;
- Construction Products – update of the Declaration of Performance to have UKCA and where applicable tested by a UK notified body; and
- EU harmonised standards are now referred to as designated standards and have been adopted as they currently stand.

The Wickes Group does not operate out of or within Northern Ireland and will therefore not be subject to any EU requirements.

The Wickes Group is subject to various product safety laws. The General Product Safety Regulations 2005 ("**GPSR**") provide a broad umbrella of regulation to ensure that consumer products, when marketed, are safe. The regulations create a series of obligations on producers and distributors to ensure that this goal is achieved and to reduce the risk to consumers from unsafe products. The GPSR gives wide powers to Trading Standards departments and other authorities to ensure that unsafe products do not remain on the market and, if need be, are recalled.

Other product safety laws that the Wickes Group are also subject to are set out below:

- The Consumer Protection Act 1987 complements the GPSR and can be used by consumers to recover losses caused by defective products.
- The Construction Products (Amendment etc.) (EU Exit) Regulations 2019 applies to construction products and Wickes is required to provide a Declaration of Performance ("DOP") in respect of all products sold by the Wickes Group. The DOP covers various performance criteria of the type of product being used and is made available to customers online. Construction products are subject to the transition of UKCA mark on both the DOP and marking of the product.
- The UK Registration Evaluation Authorisation and Restriction of Chemicals regulation applies and Wickes needs to ensure banned chemicals are not used in products, restricted chemicals do not exceed stated limits and, where a product contains a substance of very high concern ("SVHC"), the business needs to be aware that it is present and of the volume present. An annual declaration needs to be made where more than 1 tonne of that SVHC has been placed into the market on an aggregated basis. The Wickes Group is also required to register substances where it imports more than 1 tonne into Great Britain annually. The Wickes Group does not currently import any substances into Great Britain.
- The Chemical Labelling and Packaging of Chemicals Regulations 2015 applies to all products that contain hazardous materials and Wickes must ensure that Wickes branded products are correctly labelled and packaged, informing users of the hazard and safe usage of the product.

- The Control of Poisons & Explosives Precursors Regulations 2015 also apply to certain products sold by the Wickes Group. The Wickes Group is required to report any suspicious transactions, including any significant losses or theft, relating to products that are classified as "reportable" under the regulations to the authorities. The Wickes Group does not currently sell any products that are classified as "regulated" under the regulations which would require a licence to be held.
- Under the Offensive Weapons Act 2019, the Psychoactive Substances Act 2016 and the Anti-social Behaviour Act 2003, the Wickes Group is required to ensure age restricted products (such as spray paints) are flagged as restricted and take all reasonable measures to prevent under-age consumers from purchasing the products.
- Under the Machinery Directive, Low Voltage Directive and Electromagnetic Compatibility Directive, electrical products and certain power tools and garden power tools are required to have a declaration of conformity demonstrating they meet safety requirements of the specific safety standard. The Wickes Group is also required to display the correct energy rating for products that fall under the Energy Labelling Directive. Products that fall under these regulations are also subject to transition from CE to UKCA marking.

Employee Health and Safety

The Wickes Group must comply with applicable laws to protect employees against occupational injuries. Health and safety law in the UK is primarily based on the Health and Safety at Work etc Act 1974 under which all employers and employees owe duties to ensure the health, safety and welfare of persons at work. The Health and Safety Executive, with local authorities (and other enforcing authorities) is responsible for enforcing the Health and Safety at Work etc Act and a number of other acts and statutory instruments relevant to the working environment.

Under such laws, employers typically must establish and maintain working conditions and workplaces that effectively prevent danger to employees. In particular, employers must comply with certain medical and hygiene standards and meet certain health and safety requirements at work, such as carrying out risk assessments and deriving measures for the safety of employees. This is based, for example, on regulations for permissible maximum values for noise at the workplace, for the use of personal protective equipment and requirements for ambient temperature, ventilation and lighting, as well as working time and work break regulations.

The Wickes Group is also required to report and declare its approach to modern slavery in its supply chains in accordance with the Modern Slavery Act 2015. Suppliers are risk assessed and factories producing Wickes branded products are audited to ensure they have practices in place to identify if modern slavery exists and procedures are in place to manage occurrences of modern slavery where it has been identified.

Data protection (GDPR)

The Wickes Group is subject to the Data Protection Act 2018, Privacy and Electronic Communications Regulations and the GDPR. The GDPR regulates the processing of the personal data of living individuals ("**data subjects**") by, among others: (i) companies that collect or receive personal data and control the use of that data ("**data controllers**"); and (ii) companies that process personal data on behalf of data controllers ("**data processors**"). The Wickes Group is a data controller and required to comply with GDPR.

According to the GDPR, personal data includes any information relating to data subjects who can be identified from that information. It can therefore include: personal details such as name, address, email address, telephone number and date of birth; and information relating to the individual, whether in their personal, family or professional life. The processing of personal data covers any activity done to or in relation to the personal data.

GDPR entails strict requirements, including with respect to (i) international data transfers, (ii) data mapping and accountability obligations, (iii) the involvement of a data processor, (iv) the appointment of a data protection officer, (v) data subjects' rights (e.g., notices, right to data portability and right to be forgotten), (vi) the need to carry out a data privacy impact assessment regarding data processing activities using new technologies likely to result in a high risk to the rights and freedom of natural persons, and (vii) notification obligations in case of a data breach.

Other regulations

Other regulations that the Wickes Group is required to comply with include those relating to timber imports, packaging, electrical & electronic equipment and water. Where the Wickes Group imports timber into the UK, it is required under the Illegal Timber Regulation – 995/2010 (as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018) to identify the source forest and ensure that the timber has been harvested legally. The Wickes Group is required to pay a tariff for the packaging and electrical and electronic equipment placed into the market and contribute to the disposal of that waste through the Packaging & Packaging Waste regulation and the Waste Electrical and Electronic Equipment regulations. The Wickes Group is also subject to water regulations and needs to demonstrate that products do not present a risk to contamination of drinking water.

PART V
DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1 Directors and Senior Management

Directors

The following table lists the names, ages and positions of the Directors. The business address of each of the Directors is Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom.

Name	Age	Position
Christopher Rogers	60	Chair
David Wood	51	Chief Executive Officer
Julie Wirth	55	Chief Financial Officer
Mark Clare	63	Senior Independent Non-Executive Director
Sonita Alleyne	54	Independent Non-Executive Director
Michael Iddon	56	Independent Non-Executive Director

Senior Management

The following table lists the current members of the Senior Management team with responsibility for day-to-day management of the Wickes Group's business in addition to the Executive Directors listed above. The business address of each of the members of the Senior Management team is at Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom.

Name	Age	Position
Sonia Astill	51	Chief People Officer
Mark Cooke	50	Chief Commercial Officer
Gary Kibble	49	Chief Marketing and Digital Officer
Fraser Longden	49	Chief Operating Officer
Helen O'Keefe	51	General Counsel and Company Secretary

Biographies

The management experience and expertise of each of the Directors and members of Senior Management is set out below.

Directors

Christopher Rogers – *Chair*

Chris was appointed as Chair on 23 March 2021. Since September 2013 he has served as a Non-Executive Director of Travis Perkins plc where until 28 April 2020 he was the Senior Independent Director. Chris is currently Non-Executive Director of Sanderson Design Group plc (formerly Walker Greenbank plc), a Non-Executive Director of Vivo plc and of Kerry Group, and is a visiting fellow at Durham University. During his executive career, Chris held a number of senior roles in and directorships of public companies. From 2005 to 2016 Chris was an Executive Director of Whitbread plc, serving as Group Finance Director from 2005 to 2012 and as Global Managing Director of Costa Coffee from 2012 to 2016. He was Group Finance Director of Woolworths Group plc and Chairman of the Woolworths Entertainment businesses from 2001 to 2005. Prior to that, Chris held senior roles in both the finance and commercial functions of Comet Group plc and Kingfisher plc.

David Wood – *Chief Executive Officer*

David joined the Wickes Group in May 2019. With almost 30 years in the retail and consumer sector, David is a highly experienced executive and CEO with extensive board level experience in the UK, Europe and North America, having spent the majority of his career with Tesco, Unilever and Mondelez. David served as Commercial Director on the Board of Tesco Hungary from 2010 to 2012 and between 2012 and 2015 David served on the UK Operating Board of Tesco PLC as Chief Marketing Officer and Group Managing Director. More recently David was Group President of Kmart Holding Corp from 2015 to 2017, followed by a brief tenure as CEO of Mothercare plc in 2018.

Julie Wirth – *Chief Financial Officer*

Julie joined the Wickes Group as CFO in November 2018 having held Board and senior finance roles at group and divisional level in the retail sector. This included 20 years at Home Retail Group plc, five years at Musgrave GB Ltd and three years at Countrywide Farmers plc, with responsibility across finance, IT, legal and secretariat, and change management.

Mark Clare – *Senior Independent Non-Executive Director*

Mark has extensive public listed company experience in the consumer service, property and construction sectors, particularly in customer facing businesses and has served on a number of public listed company remuneration committees. He is currently the Chairman of Grainger plc; Non-Executive Director and Chairman Designate of Aggreko plc; the Senior Independent Director at United Utilities Group plc; and Non-Executive Director at Premier Marinas Holdings Ltd. Previously Mark was the Senior Independent Director at Ladbroke's Coral Group plc from 2016 until 2018; and Non-Executive Director and Audit Committee Chair at BAA plc from 2001 until 2006. Mark's executive career included Chief Executive for Barratt Developments plc from 2006 until 2015; the Managing Director of Centrica's retail subsidiary British Gas from 2002 to 2006; and CFO of Centrica plc from 1997 to 2002. He also served as a trustee of the Energy Savings Trust, the Green Building Council and BRE. Mark is a qualified accountant and held a number of senior finance roles earlier in his career including at Nortel, STC and GEC-Marconi.

Sonita Alleyne – *Independent Non-Executive Director*

Sonita has extensive experience as a Non-Executive Director on both private and public sector boards. She is a board member of the London Legacy Development Corporation, The Cultural Capital Fund and The Museum of London and recently joined the Main Advisory Committee of the Freelands Foundation. She is the Master of Jesus College, Cambridge. Previously Sonita was Chair of the BBFC's Management Committee and the Radio Sector Skills Council and a board member of Archant. Sonita spent five years on the BBC Trust and was a non-executive director of the Department for Culture, Media and Sport. Sonita was also a board member of the National Employment Panel and the London Skills and Employment Board. In addition, she held membership of the Court of Governors at the University of the Arts London.

Michael Iddon – *Independent Non-Executive Director*

Mike has extensive public listed company experience, having held a number of senior finance roles throughout his career and has been the Chief Financial Officer of Pets at Home Group plc since 2016. He was previously the Chief Financial Officer of New Look from 2014 to 2016 and prior to this, he held a number of senior finance roles over 13 years for Tesco plc both in the UK and overseas. These roles included Group Planning, Tax and Treasury Director, UK Finance Director and Chief Financial Officer of Tesco Homeplus (South Korea). Mike has also held senior roles with Kingfisher plc and Whitbread plc. Mike is a Chartered Accountant and a graduate of the Harvard Advanced Management Programme.

Senior Management

Sonia Astill – *Chief People Officer*

Sonia joined the Wickes Group as Chief People Officer in February 2020 having previously been an HR Director within the Travis Perkins Group. Prior to that she held a number of senior HR roles in Kingfisher and Home Retail Group over an 18 year period, latterly as HR & OD director of Argos leading the people and organisation aspects of the digital transformation.

She has also worked in the IT and manufacturing sectors, starting her career as an Industrial Engineer with Courtaulds Chemicals before making the move into HR when she joined IBM.

Mark Cooke – *Chief Commercial Officer*

Mark joined the Wickes Group in September 2017 as Chief Commercial Officer. Mark has worked in the Home Improvement Retail sector for over 30 years.

Mark joined the Wickes Group after 14 years with Kingfisher and before that 15 years with Homebase. His last roles at Kingfisher included Group Sales & Pricing Director and leading B&Q's Trade proposition as TradePoint Director. Before that he held senior roles across the Commercial Categories in B&Q.

Gary Kibble – *Chief Marketing and Digital Officer*

Gary joined the Wickes Group in January 2020. Gary has been in retail for the duration of his career in a variety of commercial, marketing and digital roles for some of the UK's largest retailers. Most recently, Gary was Chief Marketing Officer at Sainsbury's Argos having spent the previous ten years leading the digital transformation of the Very Group (formerly Shop Direct Group) and approximately two and a half years as Chief Customer Officer of Mothercare plc.

Whilst at the Very Group (the UK's largest pure-play digital retailer), Gary was the executive director accountable for the launch of Very.com, holding a variety of marketing and digital roles and latterly was the group's Business Transformation Director. He started his career at W H Smith where he progressed from a marketing graduate trainee to Business Commercial Director.

Fraser Longden – *Chief Operating Officer*

Fraser joined the Wickes Group in September 2014. During his time at the Wickes Group, Fraser has covered a number of roles including HR Director and Chief Commercial Officer and since 2017 he has been the Chief Operating Officer.

Fraser joined the Wickes Group after 15 years with Kingfisher. His last roles at Kingfisher included sitting on the main Executive Board for B&Q as Human Resources Director and Executive Vice President HR at B&Q China. Alongside this role in China, Fraser was also the General Manager of the B&Q China Design Centre business.

Helen O'Keefe – *General Counsel and Company Secretary*

Helen joined the Wickes Group as General Counsel and Company Secretary in January 2020 having previously been Deputy Company Secretary within the Travis Perkins Group. Prior to that she held a variety of roles in Tesco over a 25-year period, including roles in finance and HR and latterly as Deputy Company Secretary.

2 Corporate governance

2.1 UK Corporate Governance Code

From Admission, the Company will comply and intends to comply, with the requirements of the UK Corporate Governance Code.

As envisaged by the UK Corporate Governance Code, the Board has established three committees: an Audit and Risk Committee; a Nominations Committee; and a Remuneration Committee. The Board has also established an Environmental, Social and Governance (ESG) Committee. If the need should arise, the Board may set up additional committees as appropriate.

The UK Corporate Governance Code recommends that at least half the board of directors of a UK-listed company, excluding the chair, should comprise non-executive directors determined by the Board to be independent and free from circumstances which may impair, or could appear to impair, the director's independence. As of the date of this Prospectus, the Board consists of four Non-Executive Directors (including the non-executive Chair) and two Executive Directors. The Company regards all of the Non-Executive Directors as "independent non-executive directors" within the meaning of the UK Corporate Governance Code and free from any circumstance that could materially interfere with the exercise of their independent judgement.

The UK Corporate Governance Code recommends that the board of directors of a company with a premium listing on the Official List of the FCA should appoint one of the Non-Executive Directors to be the Senior Independent Director to provide a sounding board for the Chair and to serve as an intermediary for the other Directors and Wickes Shareholders when necessary. The Senior Independent Director should be available to Wickes Shareholders if they have concerns for which contact through the normal channels of the chief executive officer, chair or other executive directors has failed to resolve or for which such contact is inappropriate. Mark Clare has been appointed Senior Independent Director.

The UK Corporate Governance Code further recommends that directors should be subject to annual re-election. The Company intends to comply with these recommendations.

2.2 Audit and Risk Committee

The Audit and Risk Committee will be made up of a minimum of three members who are all independent non-executive directors and includes at least one member with recent and relevant financial experience. The Audit and Risk Committee is chaired by Michael Iddon and its current membership is as follows:

Name	Committee Position
Michael Iddon	Chair of the Audit and Risk Committee
Sonita Alleyne	Independent Non-Executive Director
Mark Clare	Independent Non-Executive Director

The Directors consider that Michael Iddon has recent and relevant financial experience. The Audit and Risk Committee will meet at least three times a year and otherwise as appropriate.

The Audit and Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Company's annual and interim financial statements and any formal announcements made regarding the Company's financial performance, developing and implementing a policy on the engagement of the external auditor to supply non-audit services, advising on the appointment of external auditors, overseeing the Company's relationship with its external auditors, including monitoring the external auditor's independence and objectivity, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Company's internal audit, internal controls, risk management and fraud systems in place. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee will give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules.

The terms of reference of the Audit and Risk Committee cover such issues as membership and frequency of meetings, together with the requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Audit and Risk Committee to carry out its duties.

2.3 Nominations Committee

The Nominations Committee will be made up of a minimum of three members and, in compliance with the UK Corporate Governance Code, a majority of whom will be independent non-executive directors. The Nominations Committee is chaired by the Chair, except when it is dealing with the appointment of a successor chair of the Board, when the Nominations Committee will be chaired by an independent non-executive director. Its current membership is as follows:

Name	Committee Position
Christopher Rogers	Chair of the Nominations Committee
Sonita Alleyne	Independent Non-Executive Director
Mark Clare	Independent Non-Executive Director
Michael Iddon	Independent Non-Executive Director

The Nominations Committee will meet at least twice per year and otherwise as appropriate. The Nominations Committee assists the Board in reviewing the structure, composition, diversity and make-up of the Board, any committees of the directors and the composition of significant subsidiary boards within the Company, succession planning, evaluating the balance of skills, experience, diversity, independence and knowledge of the directors and leading the process for board appointments and making recommendations to the Board on such matters.

The terms of reference of the Nominations Committee also cover issues such as membership and frequency of meetings, as mentioned above, together with the requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Nominations Committee to carry out its duties.

2.4 Remuneration Committee

In compliance with the UK Corporate Governance Code, the Remuneration Committee will be made up of a minimum of three members who are independent non-executive directors. The Remuneration Committee will be chaired by Mark Clare, and its current membership is as follows:

Name	Committee Position
Mark Clare	Chair of the Remuneration Committee
Sonita Alleyne	Independent Non-Executive Director
Michael Iddon	Independent Non-Executive Director
Christopher Rogers	Independent Non-Executive Director

The Remuneration Committee will meet not less than twice a year and otherwise as appropriate. The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company’s policy on executive remuneration, setting the over-arching principles, parameters and governance framework of the Company’s remuneration policy and determining the individual remuneration and benefits package of each of the Company’s Executive Directors, the Chair and other senior executives. The Remuneration Committee will ensure compliance with the UK Corporate Governance Code in relation to remuneration and prepare an annual remuneration report for approval by Wickes Shareholders at the annual general meeting.

The terms of reference of the Remuneration Committee cover such issues as membership and frequency of meetings, together with the requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Remuneration Committee to carry out its duties.

2.5 Environmental, Social and Governance (ESG) Committee

The ESG Committee will be made up of a minimum of three members who are all independent non-executive directors. The ESG Committee is chaired by Sonita Alleyne and its current membership is as follows:

Name	Committee Position
Sonita Alleyne	Chair of the ESG Committee
Mark Clare	Independent Non-Executive Director
Michael Iddon	Independent Non-Executive Director
Christopher Rogers	Independent Non-Executive Director

The ESG Committee will meet not less than twice a year and otherwise as appropriate.

The ESG Committee assists the Board in determining its responsibilities in relation to the Wickes Group's environmental, societal and governance obligations as a responsible corporate citizen. The ESG Committee will approve and monitor the Wickes Group's ESG strategy and appropriate policies and supporting measures, monitor its engagement with stakeholders and external developments likely to affect its reputation and review expenditure on corporate donations, community programmes and charitable support.

The terms of reference of the ESG Committee cover such issues as membership and frequency of meetings, together with the requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the ESG Committee to carry out its duties.

2.6 Share dealing

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Wickes Shares which aids compliance with the Market Abuse Regulation. The code adopted will apply to the Directors and all employees of the Wickes Group.

PART VI
SELECTED FINANCIAL INFORMATION

The selected consolidated historical financial information relating to the Wickes Group set out below has been extracted, without material adjustment, from Section B of Part IX: "Historical Financial Information". The selected non-IFRS financial information and operating information relating to the Wickes Group set out below has been calculated on the basis set out in Part II: "Presentation of Financial and Other Information". The selected financial and operating information presented below should be read in conjunction with Part VII: "Operating and Financial Review".

Consolidated Profit or Loss and Other Comprehensive Income

For the Financial Year 2020, Financial Year 2019 and Financial Year 2018

	Financial Year 2020			Financial Year 2019			Financial Year 2018		
	Adjusted	Adjusting items (1)	Total	Adjusted	Adjusting items (1)	Total	Adjusted	Adjusting items (1)	Total
				(£ millions)					
Revenue	1,346.9	—	**1,346.9**	1,292.4	—	**1,292.4**	1,199.6	—	**1,199.6**
Cost of sales	(837.8)	—	**(837.8)**	(791.1)	—	**(791.1)**	(729.9)	—	**(729.9)**
Gross profit	**509.1**	—	**509.1**	**501.3**	**—**	**501.3**	**469.7**	**—**	**469.7**
Selling costs	(323.5)	—	**(323.5)**	(303.1)	—	**(303.1)**	(300.6)	—	**(300.6)**
Administrative expenses	(104.0)	(20.6)	**(124.6)**	(102.4)	(39.6)	**(142.0)**	(93.2)	(19.3)	**(112.5)**
Operating profit	**81.6**	**(20.6)**	**61.0**	**95.8**	**(39.6)**	**56.2**	**75.9**	**(19.3)**	**56.6**
Finance costs	(32.1)	—	**(32.1)**	(33.5)	—	**(33.5)**	(34.5)	—	**(34.5)**
Profit before tax	**49.5**	**(20.6)**	**28.9**	**62.3**	**(39.6)**	**22.7**	**41.4**	**(19.3)**	**22.1**
Tax	(8.9)	6.3	**(2.6)**	(11.8)	2.0	**(9.8)**	(8.1)	0.9	**(7.2)**
Profit for the period and total comprehensive income	**40.6**	**(14.3)**	**26.3**	**50.5**	**(37.6)**	**12.9**	**33.3**	**(18.4)**	**14.9**

Note:

(1) In Financial Year 2020, adjusting items included £8.2 million arising from activities related to the Demerger, £10.2 million in impairment charges relating to a small number of loss-making stores, £2.2 million in relation to restructuring the DIFM design consultant team, tax on adjusting items of £(3.9) million and deferred tax rate change of £(2.4) million. In Financial Year 2019, adjusting items included Wickes Group separation costs of £9.2 million, store impairment charge of £1.9 million, loss on legal entity restructuring of £26.6 million and IT impairment charges of £0.7 million, restructuring costs of £1.2 million and tax on adjusting items of £(2.0) million. In Financial Year 2018, adjusting items included IT impairment charges of £6.5 million, restructuring costs of £12.8 million, tax on adjusting items of £(3.5) million and deferred tax rate change of £2.6 million.

Consolidated Balance Sheet

As at 26 December 2020, 28 December 2019 and 29 December 2018

	As at 26 December 2020	As at 29 December 2019	As at 30 December 2018
		(£ millions)	
ASSETS			
Non-current assets			
Goodwill	8.4	8.4	8.4
Other intangible assets	12.3	13.9	13.1
Property, plant and equipment	103.1	109.0	133.8
Right-of-use assets	654.2	735.8	776.8
Deferred tax asset	24.0	19.2	18.0
Total non-current assets	**802.0**	**886.3**	**950.1**
Current assets			
Inventories	138.3	150.4	147.8
Trade and other receivables	261.6	327.0	723.6
Cash and cash equivalents	6.5	25.4	16.2
Total current assets	**406.4**	**502.8**	**887.6**
Total assets	**1,208.4**	**1,389.1**	**1,837.7**
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	25.2	25.2	25.2
Share premium account	—	862.3	862.3
Other reserve	(785.7)	(785.7)	(785.7)
Retained earnings	890.3	176.8	161.9
Total equity	**129.8**	**278.6**	**263.7**
Non-current liabilities			
Lease liabilities	712.8	779.5	819.6
Long-term provisions	0.3	2.2	1.3
Total non-current liabilities	**713.1**	**781.7**	**820.9**
Current liabilities			
Lease liabilities	77.2	75.5	75.6
Trade and other payables	277.9	240.0	661.3
Short-term provisions	10.4	13.3	16.2
Total current liabilities	**365.5**	**328.8**	**753.1**
Total liabilities	**1,078.6**	**1,110.5**	**1,574.0**
Total equity and liabilities	**1,208.4**	**1,389.1**	**1,837.7**

Consolidated Cash Flow Statement

For Financial Year 2020, Financial Year 2019 and Financial Year 2018

	Financial Year 2020	Financial Year 2019	Financial Year 2018
		(£ millions)	
Cash flows from operating activities			
Operating profit	**61.0**	**56.2**	**56.6**
Adjustments for:			
Depreciation of property, plant and equipment	21.3	23.8	26.9
Depreciation of right-of-use assets	77.3	78.8	79.5
Amortisation of internally-generated intangibles	4.5	3.4	1.8
Impairment of assets	12.1	2.2	(0.7)
Gains of terminations of leases	(1.9)	(3.0)	(0.1)
Share-based payments	1.7	2.0	1.4
Losses/(gains) on disposal of property, plant and equipment	1.6	3.2	(0.3)
Operating cash flows	**177.6**	**166.6**	**166.6**
Decrease/(increase) in inventories	12.1	(2.6)	4.7
(Increase)/decrease in receivables	(107.3)	412.1	(27.2)
Increase/(decrease) in payables	43.8	(426.6)	76.2
Cash generated from operations	**126.2**	**149.5**	**220.3**
Other interest	(0.1)	(0.2)	(0.2)
Interest on lease liabilities	(32.0)	(33.3)	(34.3)
Income taxes paid	(17.0)	(7.5)	(9.0)
Net cash inflow from operating activities	**76.8**	**108.5**	**176.8**
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	0.2	—	2.5
Development of computer software	(2.9)	(4.5)	(4.5)
Purchases of property, plant and equipment	(17.2)	(19.6)	(39.3)
Net cash inflow/(outflow) from investing activities	**(19.9)**	**(24.1)**	**(41.3)**
Cash flows from financing activities			
Repayment of lease liabilities	(75.8)	(75.2)	(75.2)
Dividends paid	—	—	(50.7)
Net cash (outflow) from financing activities	**(75.8)**	**(75.2)**	**(125.9)**
Net (decrease)/increase in cash and cash equivalents	**(18.9)**	**9.2**	**9.6**
Cash and cash equivalents at the beginning of the period	25.4	16.2	6.6
Cash and cash equivalents at the end of the period	6.5	25.4	16.2

Non-IFRS Financial Measures

The following table reconciles the Wickes Group's Like-for-Like Sales Growth to revenue for Financial Year 2020, Financial Year 2019 and Financial Year 2018

	Financial Year 2020	Financial Year 2019	Financial Year 2018
	(£ millions, unless otherwise indicated)		
Revenue	1,346.9	1,292.4	1,199.6
Core (product sales)	1,072.4	906.2	857.2
Do-It-For-Me (project sales)	274.5	386.2	342.4
Store openings and closures	(10.1)	(8.5)	(25.4)
Revenue (like-for-like basis)	1,357.0	1,283.9	1,174.2
Prior period revenue	(1,292.4)	(1,199.6)	(1,236.4)
Increase (decrease) arising on a like-for-like basis	64.6	84.3	(62.2)
Like-for-Like Sales Growth (%)	**5.0%**	**8.7%**	**(4.1)%**
Core goods Like-for-Like Sales Growth	18.8%	6.5%	(2.2)%
Project-based Like-for-Like Sales Growth	(27.8)%	14.1%	(8.7)%

The following table sets out the calculation of the Wickes Group's Gross Profit, Gross Profit Margin, Adjusted Operating Profit and Adjusted Operating Profit Margin for Financial Year 2020, Financial Year 2019 and Financial Year 2018. Calculation of the Wickes Group's Adjusted Operating Profit (and reconciliation to the Wickes Group's revenue for each of those years) is set out in "—*Consolidated Profit or Loss and Other Comprehensive Income*", see Note 5 of Section B of the Historical Financial Information for additional detail regarding these adjusting items.

	Financial Year 2020	Financial Year 2019	Financial Year 2018
	(£ millions, unless otherwise indicated)		
Revenue	1,346.9	1,292.4	1,199.6
Gross profit	509.1	501.3	469.7
Gross Profit Margin (%)	**37.8%**	**38.8%**	**39.2**%
Adjusted Operating Profit	81.6	95.8	75.9
Adjusted Operating Profit Margin (%)	**6.1%**	**7.4%**	**6.3**%

PART VII
OPERATING AND FINANCIAL REVIEW

The following discussion and analysis is intended to assist in the understanding and assessment of the trends and significant changes in the Wickes Group's results of operations and financial condition. Historical results may not indicate future performance. Some of the information in this Part VII, including information in respect of the Wickes Group's plans and strategies for the business and expected sources of financing, contains forward-looking statements that involve risk and uncertainties and is based on assumptions about the Wickes Group's future business. Actual results could differ materially from those contained in such forward-looking statements as a result of a variety of factors, including the risks discussed in Part I: "Risk Factors" included elsewhere in this Prospectus. Potential investors should read Part II: "Presentation of Financial and Other Information—Information regarding forward-looking statements" for a discussion of the risks and uncertainties related to those statements and should also read Part I: "Risk Factors" for a discussion of certain factors that may affect the business, results of operations or financial condition of the Wickes Group. The following discussion should be read in conjunction with the historical financial information, including accompanying notes, included in Part IX: "Historical Financial Information". To enable presentation of the historical financial information on a consistent and comparable basis, the Wickes Group have early adopted IFRS 16 – Leases from 1 January 2017 in advance of its effective date. The accounting policies applied and stated in the consolidated historical financial information of the Wickes Group, set out in Note 2 of Section B therein, are those expected to be applied to future financial information reported by the Company.

1 Overview

The Wickes Group is a digitally-led, service-enabled home improvement retailer, delivering choice, convenience, value and best-in-class service to customers across the United Kingdom.

The Wickes Group's mission is to be the home improver's and the local tradesperson's partner of choice, with a vision for "a Wickes project in every home" and its purpose to "help the nation feel houseproud". The Wickes Group aims to support its customers however they decide to undertake their home improvement projects through three tailored customer propositions aimed at each customer segment: Local Trade, DIFM and DIY. The Wickes Group drives sales through its estate of 233 retail stores, which support nationwide fulfilment from convenient locations throughout the United Kingdom, and its website (www.wickes.co.uk) and TradePro mobile app for trade members, which allow customers to research and order an extended range of the Wickes Group's products and services, arrange virtual and in-person design consultations, and organise timely home delivery or "click-and-collect" from across the Wickes Group's network.

The Wickes Group's operating and financial performance has supported its position as a leading UK home improvement retailer. From 2013 to 2019, the Wickes Group's revenue grew at a CAGR of 4.9 per cent. from £972 million in Financial Year 2013 to £1,292.4 million in Financial Year 2019, as compared to estimated market growth at a CAGR of 2.5 per cent. during that period, and from Financial Year 2019 to Financial Year 2020 the Wickes Group's revenue increased by 4.2 per cent. to £1,346.9 million, outpacing a flat UK home improvement market during the COVID-19 pandemic.

In Financial Year 2020, the Wickes Group recorded revenue of £1,346.9 million and Adjusted Operating Profit of £81.6 million, compared to £1,292.4 million and £95.8 million, respectively, in Financial Year 2019 and £1,199.6 million and £75.9 million, respectively, in Financial Year 2018.

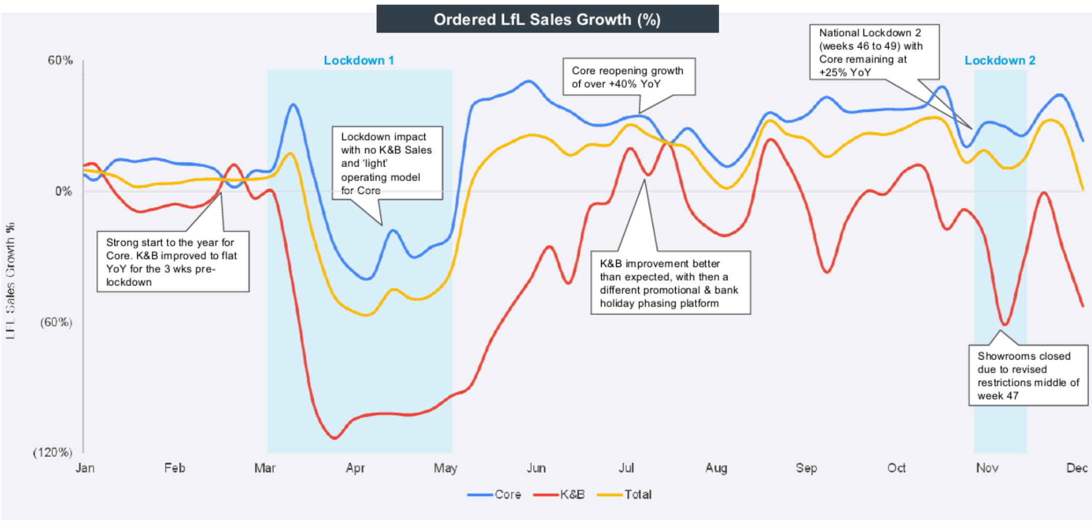
2 Key Factors Affecting the Wickes Group's Results of Operations and Financial Position

The Wickes Group's financial performance in recent years has been influenced by a number of transformation initiatives across its operating activities, which focused on developing its digitally-led, service-enabled proposition and controlling costs throughout the business. The Wickes Group's financial performance has also been influenced by market factors that have affected the UK housing sector and home improvement market during the periods under review, together with the impact of COVID-19 disruption in Financial Year 2020.

Between Financial Year 2013 and Financial Year 2019, the Wickes Group's revenue grew at a CAGR of 4.9 per cent., from £972.0 million to £1,292.4 million. Due to challenging market and competitive dynamics during 2017 and 2018, the Wickes Group's revenue decreased from £1,236.4 million in Financial Year 2017 to £1,199.6 million in Financial Year 2018, before recovering to £1,292.4 million in Financial Year 2019 and £1,346.9 million in Financial Year 2020 despite the impact of COVID-19 disruption across the market, in particular in DIFM.

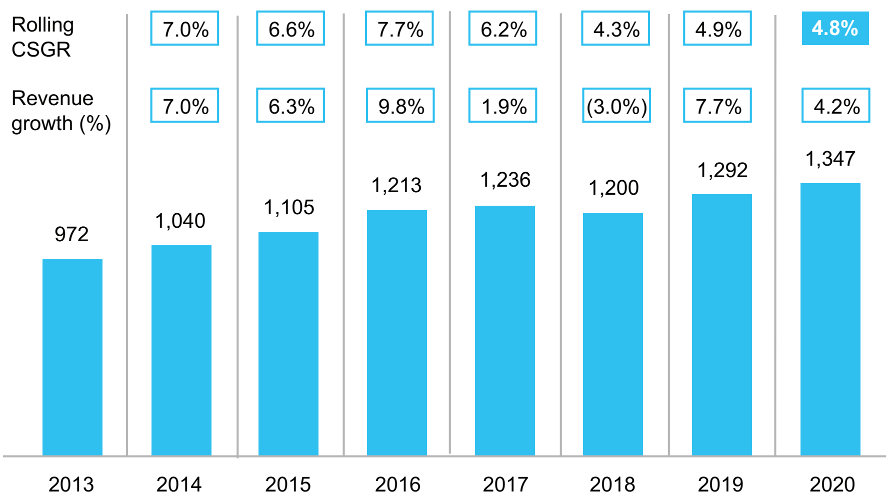
During Financial Year 2020, the outbreak of the COVID-19 pandemic and responsive measures had a significant impact on the Wickes Group's trading environment and its operating and financial performance. In particular, in the early stages of the pandemic, operating restrictions led to a one-day closure of all stores on 24 March, followed initially by an online-only light operating model, during which all locations (other than dedicated kitchen and bathroom stores) continued to operate as fulfilment centres for click-and-collect and home delivery. Six of the Wickes Group's stores were opened to the public on 30 April 2020 to trial COVID-19 safe ways of working, and subsequent staged re-openings on 14 May and 19 May for almost all locations. While the Wickes Group's proactive measures across its digitally-led operations and versatile stores network supported performance in Local Trade and DIY, DIFM activity was significantly impacted by closures of kitchen and bathroom showroom space and dedicated stores between late March and early July and again during the November-December lockdown period, leading to a decline in revenue from DIFM activities as compared to Financial Year 2019.

The following shows the Wickes Group's Like-for-Like Sales Growth (i) across the business, (ii) for core Local Trade and DIY and (iii) for DIFM (K&B) during the course of Financial Year 2020.



The strength of the Wickes Group's underlying performance in 2020 enabled it to return COVID-related business rate and Job Retention Scheme support of £38.8 million to the UK government.

The following charts set out the Wickes Group's revenue for the Financial Years 2013 to 2020 in millions and corresponding growth rates during that period:



These market trends, competitive dynamics and operational initiatives are summarised below.

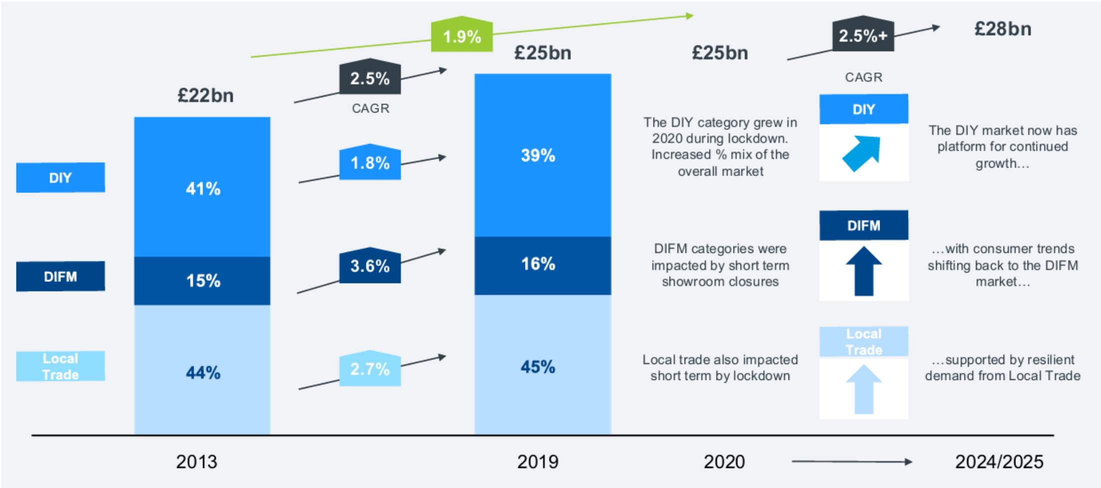
Macroeconomic Conditions and the UK Home Improvement Market

The Wickes Group operates in the UK retail market for home repair, maintenance and improvement products and services with a specific focus on home improvement projects undertaken using Local Trade, DIFM service providers or as a DIY project. Although this market is characterised by supportive long-term fundamentals, it has also experienced periods of slow growth and been influenced by underlying consumer trends and confidence as well as periods of heightened competition, which have affected the Wickes Group's operating and financial performance during the periods under review.

Management estimates that annual sales in this market were approximately £25 billion in 2020, including sales by DIY retailers, generalist and specialist merchants, fixed-price operators, direct-to-site sales and pure-play online retailers. This portion of the UK home improvement market has experienced moderate growth in recent years, increasing at a CAGR of 2.5 per cent. between 2013 and 2019 to reach approximately £25 billion, before levelling in 2020 as a result of the COVID-19 pandemic and related restrictions.

This market growth has supported the Wickes Group's operating and financial performance during that period. Management believes that growth in the Local Trade and DIFM segments of this market has been stronger than in the broader UK home improvement market through to 2019, increasing at CAGRs of 2.7 per cent. and 3.6 per cent. from 2013 to 2019, respectively. Growing customer demand for completing home improvement projects via Local Trade professionals or DIFM services has supported the Wickes Group's strong operating and financial performance in Local Trade and DIFM in recent years. Management believe that lockdown and other restrictions and changes in consumer behaviour as a result of the COVID-19 pandemic led to moderate declines in the Local Trade market and broader declines in DIFM, whilst DIY increased as consumers re-engaged with DIY activity.

Growth in the UK home improvement market has been, and management expects that it will continue to be, supported by structural trends that include a number of macro-economic and specific factors that influence how homeowners and occupiers undertake home improvement projects. Broader macro-economic trends in the United Kingdom have influenced leading housing market indicators (such as housing turnover and mortgage approvals) that have historically influenced demand for home improvement products and services. These trends include increases in household formation rates, which are expected to continue rising; resilient household disposable income levels; below-target net additions to the national housing stock; and the over-indexation of the UK housing stock toward older dwellings, which are more likely to require repair and maintenance expenditure. Customer demand for home improvement products and services is further underpinned by specific factors that include continued broad decline in home improvement skills, capabilities and experience; more limited time available to homeowners to undertake home improvement projects; and an increasing number of skilled tradespersons operating in the United Kingdom. Following renewed consumer re-engagement with DIY in 2020, and general consensus that high consumer savings rates during the pandemic and post-pandemic consumer sentiment will support economic growth as the effects of the pandemic recede, management believes this part of the market may also have the potential for growth. Overall, management expect these factors to support market growth at a CAGR of over 2.5 per cent. to £28 billion by 2024-2025.



Notwithstanding this broader growth and strong market fundamentals, the UK home improvement market has experienced periods of volatility in recent years, which have impacted the Wickes Group's operating and financial performance during the periods under review. The early months of the COVID-19 pandemic resulted in periods of restrictions on home purchasing and broader consumer activity, which negatively impacted the DIFM and Local Trade markets during 2020, although increases in home-purchase activity have historically led to higher demand for Local Trade and DIFM services in subsequent months, which may support market growth in 2021. In the coming years, these markets are expected to exceed historical growth rates, although the pace and timing will depend on a number of factors that impact the macroeconomic environment and activity in the housing and home improvement markets. Consumer confidence levels and housing transactions were also impacted by the result of the 2016 UK referendum to leave the European Union. Following the referendum, the UK political and economic environment has been characterised by periods of uncertainty that influenced various economic and housing indicators, which have led to periods of low wage inflation and declines in consumer spending that have created challenges in the UK home improvement market. As a result, housing transactions and home prices in certain regions of the United Kingdom experienced significant volatility in the years following the 2016 referendum, before showing signs of stabilising during the course of 2019 and periods of growth in 2020.

Developments in the Competitive Landscape

The Wickes Group's operating and financial performance in recent years has been particularly affected by competitive pressures and the changing competitive landscape across its Local Trade, DIFM and DIY customer propositions. The UK home improvement market is highly competitive, particularly with respect to customer experience, price, quality, availability, product assortment and delivery options, as well as store location and appearance and the presentation of merchandise. Growth in customer demand for digitally-enabled solutions has also affected the competition landscape. In the UK home improvement market, the Wickes Group competes with a diverse range of national home improvement retailers, local independently run home improvement retailers, specialty design and home decorating stores, and generalist retailers that sell home improvement products, including online competitors and discounters.

During the periods under review, the Wickes Group's operating and financial performance was affected by competitive pricing behaviour driven primarily by a new entrant and then exit from the market. In 2016 the Australian company Wesfarmers entered the UK market through its purchase of Homebase, which included branding certain locations under the name of its Australian DIY business, Bunnings. Across these operations, Wesfarmers sought to increase market share through aggressive pricing between 2016 and 2018. These competitive actions created significant market disruption, which negatively affected the Wickes Group's market share, sales volumes and revenue. In response to Bunnings' entry, the Wickes Group, like other market participants, adjusted product and service prices in order to defend market share and drive volume in certain product categories. These market dynamics and the Wickes Group's competitive responses had an impact on the Company's Gross Profit during Financial Years 2017 and 2018, as compared to prior years, and certain initiatives to support growth in DIY and DIFM offerings did not prove successful. However, following its attempt to grow in the United Kingdom, Wesfarmers disposed of its investment in Homebase and left the UK home improvement market in 2018, and stores that had been converted to the Bunnings brand reverted to the Homebase brand. Since that time, the Wickes Group has observed moderate stabilisation of prices and customer demand, in particular in certain DIY product categories, supporting improvements in the Wickes Group's market share through Financial Year 2019 and Financial Year 2020.

The Wickes Group's kitchen and bathroom DIFM services have also faced a shifting customer and competitive landscape during the periods under review. Customer demand for these types of services has increased in recent years, supported by continued broad decline in individuals' home improvement skills, capabilities and experience. In addition, demand has been supported by the prevalence, in particular in urban areas, of "time-poor" homeowners, landlords or renters with limited leisure and other time available to undertake, or hire and coordinate tradespersons to undertake these home improvement projects. In addition, competitive dynamics were affected by B&Q's decision to exit the installation market within its DIFM service offering in late 2018, which supported the Wickes Group's market share and revenue for kitchen and bathroom DIFM services[1]. As the Wickes Group continues to develop its DIFM offering, including growth into tiling services and potential further areas, as well as recent investment in this proposition and operating efficiencies as described under "*—The Wickes Group's Transformation Programme*", management expects these trends to support continued revenue and profit growth from its DIFM services despite competitors re-entering the installation market with different operating models.

The Wickes Group's Transformation Programme

In recent years, the Wickes Group has undergone a transformation in order to evolve from its historical focus on Local Trade and experienced-DIY customers to a digitally-led, service-enabled home improvement retailer, in order to better position its products and service offerings for evolving customer demands and broaden the Wickes Group's appeal beyond its heritage strengths. These initiatives, which started in 2014, have contributed to the Wickes Group's operating and financial performance since that time and during the periods under review, and they are expected to continue to support future results, as described below and in Part IV "*Business Description and Market Overview—History and Transformation*".

Digital transformation

The Wickes Group's digitally-enabled capabilities supported its operating and financial performance in recent years and, in particular, during the periods under review, where digital enablement was critical to the continuation of trading throughout lockdown periods. The Wickes Group has invested in its digital capabilities to integrate its in-store and online offerings and provide a digitally-led service proposition through its website, advanced "online, in-store" (or OLI) product search and order capabilities, targeted TradePro mobile app and more recently a virtually enabled customer journey for DIFM customers. Milestones in this digital transformation include launching the Wickes Group's mobile e-commerce capabilities in 2014, click-and-collect purchasing and day-of-choice fulfilment in 2015, smart fulfilment in 2018, OLI capabilities in 2019, digitally-enabled virtual DIFM customer journey in 2020 and enhanced website capabilities, which have evolved throughout this period. Management believes that, during Financial Year 2019, these digital capabilities supported over 50 per cent. of the Wickes Group's sales, including online ordering, OLI purchases from in-store, the TradePro digital app, online research ahead of an in-store purchase and DIFM web leads, approaching two-third of the Wickes Group's sales in Financial Year 2020. Capital investment in the Wickes Group's digital transformation activities totalled £2.9 million in Financial Year 2020, £3.4 million in Financial Year 2019 and £4.5 million in Financial Year 2018 as described in "*—Capital Expenditure*".

Store estate improvements

The Wickes Group has undertaken significant work as part of its store transformation initiative, including to improve the quality of the store estate and right-size its stores to support more efficient in-store operations and provide an improved and more consistent customer experience. The estate improvement initiative has included renovation works at nearly 110 stores since 2015, comprising re-fit activities to make the stores more welcoming and easier for customers to

1 B&Q subsequently commenced scaled re-introduction of installation services in late 2019.

use. The Wickes Group has benefitted from an average sales uplift of approximately 25 per cent. in the first year following re-fit activities, which it has sustained in subsequent years. In Financial Year 2020, the Wickes Group's average sales per square foot was approximately 32 per cent. higher in new format stores than heritage stores. The Wickes Group has observed an average return on capital investment of approximately 25 per cent. from re-fit activities completed to date, which it continues to target from future re-fit activities.

Future targets include re-fit activities at between 35 and 40 additional stores in the medium term, 5 to 7 relocations and 15 to 20 downsizes. In addition, the Wickes Group anticipates continuing roll-out works to update kitchen and bathroom showroom space across the store estate, in connection with improvements to the kitchen and bathroom ranges.

DIFM service proposition

The Wickes Group's DIFM service capability contributed significantly to the Company's financial performance improvement in recent years, driven by the Wickes Group's transformation activities and increased market demand.

This service from concept to completion combines inspiration, advice, service and guarantee currently across a range of kitchens, bathrooms, tiling and flooring. The Wickes Group has invested in a team of 550+ design consultants, improving quality of capability and delivery, who manage the end-to-end process for the customer. The third-party installer network has been expanded, together with strengthening the quality control oversight of installation through an in-house team. These improvements supported an increase in the proportion of DIFM customers utilising the Wickes Group's installation services, growing by over 100 per cent. from Financial Year 2015 to Financial Year 2020. The DIFM service proposition is underpinned by the Wickes Group's digital capability with the number of DIFM customer-leads originating online increasing from approximately 18,000 in Financial Year 2015 to approximately 77,000 in Financial Year 2019 and approximately 101,000 in Financial Year 2020. Store re-fit investment supports the Wickes Group's DIFM proposition, by improving showroom space to inspire and help customers visualise completed projects and additional investment commenced during Financial Year 2020 to update kitchen and bathroom ranges across the store estate.

Since Financial Year 2019, the average order value of a DIFM project has increased by 1.9 per cent. with DIFM sales of £274.5 million in Financial Year 2020 despite significant disruption in the market as a result of COVID-19 restrictions. The Wickes Group expanded its DIFM offering in Financial Year 2019 to include tiling, and in Financial Year 2020 launched flooring together with completing updated bathroom ranges. Wickes continues to explore ways to strategically leverage its successful DIFM model into new and adjacent service offerings with, as an example, plans well underway to launch home office in the first half of 2021 alongside door and window, specialist works and associated carpentry. Extension opportunities include loft conversions, patios, landscaping and driveways.

Core Local Trade and DIY product range development

The Wickes Group has undertaken significant work to develop its Local Trade and DIY core product ranges to meet customer needs and drive sales growth during the periods under review. This includes development of a curated range of approximately 9,500 products available in-store, which creates procurement and stocking efficiencies and improves the shopping experience, together with a broader range of products available online. The Wickes Group's revenue mix among its core product categories (joinery; tools, electrical and hardware; building supplies; garden; decorative; tiles and flooring; and ready-to-fit kitchens and bathrooms) has remained relatively stable during the periods under review, with continued focus on competitive pricing and own brand sales participation of approximately two-thirds.

TradePro programme

The Wickes Group has refined its TradePro programme, enabling Local Trade customers to "save time, save money". The TradePro programme delivers a 10 per cent. discount on all sales to members and is fully digitally-enabled. Membership in the TradePro programme increased from approximately 192,000 members in December 2014 to approximately 346,000 members in December 2017 and over 550,000 members in December 2020, and sales through the programme reached over £225 million in Financial Year 2020, delivering higher levels of spend frequency and average transaction value.

Analysis also shows that the average transaction value for Local Trade customers ordering through the TradePro app is 4.1 times higher than for an average Wickes Group customer and nearly 2.5 times higher than TradePro member purchases outside the app.

Cost-reduction programme and cost base

Cost efficiency underpins the Wickes Group's operational model, with a number of activities undertaken to reduce operating costs during the periods under review, both to respond to more challenging market conditions and to continue to drive productivity. The business seeks to balance fixed and flexible resourcing to maximise the opportunity for operational leverage and enable agility and flexibility in those areas with variable support demands. The business also continually and routinely reviews opportunities to drive operational productivity through a more detailed examination of end-to-end processes.

Within operational costs, initiatives in recent years include a review of store personnel structures, which delivers store wage-to-sales cost ratios of under 10 per cent. In addition, during Financial Year 2020, the DIFM design consultant population was restructured to deliver improved flexibility and efficiency across the store estate and respond to increasing levels of digitally-led sales leads. Focus was placed on reducing shrinkage and remedial costs by reviewing end to end processes to drive efficiency and cost saving. The distribution infrastructure was reduced from four to two main warehouses, together with more flexibility and efficiency being sought in the way product was delivered to customers through smart fulfilment capability, leveraging the store infrastructure and outsourcing delivery capability to a third party. Similarly, installation capability is entirely variable, delivered through a team of independent contractors.

The central support centre saw a reduction of a third of its headcount in 2018, de-layering structures and improving agility/speed of decision making.

As a result of the Wickes Group's strategic approach across its Local Trade, DIFM and DIY service propositions, management believe that the business is broadly balanced throughout the year and can operationally leverage resources during the peak trading periods for each service proposition. In particular, the Wickes Group's operations are subject to seasonal peaks within the business, which include key trading periods for core Local Trade and DIY products during the Easter period and May bank holidays and, to a lesser extent, August bank holidays, and during the "Winter Sale" January/February period for DIFM kitchen and bathroom sales.

The pattern of trade through Financial Year 2020 was disrupted by the impact of COVID-19 lockdown periods, whereby the Wickes business has continued to flexibly adapt its resources in response to trading conditions. Operational costs in both distribution and stores continued to drive productivity gains in response to strong volume sales in core Local Trade and core DIY. The cost base was impacted, however, by specific investment to maintain a safe working environment for colleagues and customers, such as cleaning, personal protective equipment, marshalling and screens. The Wickes business also carried a level of unproductive resource during the first lockdown period, related to DIFM (which was entirely closed for over eight weeks), for sales, delivery and installation activities.

In Financial Year 2019, selling and administration costs reflected improving cost-to-revenue ratio trends as compared to Financial Year 2018. The Wickes Group experienced only a marginal increase in Financial Year 2020, compared to Financial Year 2019, despite the COVID-19 disruption impact outlined above and continued pressure from areas such as minimum wage, business rates and fuel/energy costs.

The Wickes Group has subsequently repaid all government support for financial 2020 in respect of both the UK government Job Retention Scheme and the business rates holiday.

A further notable change in Financial Year 2020 was driven by a step change in the participation of delivery to customers' homes, which drove increased fulfilment costs (reported within gross profit). Although underlying trends have increased somewhat, there was a marked one-off impact notably in the first lockdown period in the first half of Financial Year 2020, during which stores operated "dark" to support click-and-collect and home delivery only for a number of weeks.

Product/Service Mix – Profitability by Category

The Wickes Group drives incremental cash profit through each of its core Local Trade, core DIY, DIFM product and DIFM installation project categories. Within each of these four categories, operating profit margin is driven by a combination of gross profit (reflecting cost of goods sold, distribution and customer fulfilment costs) and the selling and administration costs behind the sale (in particular store and marketing costs). As a result, the Wickes Group's operating profit margin varies between these four categories – for example, DIFM installation services deliver a relatively lower gross profit margin, whereas product sales in core DIY and DIFM relatively higher gross profit margin.

Management monitor customer needs and strategically manage product ranging and availability, together with fulfilment capability, to drive incremental cash generation while supporting operating profit margins across the business. The Wickes Group's operating profit margins will continue to be influenced by the change in mix across these four core Local Trade, core DIY, DIFM product and DIFM installation project categories and the preferred customer fulfilment route.

3 Current Trading, Listed Company Costs and IT Separation Costs

The strong Core sales performance seen in the second half of Financial Year 2020 has continued into the current financial year. DIFM orders are around 50 per cent. lower year-on-year through the Wickes Group's key winter sale period as showrooms remain closed. The introduction of the Group's digital DIFM customer journey in the second half of Financial Year 2020 has enabled Wickes to maximise the opportunity in the market through this extended period of restrictions. Whilst sales remain robust, the benefit has been offset by costs associated with higher participation of customer delivery and assuring a COVID-19 safe operating environment for colleagues and customers.

Whilst the economic outlook and trading environment remains uncertain, including the potential for further restrictions, as the Wickes Group emerges from current COVID-19 restrictions, management remain confident in continuing to deliver sales growth ahead of the broader home improvement market for the full year. Within this, Core growth is expected to moderate against tough comparatives as the Wickes Group moves through the year, and management are confident in a recovery of DIFM sales with pent up demand likely to come through as lockdown restrictions ease evidenced by high levels of enquiries.

Incremental full year costs relating to being an independently listed company, including share-based compensation, are expected to be approximately £7 million per annum.

Wickes expects to incur legal and professional demerger costs of approximately £5 million in Financial Year 2021, together with approximately £40 million of IT separation costs over the next two years. The IT separation will enable the Wickes Group to operate an entirely standalone IT environment from the Travis Perkins Group, together with providing an opportunity to modernise legacy environments.

4 Key Operating and Performance Measures

The table below sets out the Wickes Group's key operating and performance measures in Financial Years 2020, 2019 and 2018.

	Financial Year		
	2020	**2019**	**2018**
Revenue growth (%)	4.2%	7.7%	(3.0)%
Like-for-Like Sales Growth[1] (%)	5.0%	8.7%	(4.1)%
Core (product sales) Like-for-Like Sales Growth[1] (%)	18.8%	6.5%	(2.2)%
Do-It-For-Me (project sales) Like-for-Like Sales Growth[1] (%)	(27.8)%	14.1%	(8.7)%
Gross Profit Margin[1] (%)	37.8%	38.8%	39.2%
Adjusted Operating Profit[1] (£ millions)	£81.6m	£95.8m	£75.9m

Note:
(1) For a reconciliation of non-IFRS measures, see Part VI: *"Selected Financial Information—Non-IFRS Financial Measures".*

Like-for-like performance across the reported period was influenced by a number of factors which weakened like-for-like growth in Financial Year 2018, which reflect a subdued market and negative consumer confidence during that time, following the Brexit vote in 2016, competitor activity, effectiveness of promotional execution and extreme weather conditions. Recovery of strong performance in Financial Year 2019 was supported by the transformation programme combined with more favourable weather conditions and the exit of competitors from the installation of Kitchens and Bathrooms.

Within core, performance weakened through Financial Years 2017 and 2018, a period following the arrival of Bunnings into the UK DIY market in 2016. Bunnings re-positioned the Homebase brand/product away from Home Furnishing towards Core DIY – reducing prices and directly competing for DIY customers often 'head to head' in key trading catchments. This combined with a subdued market and negative consumer confidence, together with extreme weather conditions in Financial Year 2018, delivering negative like-for-like sales growth on core of 2.2 per cent. in Financial Year 2018. Performance recovered strongly in Financial Year 2019 with core like-for-like growth of 6.5 per cent. driven notably by a combination of core range development, more effective trade planning, promotional execution and digital capability together with normalised weather conditions. In Financial Year 2020, trading patterns were significantly impacted by COVID-19 restrictions. Core DIY performed very strongly driven by DIY rather than trade customers and underpinned by Wickes digital and fulfilment capability.

Within DIFM, performance weakened in Financial Year 2018, as a result of a change in promotional strategy and a subdued market, following strong performance in Financial Year 2017 as a result of a strengthened proposition and the temporary exit of Homebase from the kitchen installation market. Performance recovered strongly in Financial Year 2019 as a result of re-positioning the promotional approach, strengthening of range and notably service capability and was also supported by the exit of B&Q from the kitchen installation market later in 2018. In Financial Year 2020, DIFM performance has been directly and negatively impacted by restrictions on showroom openings, combined with customers remaining cautious towards installation projects in their homes and supply challenges in some product areas directly as a result of COVID-19 disruption. Development of the digitally-enabled virtual DIFM journey was introduced in the second half of the year, enabling Wickes to optimise the opportunity remaining in the market.

Adjusting Items

The Wickes Group's audited financial statements reflect certain income and expenditure adjusting items. These are items that, by reference to the Wickes Group's combined operations, are material in size or unusual or "one-off" in nature or incidence and that in the judgement of the Directors should be disclosed separately on the face of the financial statements to ensure both that the reader has a proper understanding of its financial performance and that there is comparability of financial performance between periods.

The following table sets out adjusting items reflected in the Wickes Group's consolidated income statement for Financial Years 2020, 2019 and 2018:

	Financial Year		
	2020	2019	2018
		(£ millions)	
Wickes separation costs	8.2	9.2	—
Store impairment charge	10.2	1.9	—
Loss on legal entity restructuring	—	26.6	—
IT impairment charge	—	0.7	6.5
Restructuring costs	2.2	1.2	12.8
	20.6	39.6	19.3
Tax on adjusting items	(3.9)	(2.0)	(3.5)
Adjusting items – deferred tax rate change	(2.4)	—	2.6
Adjusting items – after tax	**14.3**	**37.6**	**18.4**

In Financial Year 2020, the Wickes Group incurred separation costs of £8.2 million in relation to the process of demerging the Wickes Business from the Travis Perkins Group, which primarily related to separation of shared services, as compared to £9.2 million in Financial Year 2019. Store impairment charges of £10.2 million in Financial Year 2020 related to a small number of loss-making stores.

The Wickes Group incurred restructuring costs in Financial Years 2020, 2019 and 2018 resulting from cost-reduction programmes consisting of redundancy and re-organisation. These include for example the reduction of a third of support centre headcount in Financial Year 2018, outsourcing activity across 2018 and 2019 and restructuring the DIFM design consultant team in Financial Year 2020.

In Financial Year 2019, adjusting items in the consolidated Group accounts reflect a loss arising from the sale of a number of dormant companies and property companies to another entity in the Travis Perkins Group, as part of the process of restructuring the Group's legal structure in preparation for demerger. In addition, in Financial Year 2019, the Wickes Group incurred IT impairment charges of £0.7 million, which related to IT no longer in use. In Financial Year 2018, the Wickes Group incurred IT impairment charges of £6.5 million. This relates to an intangible fixed asset impairment charge arising from termination of IT projects related to point-of-sale systems that were written-off ahead of completion.

For additional detail on examples of situations that may give rise to classification of income and expense items as adjusting items, see Note 5 of Section B of the Historical Financial Information.

5 Description of Key Consolidated Statement of Profit or Loss and Other Comprehensive Income Items

Revenue

The Wickes Group's revenue represents amounts receivable for products and services provided in the normal course of business, net of discounts, customer finance costs and value added tax. Revenue is categorised according to (i) core goods, which is product purchased by Local Trade and DIY customers; and (ii) project-based, which includes all revenue arising from DIFM design, product and installation.

Cost of Sales

Cost of sales consists of the direct cost of goods and services sold together with the costs of running and operating the distribution centres and the fulfilment costs of delivering product direct to the customer.

Selling Costs

Selling costs consist of the costs of running and operating of all stores together with marketing investment.

Administrative Expenses

Administrative expenses consist of support centre and group/centralised costs such as HR, Finance, and IT.

Operating Profit

Operating profit is calculated as revenue less the cost of sales, selling costs and administrative expenses, plus other income.

Finance Costs

Finance costs consist of interest on the Wickes Group's lease liabilities and other interest; any future interest expenses arising from the Revolving Credit Facility will be recognised here.

Tax

Tax represents the sum of the tax currently payable and deferred tax. Current tax is based on the Wickes Group's taxable profit for the year and deferred tax is the tax expected to be payable or recoverable by the Wickes Group.

6 Results of Consolidated Operations

	Financial Year		
	2020	**2019**	**2018**
		(£ millions)	
Revenue	1,346.9	1,292.4	1,199.6
Cost of sales	(837.8)	(791.1)	(729.9)
Gross profit	**509.1**	**501.3**	**469.7**
Selling costs	(323.5)	(303.1)	(300.6)
Administrative expenses	(124.6)	(142.0)	(112.5)
Operating profit	**61.0**	**56.2**	**56.6**
Finance costs	(32.1)	(33.5)	(34.5)
Profit before tax	28.9	22.7	22.1
Tax	(2.6)	(9.8)	(7.2)
Profit for the period	**26.3**	**12.9**	**14.9**

Results of Consolidated Operations in Financial Year 2020 Compared to Financial Year 2019

Revenue

Revenue was £1,346.9 million in Financial Year 2020, an increase of £54.5 million, or 4.2 per cent., from £1,292.4 million in Financial Year 2019.

The following table sets out the Wickes Group's revenue and Like-for-Like Sales Growth for the Financial Years indicated:

	Financial Year – Revenue		Like-for-Like Sales Growth
	2020	**2019**	**2020**
	(£ millions)		
Core (product sales)	1,072.4	906.2	18.8%
Do-It-For-Me (project sales)	274.5	386.2	(27.8)%
Revenue	**1,346.9**	**1,292.4**	**5.0%**

The increase in the Wickes Group's revenue from Financial Year 2019 to Financial Year 2020 was driven by strong core Like-for-Like Sales Growth, partially offset by a reduction in DIFM sales. This performance was significantly influenced by COVID-19 restrictions, which impacted trading operations and consumer requirements. Although the Wickes Group's stores (as with other home improvement retailers) have been classified as "essential businesses" and permitted to remain open throughout most of the pandemic, the Wickes Group experienced a one-day closure of all stores on 24 March, followed initially by an online-only light operating model, during which all locations (other than dedicated kitchen and bathroom stores) continued to operate as fulfilment centres for click-and-collect and home delivery. Most stores re-opened from late April through mid-May, although kitchen and bathroom showroom space and dedicated stores remained closed until early July and were closed again during the November-December lockdown period, leading to a decline in revenue from DIFM activities as compared to Financial Year 2019.

Revenue from core sales increased by £166.2 million, or 18.3 per cent., from £906.2 million in Financial Year 2019 to £1,072.4 million in Financial Year 2020. Within core, Like-for-Like Sales Growth of 18.8 per cent. was driven across a broad range of categories and enabled by strong digital and fulfilment capability, together with core customers re-engaging with DIY projects as COVID-19 disruption continued. Membership of the Wickes Group's TradePro programme also continued to grow during Financial Year 2020, from approximately 492,000 members in December 2019 to over 550,000 members in December 2020.

Revenue from project-based sales (DIFM) decreased by £111.7 million, or 28.9 per cent., from £386.2 million in Financial Year 2019 to £274.5 million in Financial Year 2020. Within project-based sales (DIFM), Like-for-Like Sales decline of 27.8 per cent. was significantly impacted by restrictions in enabling access to the Wickes Group's DIFM showroom environments, which continued throughout the year. Kitchen and bathroom design, delivery and installation services were entirely closed for a period of over eight weeks. This combined with reduced customer demand and product supply challenges as disruption in the market continued in response to COVID-19 restrictions.

Cost of sales

Cost of sales was £837.8 million in Financial Year 2020, an increase of £46.7 million, or 5.9 per cent., from £791.1 million in Financial Year 2019. This increase was primarily due to higher sales levels in core DIY, partly offset by lower DIFM sales. Gross Profit Margin declined from 38.8 per cent. in Financial Year 2019 to 37.8 per cent. in Financial Year 2020. This was primarily driven by an increase in customer delivery participation and investment in COVID-19 secure distribution operating environments partially offset by reduced participation of promotions and Local Trade.

Selling costs

Selling costs were £323.5 million in Financial Year 2020, an increase of £20.4 million, or 6.7 pe ent., from £303.1 million in Financial Year 2019. This increase reflected a combination of additional investment of £9.4 million to make operational environments COVID-19 safe, inflation and volume driven costs.

Administrative expenses

Administrative expenses were £124.6 million in Financial Year 2020, a decrease of £17.4 million, or 12.3 per cent., from £142.0 million in Financial Year 2019. This decrease reflected the loss in the consolidated Group accounts in Financial Year 2019 arising from the sale of a number of dormant companies and property companies to another entity in the Travis Perkins Group, as part of the process of restructuring the Group's legal structure in preparation for demerger, which was not repeated in Financial Year 2020.

Excluding adjusting items of £20.6 million (before tax), adjusted administrative expenses were £104.0 million in Financial Year 2020, an increase of £1.6 million, or 1.6 per cent., from £102.4 million in Financial Year 2019. Adjusting items (before tax) in Financial Year 2020 included £8.2 million arising from activities related to the Demerger, £10.2 million in store impairment charges relating to a small number of loss-making stores and £2.2 million in relation to restructuring the DIFM design consultant team, as compared to £9.2 million (Demerger-related), £1.9 million (store impairment charges), £1.2 million (restructuring) and £0.7 million (IT asset impairment), in addition to £26.6 million in losses in relation to the pre-Demerger restructuring referenced above, in Financial Year 2019. Excluding these adjusting items, the broad stability in administrative expenses reflected a strongly controlled cost base with the impact of inflation and investment partly offset by lower levels of bonus.

Operating profit

Operating profit was £61.0 million in Financial Year 2020, an increase of £4.8 million, or 8.5 per cent., from £56.2 million in Financial Year 2019, as a result of the reasons described above.

Excluding adjusting items of £20.6 million (before tax), adjusted operating profit was £81.6 million in Financial Year 2020 a decrease of £14.2 million, or 14.8 per cent., from £95.8 million in Financial Year 2019.

Finance costs

Finance costs were £32.1 million in Financial Year 2020, a decrease of £1.4 million, or 4.2 per cent., from £33.5 million in Financial Year 2019. These costs primarily relate to IFRS 16 property lease portfolio interest.

Tax

Tax was £2.6 million in Financial Year 2020, a decrease of £7.2 million, or 73.5 per cent., from £9.8 million in Financial Year 2019. This decrease was due to the decrease in the Wickes Group's adjusted profit before taxes between Financial Year 2019 and Financial Year 2020 together with a movement in deferred tax reflecting a change in tax rate from prior periods.

Profit for the period

Profit for the year was £26.3 million in Financial Year 2020, an increase of £13.4 million from £12.9 million in Financial Year 2019, as a result of the reasons described above.

Excluding adjusting items of £14.3 million (after tax), adjusted profit was £40.6 million in Financial Year 2020, a decrease of £9.9 million, or 19.6 per cent., from £50.5 million in Financial Year 2019.

Results of Consolidated Operations in Financial Year 2019 Compared to Financial Year 2018

Revenue

Revenue was £1,292.4 million in Financial Year 2019, an increase of £92.8 million, or 7.7 per cent., from £1,199.6 million in Financial Year 2018.

The following table sets out the Wickes Group's revenue and Like-for-Like Sales Growth for the Financial Years indicated:

	Financial Year – Revenue		Like-for-Like Sales Growth
	2019	2018	2019
	(£ millions)		
Core (product sales)	906.2	857.2	6.5%
Do-It-For-Me (project sales)	386.2	342.4	14.1%
Revenue	**1,292.4**	**1,199.6**	**8.7%**

The increase in the Wickes Group's revenue from Financial Year 2018 to Financial Year 2019 was driven by both DIFM and core goods. This performance was driven by the Wickes Group's transformation programme combined with more favourable weather conditions and the exit of competitors from the installation of kitchens and bathrooms.

Revenue from core sales increased by £49.0 million, or 5.7 per cent., from £857.2 million in Financial Year 2018 to £906.2 million in Financial Year 2019. Within core, Like-for-Like Sales Growth of 6.5 per cent. was driven by a combination of core range development, more effective trade planning and promotional execution together with less severe weather conditions than in Financial Year 2018. Within core range development, new garden maintenance and coloured paint ranges were introduced supporting growth. Membership of the Wickes Group's TradePro programme continued to grow during Financial Year 2019, from approximately 418,000 members in December 2018 to approximately 492,000 members in December 2019, supporting core revenue growth.

Revenue from project-based sales (DIFM) increased by £43.8 million, or 12.8 per cent., from £342.4 million in Financial Year 2018 to £386.2 million in Financial Year 2019. For project-based sales (DIFM), Like-for-Like Sales Growth of 14.1 per cent. benefitted from re-positioning the promotional approach, strengthening of range and notably installation service capability and was also supported by the exit of B&Q from the kitchen installation market in late 2018, which had a full-year impact on the Wickes Group's Financial Year 2019 operating and financial performance.

Overall revenue growth was also supported by development of the Wickes Group's digital capabilities, which included the rollout of OLI, improvements in its website and TradePro app functionality, and enablement of smart fulfilment. Investment in store refurbishments also continued, again underpinning revenue growth in these particular locations.

Cost of sales

Cost of sales was £791.1 million in Financial Year 2019, an increase of £61.2 million, or 8.4 per cent., from £729.9 million in Financial Year 2018. This increase was primarily due to higher sales levels across the Wickes Group's activities. Gross Profit Margin declined marginally from 39.2 per cent. in Financial Year 2018 to 38.8 per cent. in Financial Year 2019. This was driven by sales mix, in particular the continued growth in DIFM installation (which deliver a relatively lower gross profit margin than other activities), together with increased participation of customer fulfilment activity supporting sales growth. The Wickes Group's Gross Profit Margin was supported during Financial Year 2019 by stabilisation of competitive pricing behaviour in the home improvement market and more considered and effective promotional planning.

Selling costs

Selling costs were £303.1 million in Financial Year 2019, broadly stable as compared to £300.6 million in Financial Year 2018. This stability reflected improvement in store operational costs including store labour and shrinkage, together with more targeted marketing activity offset by inflation.

Administrative expenses

Administrative expenses were £142.0 million in Financial Year 2019, an increase of £29.5 million, or 26.2 per cent., from £112.5 million in Financial Year 2018. This increase primarily reflected the loss in the consolidated Group accounts in Financial Year 2019 arising from the sale of a number of dormant companies and property companies to another entity in the Travis Perkins Group, as part of the process of restructuring the Group's legal structure in preparation for demerger, as described above.

Excluding adjusting items of £39.6 million (before tax), adjusted administrative expenses were £102.4 million in Financial Year 2019, an increase of £9.2 million, or 9.9 per cent., from £93.2 million in Financial Year 2018. Adjusting items (before tax) in Financial Year 2019 included £9.2 million arising from activities related to the Demerger, £1.9 million in store impairment charges, £1.2 million in restructuring costs and £0.7 million in IT impairment charges, in addition to £26.6 million in losses in relation in pre-Demerger restructuring referenced above, as compared to £12.8 million from restructuring costs and £6.5 million in impairment charges in Financial Year 2018. Excluding these adjusting items, administrative expenses increased primarily as a result of increased investment in digital capability, bonus costs and inflation, which more than offset a decrease in expenses related to restructuring activities undertaken in Financial Year 2018 that were not repeated at the same level in Financial Year 2019. Administrative expense levels in Financial Year 2019 were supported by the full-year impact of these cost-reduction activities.

Operating profit

Operating profit was £56.2 million in Financial Year 2019, a decrease of £0.4 million, or 0.7 per cent., from £56.6 million in Financial Year 2018, as a result of the reasons described above.

Excluding adjusting items of £39.6 million (before tax), adjusted operating profit was £95.8 million in Financial Year 2019, an increase of £19.9 million, or 26.2 per cent., from £75.9 million in Financial Year 2018.

Finance costs

Finance costs were £33.5 million in Financial Year 2019, an increase of £1.0 million, or 2.9 per cent., from £34.5 million in Financial Year 2018. These costs primarily relate to operating leases and the increase was primarily due to changes in the property lease portfolio.

Tax

Tax was £9.8 million in Financial Year 2019, an increase of £2.6 million, or 36.1 per cent., from £7.2 million in Financial Year 2018. This increase was primarily due to an increase in adjusted profit before tax partially offset by the loss on legal entity restructuring.

Profit for the period

Profit for the year was £12.9 million in Financial Year 2019, a decrease of £2.0 million, or 13.4 per cent., from £14.9 million in Financial Year 2018, as a result of the reasons described above.

Excluding adjusting items of £37.6 million (after tax), adjusted profit was £50.5 million in Financial Year 2019, an increase of £17.2 million, or 51.7 per cent., from £33.3 million in Financial Year 2018.

7 Liquidity and Capital Resources

The Wickes Group has historically generated sufficient cash from operations to fund its operating expenses and capital investment during the periods under review. As part of the Travis Perkins Group, the Wickes Group did not undertake borrowing activities on a standalone basis. As at 26 December 2020, the Wickes Group had cash and cash equivalents of £6.5 million.

Following the Demerger, Wickes expects to be able to meet its cash requirements through cash from operations. In connection with the Demerger, the Wickes Group is entering into a £80 million Revolving Credit Facility with National Westminster Bank plc as agent and security agent and Barclays Bank plc, BNP Paribas London Branch, National Westminster Bank plc, and The

Governor and Company of the Bank of Ireland as lenders, as further described below. As at the date of this Prospectus, the Wickes Group does not carry any external debt (other than certain lease liabilities and trade payables) on its balance sheet.

Working Capital

The Company is of the opinion that the Wickes Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

Cash Flows

The table below sets out the Wickes Group's cash flows in Financial Years 2020, 2019 and 2018:

	Financial Year		
	2020	2019	2018
		(£ millions)	
Net cash inflow from operating activities	76.8	108.5	176.8
Net cash (outflow) from investing activities	(19.9)	(24.1)	(41.3)
Net cash (outflow) from financing activities	(75.8)	(75.2)	(125.9)
Net (decrease)/increase in cash and cash equivalents	**(18.9)**	**9.2**	**9.6**
Cash and cash equivalents at the beginning of the period	25.4	16.2	6.6
Cash and cash equivalents at end of the period	**6.5**	**25.4**	**16.2**

As cash management activities related to the Wickes Business were historically undertaken at the Travis Perkins Group-level, management of the Wickes' Business by the management team historically focused on various operating measures and financial measures, including revenue and operating profit, to a greater extent than cash flow measures. Following the Demerger, the Wickes Group's management will be responsible for cash management activities and, as a result the Wickes Group's cash flow may differ materially from its cash flow during the periods under review.

Net cash inflow from operating activities

Net cash inflow from operating activities was £76.8 million in Financial Year 2020, a decrease as compared to £108.5 million in Financial Year 2019. This change reflected strong underlying trading performance partially offset by movements in inter-company balances and an overall increase in working capital. Working capital reflected higher levels of DIFM and Supplier Income debtors partially offset by lower levels of inventory compared to 2019.

Net cash inflow from operating activities was £108.5 million in Financial Year 2019, a decrease as compared to £176.8 million in Financial Year 2018. This change reflected significant changes in the Wickes Group's intercompany payables position within the Travis Perkins Group, which more than offset improvement in the Wickes Group's operating profit from Financial Year 2018 to Financial Year 2019.

Net cash outflow from investing activities

Net cash outflow from investing activities was £19.9 million in Financial Year 2020, as compared to £24.1 million in Financial Year 2019. This change primarily reflects disposal of subsidiaries in relation to intercompany reorganisations in 2019 in connection with the Demerger in Financial Year 2019.

Net cash outflow from investing activities was £24.1 million in Financial Year 2019, as compared to £41.3 million in Financial Year 2018. This change reflects the impact of intercompany reorganisations within the Travis Perkins Group, in connection with the Demerger, in Financial Year 2019. In addition, the Wickes Group's completed fewer store re-fits in Financial Year 2019 than in Financial Year 2018.

Net cash outflow from financing activities

Net cash outflow from financing activities was £75.8 million in Financial Year 2020, broadly stable as compared to £75.2 million in Financial Year 2019, reflecting stability in the profile of lease payments in the two years.

Net cash outflow from financing activities was £75.2 million in Financial Year 2019, a decrease from £125.9 million in Financial Year 2018. This decrease was due to dividends paid of £50.7 million in Financial Year 2018, as compared to nil in Financial Year 2019.

Net Indebtedness

As at 26 December 2020, the Wickes Group's net indebtedness was £598.4 million, which included lease liabilities of £790.0 million (of which £77.2 million were current lease liabilities). As at that date, the Wickes Group recorded intercompany balances within the Travis Perkins Group of £186.1 million (amounts receivable). See Notes 16, 17 and 26 of Section B of the Historical Financial Information.

Revolving Credit Facility

The Wickes Group entered into the Revolving Credit Facility for £80 million with National Westminster Bank plc as agent and security agent and Barclays Bank plc, BNP Paribas, London Branch, National Westminster Bank plc, and The Governor and Company of the Bank of Ireland as lenders (the "**Lenders**") on 23 March 2021. Up to £20 million of the Revolving Credit Facility may be carved out into ancillary facilities to be provided by the Lenders and their affiliates to allow for overdrafts, short term loans, letters of credit or other ancillary bilateral facilities customary for a facility of this nature. The Revolving Credit Facility is intended to be used for general corporate purposes and may be drawn in pounds sterling, Euro, US dollars or any other freely available currency approved by all the Lenders. Further information on the terms of the Revolving Credit Facility can be found in Part XII: "*Additional Information*".

8 Capital Expenditure

During the periods under review, the Wickes Group's capital expenditure primarily related to property, plant and equipment, including investment in new stores, initiatives to support the development of the Wickes Group's digital capabilities and store re-fit activities, as well as other investment. At times during the periods under review, capital made available for investment activities within the Travis Perkins Group (including by the Wickes Group) was constrained in order to target consistent cash flows across the business during periods of challenging trading conditions. Within the Wickes Business, these actions reduced the rate at which store re-fit activities were undertaken across the estate, exhibiting flexibility within the Wickes Group's capital investment strategy during the periods under review and going forward.

The following table sets out the Wickes Group's capital expenditure in Financial Years 2020, 2019 and 2018:

	Financial Year		
	2020	**2019**	**2018**
		(£ millions)	
Proposition			
New space	—	0.8	3.9
Re-fit activities	11.0	12.7	19.7
IT / Digital	2.9	4.5	4.5
Range development	3.4	0.2	2.3
Efficiency			
Other	1.0	5.9	6.8
Total	**18.3**	**24.1**	**37.2**

Capital expenditure in Financial Year 2020 was £18.3 million, as compared to capital expenditure in Financial Year 2019 of £24.1 million and restrained as compared to budget. In particular, Financial Year 2020 capital expenditure was lower than anticipated primarily as a result of constraining investment to preserve cash in response to COVID-19 disruption. During Financial Year 2020 the Wickes Group completed re-fit activities at 6 stores together with 1 relocation, as compared to 12 completed re-fit projects during Financial Year 2019 Investment was maintained in IT/digital capability together with commencing rollout of updated kitchen and bathroom ranges across a number of showrooms.

Capital expenditure in Financial Year 2019 was £24.1 million, a decrease from capital expenditure in Financial Year 2018 of £37.2 million, primarily as a result of constraining investment notably in refit activity and reducing the emphasis on opening new space. During Financial Year 2019 the Wickes Group completed re-fit activities at 12 stores, as compared to significant work undertaken during Financial Year 2018, including 24 re-fit projects. Capital expenditure on new space continued to decline from three store openings in Financial Year 2018 to one in Financial Year 2019.

Capital expenditure in Financial Year 2018 was £37.2 million, a decrease from capital expenditure in Financial Year 2017 of £50.0 million, reducing investment across a range of activity driven in response to weakened trading performance. During Financial Year 2018, the Wickes Group completed re-fit activities at 23 stores, as compared to 27 completed re-fit projects during Financial Year 2017.

In the future, the Wickes Group aims to focus its capital investment on driving its customer proposition, in particular through continuation of its re-fit activities and further development of its digital capabilities and its product and service offering. As a result, the Wickes Group will target capital investment of approximately £30 million per annum. For re-fit activities and IT/digital investment (both consumer facing and digital foundations), capital expenditure will continue in line with the Wickes Group's strategy, and capital expenditure will be required for DIFM range development. The Wickes Group expects that, in the medium term, minimal future capital expenditure will be required for new space. The Wickes Group has not undertaken significant capital investment on new stores and new space in recent years, which had been a historical focus area for investment. Investment in new space is expected to be minimal going forward, subject to attractive new-build or "white space" or relocation opportunities.

9 Off-balance Sheet Arrangements

As at 26 December 2020, the Wickes Group had no material off-balance sheet arrangements.

10 Critical Accounting Policies

Critical accounting policies are those policies that require the application of management's most challenging, subjective or complex judgements, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. Critical accounting policies involve judgements and uncertainties that are sufficiently sensitive to result in materially different results under different assumptions and conditions. A detailed description of certain of the main accounting policies used in preparing the Historical Financial Information is set forth in Note 2 of Section B of the Historical Financial Information.

PART VIII
CAPITALISATION AND INDEBTEDNESS

1 Capitalisation

The following table sets out the capitalisation of the Company as at 26 December 2020.

	As at 26 December 2020
	£ millions
Shareholders' equity	
Share capital	25.2
Other reserves	(785.7)
Total	**(760.5)**

Note:
(1) As at 26 December 2020, share capital includes 252,143,923 ordinary shares with a nominal value of £0.10.

2 Indebtedness

The following table sets out the indebtedness of the Wickes Group as at 26 December 2020 (the Company did not have any financial indebtedness as at 26 December 2020):

	As at 26 December 2020
	£ millions
Current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	(78.2)
Total non-current debt (excluding current portion of long-term debt)	**(78.2)**
Guaranteed	—
Secured	—
Unguaranteed/unsecured	(712.8)
Total gross indebtedness	**(791.0)**

3 Net Financial Indebtedness

The following table sets out the net indebtedness of the Wickes Group as at 26 December 2020 (the Company did not have any financial indebtedness as at 26 December 2020):

	As at 26 December 2020
	£ millions
A. Cash	6.5
B. Cash equivalent	—
C. Trading securities	—
D. Liquidity (A+B+C)	**6.5**
E. Current financial receivables	**186.1**
F. Current bank debt	—
G. Other current portion of non-current debt	—
H. Other current financial debt	(78.2)
I. Current financial debt (F+G+H)	**(78.2)**
J. Net current financial assets (D+E+I)	**114.4**
K. Non-current bank loans	—
L. Bonds issued	—
M. Other non-current loans	(712.8)
N. Non-current financial indebtedness (K+L+M)	**(712.8)**
O. Net financial indebtedness (J-N)	**(598.4)**

The Wickes Group had no other indirect or contingent liabilities, or any contingent commitments as at 26 December 2020.

The Net Financial Indebtedness presented above excludes intercompany balances between the Wickes Group and Travis Perkins Group.

Since 26 December 2020, the following material changes in the indebtedness of the Wickes Group have occurred:

1. The £156.1 million cash settlement of certain intercompany balances owed by the Travis Perkins Group to the Wickes Group as part of the pre-Demerger Reorganisation in order to provide that the Wickes Group had a cash balance of £130.0 million as at 26 December 2020 and to repay £32.6 million of business rates relief received from the Government in April to December 2020. On the settlement of these intercompany balances the Wickes Group will derecognise an equivalent amount of the intercompany receivables due from the Travis Perkins Group.

2. The settlement of the remaining intercompany balance by the Travis Perkins Group to the Wickes Group achieved via the payment of dividends equal to a total amount of £30.0 million by the Wickes Group to the Travis Perkins Group, left outstanding as an intercompany balance and offset against the remaining equivalent intercompany balances owed by the Travis Perkins Group.

PART IX
HISTORICAL FINANCIAL INFORMATION

Section A – Accountant's Report on Historical Financial Information

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The Directors
Wickes Group plc
Vision House
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WD24 4JL

24 March 2021

Ladies and Gentlemen

Wickes Group plc

We report on the financial information set out on pages 95 to 128 for the three years ended 29 December 2018, 28 December 2019 and 26 December 2020. This report is required by Item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 (the "PR Regulation") and is given for the purpose of complying with that item and for no other purpose.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the prospectus dated 24 March 2021, a true and fair view of the state of affairs of Wickes Group plc and its subsidiary undertakings (the "Group") as at 29 December 2018, 28 December 2019 and 26 December 2020 and of its Consolidated profits, cash flows, statement of comprehensive income and changes in equity for the periods ended 29 December 2018, 28 December 2019 and 26 December 2020 in accordance with the basis of preparation set out in Section B, Note 2 of Part IX and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS") as described in Section B, Note 2 of Part IX.

Responsibilities

The Directors of Wickes Group plc are responsible for preparing the financial information in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 1.3 of Annex 1 of the PR Regulation, consenting to its inclusion in the prospectus.

Basis of Preparation

The financial information has been prepared for inclusion in the prospectus dated 24 March 2021 of Wickes Group plc on the basis of the accounting policies set out in Section B, Note 2 of Part IX.

Basis of Opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the "FRC"). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Conclusions Relating to Going Concern

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

Our conclusions:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the entity's financial information is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for the going concern period.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the prospectus in compliance with Item 1.2 of Annex 1 of the PR Regulation.

Yours faithfully

KPMG LLP

Section B – Historical Financial Information

Consolidated Profit or Loss and Other Comprehensive Income

For the 52 weeks periods ended 29 December 2018, 28 December 2019 and 26 December 2020

	52 weeks ended 26 December 2020			52 weeks ended 28 December 2019			52 weeks ended 29 December 2018		
	Adjusted	**Adjusting items (note 5)**	**Total**	**Adjusted**	**Adjusting items (note 5)**	**Total**	**Adjusted**	**Adjusting items (note 5)**	**Total**
					(£m)				
Revenue (note 3)	1,346.9	—	1,346.9	1,292.4	—	1,292.4	1,199.6	—	1,199.6
Cost of sales	(837.8)	—	(837.8)	(791.1)	—	(791.1)	(729.9)	—	(729.9)
Gross profit	**509.1**	**—**	**509.1**	**501.3**	**—**	**501.3**	**469.7**	**—**	**469.7**
Selling costs	(323.5)	—	(323.5)	(303.1)	—	(303.1)	(300.6)	—	(300.6)
Administrative expenses	(104.0)	(20.6)	(124.6)	(102.4)	(39.6)	(142.0)	(93.2)	(19.3)	(112.5)
Operating profit (note 4)	**81.6**	**(20.6)**	**61.0**	**95.8**	**(39.6)**	**56.2**	**75.9**	**(19.3)**	**56.6**
Finance costs (note 6)	(32.1)	—	(32.1)	(33.5)	—	(33.5)	(34.5)	—	(34.5)
Profit before tax	**49.5**	**(20.6)**	**28.9**	**62.3**	**(39.6)**	**22.7**	**41.4**	**(19.3)**	**22.1**
Tax (note 10)	(8.9)	6.3	(2.6)	(11.8)	2.0	(9.8)	(8.1)	0.9	(7.2)
Profit for the period and total comprehensive income	**40.6**	**(14.3)**	**26.3**	**50.5**	**(37.6)**	**12.9**	**33.3**	**(18.4)**	**14.9**
Earnings per share (note 31)									
Basic			**10.4**p			**5.1**p			**5.9**p
Diluted			**10.4**p			**5.1**p			**5.9**p

Consolidated Balance Sheet

For the 52 weeks periods ended 29 December 2018, 28 December 2019 and 26 December 2020

	Notes	26 December 2020	28 December 2019	29 December 2018
			(£m)	
Assets				
Non-current assets				
Goodwill	13	**8.4**	8.4	8.4
Other intangible assets	13	**12.3**	13.9	13.1
Property, plant and equipment	11	**103.1**	109.0	133.8
Right-of-use assets	12	**654.2**	735.8	776.8
Deferred tax asset	20	**24.0**	19.2	18.0
Total non-current assets		**802.0**	886.3	950.1
Current assets				
Inventories	14	**138.3**	150.4	147.8
Trade and other receivables	16	**261.6**	327.0	723.6
Cash and cash equivalents	27	**6.5**	25.4	16.2
Total current assets		**406.4**	502.8	887.6
Total assets		**1,208.4**	1,389.1	1,837.7

Equity and Liabilities				
Capital and reserves				
Issued share capital		**25.2**	25.2	25.2
Share premium account		**—**	862.3	862.3
Other reserve		**(785.7)**	(785.7)	(785.7)
Retained earnings		**890.3**	176.8	161.9
Total equity	30	**129.8**	278.6	263.7
Non-current liabilities				
Lease liabilities	12	**712.8**	779.5	819.6
Long-term provisions	19	**0.3**	2.2	1.3
Total non-current liabilities		**713.1**	781.7	820.9
Current liabilities				
Lease liabilities	12	**77.2**	75.5	75.6
Trade and other payables	17	**277.9**	240.0	661.3
Short-term provisions	19	**10.4**	13.3	16.2
Total current liabilities		**365.5**	328.8	753.1
Total liabilities		**1,078.6**	1,110.5	1,574.0
Total equity and liabilities		**1,208.4**	1,389.1	1,837.7

Consolidated Statement of Changes in Equity

For the periods ended 29 December 2018, 28 December 2019 and 26 December 2020

	Issued share capital	Share premium account	Other reserve	Retained earnings	Total equity
			(£m)		
At 31 December 2017	25.2	862.3	(785.7)	196.2	298.0
Profit for the period and other comprehensive income	—	—	—	14.9	14.9
Dividends paid	—	—	—	(50.7)	(50.7)
Equity-settled share-based payments	—	—	—	1.5	1.5
At 29 December 2018	25.2	862.3	(785.7)	161.9	263.7
Profit for the period and other comprehensive income	—	—	—	12.9	12.9
Equity-settled share-based payments	—	—	—	2.0	2.0
At 28 December 2019	25.2	862.3	(785.7)	176.8	278.6
Profit for the period and other comprehensive income	—	—	—	26.3	26.3
Share capital reduction	—	(862.3)	—	862.3	—
Dividends paid	—	—	—	(176.8)	(176.8)
Equity-settled share-based payments	—	—	—	1.7	1.7
At 26 December 2020	25.2	—	(785.7)	890.3	129.8

Consolidated Cash Flow Statement

For the 52 weeks periods ended 29 December 2018, 28 December 2019 and 26 December 2020

	26 December 2020	28 December 2019	29 December 2018
		(£m)	
Cash flows from operating activities			
Operating profit	**61.0**	**56.2**	**56.6**
Adjustments for:			
Depreciation of property, plant and equipment	21.3	23.8	26.9
Depreciation of right-of-use assets	77.3	78.8	79.5
Amortisation of internally-generated intangibles	4.5	3.4	1.8
Impairment of assets	12.1	2.2	0.7
Gains of terminations of leases	(1.9)	(3.0)	(0.1)
Share-based payments	1.7	2.0	1.5
Losses/(gains) on disposal of property, plant and equipment	1.6	3.2	(0.3)
Operating cash flows	**177.6**	**166.6**	**166.6**
Decrease/(increase) in inventories	12.1	(2.6)	4.7
(Increase)/decrease in receivables	(107.3)	412.1	(27.2)
Increase/(decrease) in payables	43.8	(426.6)	76.2
Cash generated from operations	**126.2**	**149.5**	**220.3**
Other interest	(0.1)	(0.2)	(0.2)
Interest on lease liabilities	(32.0)	(33.3)	(34.3)
Income taxes paid	(17.3)	(7.5)	(9.0)
Net cash inflow from operating activities	**76.8**	**108.5**	**176.8**
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	0.2	—	2.5
Development of computer software	(2.9)	(4.5)	(4.5)
Purchases of property, plant and equipment	(17.2)	(19.6)	(39.3)
Net cash outflow from investing activities	**(19.9)**	**(24.1)**	**(41.3)**
Cash flows from financing activities			
Repayment of lease liabilities	(75.8)	(75.2)	(75.2)
Dividends paid	—	—	(50.7)
Net cash outflow from financing activities	**(75.8)**	**(75.2)**	**(125.9)**
Net (decrease)/increase in cash and cash equivalents	**(18.9)**	**9.2**	**9.6**
Cash and cash equivalents at the beginning of the period	25.4	16.2	6.6
Cash and cash equivalents at the end of the period	6.5	25.4	16.2

Notes to the financial information

For the periods ended 29 December 2018, 28 December 2019 and 26 December 2020. Unless otherwise stated, all references to 2018, 2019 and 2020 refer to the period-end dates stated above.

1 General information

Wickes Group plc (the 'Company') is a limited company incorporated on 4 September 2019 in the United Kingdom under the Companies Act 2006. The registered office of the Company is 19 Colonial Way, Watford, WD24 4JL.

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

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

2 Accounting policies

2.1 Basis of preparation

The historical financial information is prepared for inclusion in the Prospectus of the Company for the purposes of admission to the premium listing segment trading on the London Stock Exchange, and has been prepared in accordance with the requirements of the Prospectus Regulation, Listing Rules and international accounting standards in conformity with the requirements of the Companies Act 2006 ('Adopted IFRS'). The statements do not constitute the Company's statutory accounts, which were prepared under FRS 102 and have been filed with the Registrar of Companies. The audit report on these accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under Section 498 (2) or Section 498 (3) of the Companies Act 2006.

These accounts have been prepared in accordance with the period-end date of Wickes Building Supplies Limited, the trading entity in the Group. Four members of the Group (Wickes Group plc, Wickes Group Holdings Limited, Wickes Finance Limited and Wickes Holdings Limited) had a period-end date of 31 December 2020. No transactions occurred in any of these companies during the period from 27 December 2020 to 31 December 2020.

On 17 March 2020, Wickes Group Holdings Limited acquired Wickes Building Supplies Limited and Wickes Finance Limited by means of a share-for-share exchange and the Company acquired Wickes Group Holdings Limited by means of a share-for-share exchange ('the Capital Reorganisation'), in order to put in place a new parent company and intermediate parent company for Wickes Building Supplies Limited and Wickes Finance Limited, which comprise the assets and liabilities used in managing and operating the Wickes home improvement business.

The Capital Reorganisation falls outside the scope of IFRS 3 – 'Business combinations' and has been accounted for using the principles of predecessor accounting using the carrying amounts of assets and liabilities included in the financial statements of the acquired entities. This policy reflects the economic substance of the transaction and means that, although the Capital Reorganisation did not become effective until 17 March 2020, the consolidated financial statements have been prepared for the periods ended 29 December 2018 and 28 December 2019 and 26 December 2020 as if the Group had been in existence throughout the periods presented.

The share capital issued as consideration is treated as if it had existed from the earliest period presented. This presentation of share capital results in the creation of the other reserves in the consolidated balance sheet. The other reserves represent the difference between the carrying values of the assets and liabilities of the parties to the Capital Reorganisation, which are not required to be adjusted to fair value on acquisition, and the nominal value and premium of the shares issued.

This is the first time the consolidated financial information has been prepared in accordance with IFRS. In preparing these financial statements, IFRS 1 – First time adoption of International Financial Reporting Standards has been applied. No reconciliations are presented as the Group has not previously prepared consolidated financial statements. The Group financial statements have been prepared based on the date of transition of Wickes Group plc of 31 December 2017 with the exception of the assets and liabilities of Wickes Building Supplies Limited, the main trading company in the group, which previously prepared IFRS financial statements with a date of transition of 1 January 2017 and early adopted IFRS 16 – Leases from that date. The financial information has been prepared on the historical cost basis.

The accounting policies applied and stated below are those expected to be applied to future financial information reported by the Group.

The consolidated financial statements are prepared on the going concern basis. In performing their assessment the Directors considered both the current ownership of the Group, and the impact of the proposed demerger.

Going concern

Current ownership

At the date of approval of the Historical Financial Information, the Group is wholly owned by Travis Perkins plc (the "Travis Perkins Group"). In determining the appropriateness of the going concern assumption, the Directors reviewed the Group's forecasts and risk assessment. In arriving at their opinion the Directors considered:

- The Group's cash flow forecasts and revenue projections.
- The impact on trading performance of severe but plausible downside scenarios, including continued Covid-19 restrictions, the removal of government support schemes such as Stamp Duty Relief and the Coronavirus Job Retention Scheme and adverse macroeconomic conditions. Key assumptions include significant reductions in revenue and a fall in margin.
- Mitigating actions controllable by management, reflected in the severe but plausible downside scenarios, include certain amounts in respect of the following:
  - accepting rates relief offered by the government;
  - non-payment of bonuses;
  - reductions in discretionary costs (e.g. marketing, development costs);
  - reducing staff costs by reducing recruitment;
  - reduction in capital expenditure; and
  - reduction in dividend payments.
- The Group's robust policy towards liquidity and cash flow management.
- The Group's ability to successfully manage its principal risk factors during periods of uncertain economic outlook and challenging macroeconomic conditions.
- The position of Wickes Building Supplies Limited (the Group's principal trading subsidiary) as a guarantor under the Travis Perkins Group's borrowing facilities.

In this scenario, the Group participates in the Travis Perkins Group's treasury arrangements and the going concern position is directly linked to the Travis Perkins Group's position. Accordingly, Travis Perkins plc has provided the Group with an undertaking that for at least 12 months from the date of approval of these financial statements, as long as the Company remains part of the Travis Perkins Group, it will continue to make available such funds as are needed by the Group. As with any Group placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Proposed demerger

The Directors have considered the appropriateness of the going concern assumption in the event of the proposed demerger. In arriving at their opinion the Directors considered:

- the cash flow forecasts and revenue projections, severe but plausible downside scenarios and mitigating actions available to management as set out above;
- the impact of standalone public company running costs and associated separation costs;
- the £124 million of cash funding received at the point of demerger following the settlement of outstanding receivables from the Travis Perkins Group; and
- the committed facilities available to the Group and the covenants thereon.

The Group negotiated a revolving credit facility with a syndicate of four banks in March 2021, which will be made available on the Group's listing and admission to trading on the London Stock Exchange. The facility is for a total value of £80 million and matures in March 2024. The Group does not expect to draw down on this facility in the going concern assessment period. The facility is subject to covenants relating to fixed charge cover and gearing which will be assessed on a quarterly basis.

After reviewing the Group's forecasts and risk assessments under both scenarios and making other enquiries, the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of signing these accounts. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Functional and presentational currency

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

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

Business segments

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

2.2 Impact of new standards and interpretations

The following standards and interpretations, which have not yet been applied in these financial statements were in issue, but not yet effective:

- Amendments to IFRS 3 – Business Combinations
- Amendments to IAS 1 – Presentation of Financial Statements
- Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to References to Conceptual Framework in IFRS Standards
- IFRS 17 – Insurance Contracts.

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

2.3 Revenue

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

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

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

2.4 Inventories

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

Cost of inventories

In determining the cost of inventories the Directors have to make estimates to arrive at cost and net realisable value. The Directors believe that the £7.2m deduction from the gross invoice cost of stock (2019: £7.0m, 2018: £7.0m) is appropriate. Determining the net realisable value of the wide range of products held in many locations requires judgement to be applied to determine the likely saleability of the product and the potential price that can be achieved. In arriving at any provisions for net realisable value the Directors take into account the age, condition and quality of the product stocked and the recent trend in sales. The Group does not consider that there is a significant risk of material adjustment arising within the next financial period as a result of this estimate.

2.5 Adjusting items

Adjusting items are those items of income and expenditure that, by reference to the Group, are material in size or unusual in nature or incidence and that in the judgement of the Directors should be disclosed separately on the face of the financial statements to ensure both that the reader has a proper understanding of the Groups financial performance and that there is comparability of financial performance between periods.

Items of income or expense that are considered by the Directors for designation as adjusting items include, but are not limited to, significant restructurings; onerous contracts; write-downs or impairments of current and non-current assets; the costs of acquiring and integrating businesses; gains or losses on disposals of businesses and investments and the associated costs of separating businesses and their systems; re-measurement gains or losses arising from changes in the fair value of derivative financial instruments; and the effect of changes in corporation tax rates on deferred tax balances.

2.6 Tax

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

Current tax

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

Deferred tax

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

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

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

2.7 Goodwill and other intangible assets

Goodwill

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

Software

The directly attributable costs incurred for the development of computer software controlled by and for use within the business are capitalised and written off as an administrative expense over their estimated useful life, which range from three years to 10 years. No amortisation is charged on computer software under construction.

Costs relating to research, maintenance and training are expensed as they are incurred. No amortisation is charged on assets in the course of construction. License fees for using third-party software are expensed over the period the software is in use.

2.8 Property, plant and equipment

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

- Leasehold improvements – over the term of the lease
- Plant and equipment – three to 10 years

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

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

2.9 Supplier income

Supplier income comprises fixed price discounts and volume rebates.

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

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

2.10 Financial instruments

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

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

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

2.11 Provisions

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

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

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

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

2.12 Trade payables and liabilities

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs and are measured at amortised cost. The Directors consider that the carrying amount of trade payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

2.13 Employee benefits – pensions

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

2.14 Equity

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

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

- The share premium represents the amounts above the nominal value received for shares sold
- The other reserves represent the difference between the carrying values of the assets and liabilities of the parties to the Capital Reorganisation, which are not required to be adjusted to fair value on acquisition, and the nominal value and premium of the shares issued.
- Retained earnings represents cumulative results for the Group.

2.15 Leases

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

Identifying a lease

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

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

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

Recognition exceptions

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

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

(ii) leases where the underlying asset has a low value when new – this election can be made on a lease-by-lease basis,

For leases where the Group has taken short-term lease recognition exemption and there are any changes to the lease term or the lease is modified, the Group accounts for the lease as a new lease.

Lessee accounting

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

Initial measurement

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

Right-of-use assets were measured at the date of adoption of IFRS 16 – Leases at either:

- Their carrying amount as if IFRS 16 – Leases had been applied since the lease commencement date, discounted by the lessees' incremental borrowing rate as at 1 January 2017. The Group has applied this methodology to the Group's property leases and the majority of plant and equipment leases.
- At amounts equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised on the balance sheet. This has been applied to the remaining portfolio of leases.

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

Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability and are initially measured using the index or rate as at the commencement date. Amounts expected to be payable by the lessee under residual value guarantees are also included.

Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers payment occurs, unless the costs are included in the carrying amount of another asset under another accounting standard.

Subsequent measurement

After lease commencement, the Group measures right-of-use assets using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is subsequently remeasured to reflect changes in:

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

The remeasurements are matched by adjustments to the right-of-use asset.

Lease modifications may also prompt remeasurement of the lease liability unless they are determined to be separate leases.

Depreciation

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

Lessor Accounting

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

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

2.16 Borrowings

Interest bearing bank loans and overdrafts and other loans are recognised in the balance sheet at amortised cost. Finance charges associated with arranging non-equity funding are recognised in the income statement over the life of the facility. All other borrowing costs are recognised in the income statement in accordance with the effective interest rate method.

2.17 Net debt

Cash and cash equivalents comprise cash balances net of overdrafts. The carrying amount of these assets approximates to their fair value.

2.18 Financial instruments

Classification

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

- those to be measured subsequently at fair value (either through Other Comprehensive Income ''FVOCI'', or through profit or loss "FVTPL"); and
- those to be measured at amortised cost.

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

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

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

Measurement

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income or finance costs, together with foreign exchange gains and losses.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

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

2.19 Impairment

Impairment of tangible and intangible assets

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

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

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

Measuring recoverable amounts

The Group tests goodwill and other non-monetary assets with indefinite useful lives for impairment annually or more frequently if there are indications that an impairment may have occurred. The recoverable amounts of the goodwill and other non-monetary assets with indefinite useful lives are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and like-for-like market volume changes which impact sales and therefore cash flow projections and maintenance capital expenditure. Management estimates pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the CGU groupings that are not reflected in the cash flow projections.

2.20 Share-based payments

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

Fair value is measured by use of the Black-Scholes pricing model which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The scheme also provides employees with the ability to purchase ordinary shares at 80 per cent. of the current market value. These are measured at fair value at the date of the grant and expensed on a straight-line basis over the vesting period.

As the Group is part of a group share-based payment plan it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the Travis Perkins group. This allocation is based on individual employees and where their services are rendered for group companies.

2.21 Post balance sheet events

These accounts reflect events only up to the date on which the relevant underlying financial statements were approved, except in relation to the final period presented. In respect of this final period, post balance sheet events have been reflected as required by IAS 10 – Events After the Reporting Period up to the date of approval of this historical financial information.

3 Revenue

3.1 Revenue

	2020	2019	2018
		(£m)	
Core (product sales)	1,072.4	906.2	857.2
"Do It For Me" (project sales)	274.5	386.2	342.4
	1,346.9	1,292.4	1,199.6

Revenue recognised in 2020 included £26.7m (2019: £28.7m, 2018: £31.8m) in the deferred revenue balance at the start of the period.

3.2 Revenue reconciliation and like-for-like sales

	2020	2019	2018
		(£m)	
2019 / 2018 / 2017 revenue	1,292.4	1,199.6	1,236.4
Network change	(10.1)	(18.1)	(8.4)
2019 / 2018 / 2017 like-for-like revenue	1,282.3	1,185.5	1,228.0
Like-for-like revenue	64.6	102.4	(53.9)
Network change	—	8.5	25.5
2020 / 2019 / 2018 revenue	1,346.9	1,292.4	1,199.6
Like-for-like revenue %	5.0%	8.7%	(4.1)%

Calculating like-for-like sales enables management to monitor the performance trend of the underlying business year-on-year. It also gives management a good indication of the health of the business compared to competitors.

Like-for-like sales are a measure of underlying sales performance for two successive periods. Branches and stores contribute to like-for-like sales once they have been trading for more than 12 months. Revenue included in like-for-like sales is for the equivalent times in both periods being compared. When branches close revenue is excluded from the prior period figures for the months equivalent to the post closure period in the current period.

4 Operating profit

Operating profit has been arrived at after charging/(crediting):

	2020	2019	2018
		(£m)	
Loss/(profit) on disposal of property, plant and equipment	1.6	3.2	(0.3)
Income from subleasing right-of-use assets (note 12)	(3.8)	(3.7)	(4.3)

During the period the Group incurred the following costs for audit and non-audit services provided by the Group's auditor:

	2020	2019	2018
		(£000's)	
Audit fees	180	133	110
Services relating to corporate finance transactions	250	475	—

5 Adjusting items

	2020	2019	2018
		(£m)	
Wickes separation costs	8.2	9.2	—
Store impairment charge	10.2	1.9	—
Loss on legal entity restructuring	—	26.6	—
IT-related project termination costs	—	0.7	6.5
Restructuring costs	2.2	1.2	12.8
	20.6	39.6	19.3
Tax on adjusting items	(3.9)	(2.0)	(3.5)
Adjusting items – deferred tax rate change	(2.4)	—	2.6
Adjusting items - after tax	14.3	37.6	18.4

Separation costs

Separation costs are the costs incurred during the process of demerging the Wickes business from the Travis Perkins plc group. Costs relate to the separation of shared services and professional service fees.

Store impairment charge

The Covid-19 pandemic and related government restrictions implemented on 23 March 2020 was considered an impairment trigger and as a result all stores were tested for impairment. These impairment reviews resulted in a £12.1m impairment charge in respect of right-of-use assets, which are the only material assets of these stores. Details of the impairment reviews are presented in note 32. This charge is stated net of £1.9m of gains on the termination of leases where the right-of-use asset had previously been impaired and the charge presented as an adjusting item.

Restructuring costs

The restructuring charge relates to the cost-reduction programmes announced for the Wickes business in June 2018 and May 2020 and consist of redundancy and reorganisation costs in the business.

Loss on legal entity restructuring

This amount represents the loss in the consolidated Group accounts arising from the sale of a number of dormant companies and property companies and the assignment of intercompany balances to other entities in the Travis Perkins Group, as part of the process of restructuring the Group's legal structure in preparation for demerger. See note 24.

IT-related project termination costs

The IT-related adjusting charge of £0.7m in 2019 and £6.5m in 2018 arose from the termination of certain IT projects in the Wickes business.

Deferred tax rate change

The tax charge includes an adjusting credit of £2.4m (2019: £nil, 2018 £2.6m charge) arising from the increase in the rate of UK corporation tax effective on 1 April 2020 from 17% to 19%.

6 Finance costs

	2020	2019	2018
		(£m)	
Interest on lease liabilities (note 12)	32.0	33.3	34.3
Other interest	0.1	0.2	0.2
	32.1	33.5	34.5

7 Staff costs

7.1 Average number of persons employed

The average monthly number of persons employed (including Directors):

	2020	2019	2018
Administration and support	368	386	413
Sales	7,613	7,147	7,172
	7,981	7,533	7,585

7.2 Aggregate remuneration

	2020	2019	2018
		(£m)	
Wages and salaries	181.8	169.6	161.9
Social security costs	11.6	10.9	10.1
Other pension costs	4.0	3.6	3.0
Share-based payments	1.7	2.0	1.5
	199.1	186.1	176.5

8 Key management personnel

The remuneration of key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 – Related Party Disclosures.

	2020	2019	2018
		(£m)	
Short-term employee benefits	1.9	3.1	1.6
Post-employment benefits	0.3	0.3	0.3
	2.2	3.4	1.9

One of the Directors was paid by the Travis Perkins plc group and received total emoluments (including non-performance related bonuses) of £0.6m (2019: £1.3m, 2018: £0.9m) during the period, but it is not practicable to allocate his remuneration for services rendered to the Wickes business. None of the Directors were paid directly by the Wickes Group. These disclosures have been prepared as if the Directors of the Company at the date of the Capital Reorganisation were the directors of the Company throughout the period.

During the period no Directors were members of a defined benefit pension scheme (2019: none, 2018: none). One Director paid by the Travis Perkins group exercised share options during the period (2019: one, 2018: one).

The total amounts received or receivable by Directors under long-term incentive schemes in respect of qualifying service in the period is £235,600 (2019: £60,300, 2018: £205,200). The aggregate of gains made by the Directors in the period on the exercise of share options equated to £8,000 (2019: £nil, 2018: £nil).

9 Share-based payments

Share-based payment transactions relate to employee and executive share options. These are solely existing options on shares in Travis Perkins plc held by the staff of Wickes Building Supplies Limited thus have no direct impact on the future share capital of the Wickes group.

9.1 Fair value of options

The Black-Scholes option-pricing model is used to calculate the fair value of the options and the amount to be expensed. The probability of the performance conditions being achieved was included in the fair value calculations. The inputs into the model for options granted in the period expressed as weighted averages are as follows:

	2020			2019			2018		
	Executive options	SAYE	Nil price options	Executive options	SAYE	Nil price options	Executive options	SAYE	Nil price options
Share price at grant date (pence)	1,149	1,204	1,096	1,402	—	1,354	1,295	1,089	1,234
Option exercise price (pence)	1,144	898	—	1,395	—	—	1,300	909	—
Volatility (%)	42.5%	42.4%	42.6%	32.0%	—	32.4%	29.3%	30.3%	29.3%
Option life (years)	2.2	3.1	2.2	2.7	—	2.7	2.2	3.3	2.2
Risk free interest rate (%)............	(0.1%)	(0.0%)	(0.1%)	0.70%	—	0.67%	1.2 %	1.2%	1.2%
Expected dividends as a dividend yield (%)............	2.5%	2.5%	2.6%	2.60%	—	2.60%	3.2%	3.8%	3.3%

Volatility is based on historic share prices over a period equal to the vesting period. Option life used in the model has been based on options being exercised in accordance with historical patterns. For executive share options the vesting period is three years.

If options remain unexercised after a period of 10 years from the date of grant, these options expire. Options are forfeited if the employee leaves the Group before options vest. SAYE options vest after three or five years and expire 3½ or 5½ years after the date of grant.

The risk-free interest rate of return is the yield on zero-coupon UK Government bonds on a term consistent with the vesting period. Dividends used are based on actual dividends where data is known and future dividends estimated using a dividend cover of three times (within the Board's target range).

The expected life of options used in the model has been adjusted, based upon management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

9.2 Income statement charge and shares granted

The estimated fair values of the shares under option granted under the Group's share schemes in 2020 are as follows:

Share scheme	Grant date	Fair value
		(£m)
Co-investment plan (nil price options)	22/09/2020	£1.4m
Performance share plan (approved components – executive options, unapproved components – nil price options)	14/09/2020	£1.5m
Save As You Earn plan	08/10/2020	£2.9m

Share scheme	Grant date	Fair value
		(£m)
Co-investment plan (nil price options)	01/04/2019	£1.0m
Performance share plan (approved components – executive options, unapproved components – nil price options)	12/03/2019	£0.2m

Share scheme	Grant date	Fair value
		(£m)
Co-investment plan (nil price options)	29/03/2018	£0.2m
Performance share plan (approved components – executive options, unapproved components – nil price options)	13/03/2018	£0.2m
Save As You Earn plan	26/09/2018	£6.4m

The Group charged £1.7m (2019: £2.0m, 2018: £1.5m) to the income statement in respect of equity-settled share-based payment transactions.

9.3 Share options

The number and weighted average exercise price of share options is as follows:

	2020			2019			2018		
	Weighted average exercise price (p)	Number of options	Number of nil price options	Weighted average exercise price (p)	Number of options	Number of nil price options	Weighted average exercise price (p)	Number of options	Number of nil price options
				(In thousands of options)					
Outstanding at the beginning of the period	791	640	105	1,068	930	87	1,306	833	87
Forfeited during the period	1,053	(82)	(3)	988	(210)	(18)	1,302	(514)	(1)
Exercised during the period	1,204	(84)	(19)	917	(89)	(46)	1,287	(26)	(28)
Granted during the period	907	634	263	134	9	82	919	637	29
Outstanding at the end of the period	932	1,108	346	791	630	105	1,068	930	87
Exercisable at the end of the period	1,530	33	2	1,232	24	3	1,519	54	57

Details of the options outstanding at 26 December 2020 are as follows:

	2020			2019			2018		
	Executive options	SAYE	Nil price options	Executive options	SAYE	Nil price options	Executive options	SAYE	Nil price options
Range of exercise price (pence)...	743-1958	898-1616	—	473-1958	909-1616	—	473-1,335	909-1,616	—
Weighted average exercise price (pence)	1,241	921	—	1415	999	—	1,287	1,064	185
Number of shares (thousands).....	38	1,070	346	20	620	105	19	911	87
Weighted average expected remaining life (years)	1.6	2.2	0.9	1.5	2.0	1.3	2.0	2.6	0.8
Weighted average contractual remaining life (years)	9.2	2.4	9.3	7.8	2.0	8.2	8.7	2.5	7.8

9.4 Impact of vesting and exercise

If all 0.04m outstanding executive options vest and then are exercised on the date of vesting, or in the case of SAYE all 1.1m shares are acquired on the first possible day 1.14m of shares will be issued for a consideration of £10.3m in the periods below:

	2021		2022		2023		2024		2025	
	No. *(m)*	Value *(£m)*	No. *(m)*	Value *(£m)*	No. *(m)*	Value *(£m)*	No. *(m)*	Value *(£m)*	No. *(m)*	Value *(£m)*
Options	0.005	0.06	0.009	0.1	0.02	0.3	—	—	—	—
SAYE	0.033	0.4	0.3	3.2	0.013	0.2	0.6	5.2	—	—

The table above shows theoretical amounts. For the Group to receive the cash indicated in the periods shown, the following must occur:

- All performance conditions on executive share options must be fully met
- Options must be exercised on the day they vest (option holders generally have a seven year period post vesting to exercise the option)
- The share price at the exercise date for SAYE options must exceed the exercise price and every holder must exercise
- All option/SAYE holders must remain with the Group, or leave on good terms

If none of the requirements are met then the Group will receive no consideration.

10 Tax

	2020	2019	2018
		(£m)	
Current tax			
current period	7.3	12.2	6.0
prior period	0.1	(1.2)	(0.4)
Total current tax..	7.4	11.0	5.6
Deferred tax			
current period	(2.0)	(1.8)	(0.9)
prior period adjustment – change in tax rate	(2.4)	—	2.6
prioperiod adjustment – other......................................	(0.4)	0.6	(0.1)
Total deferred tax	(4.8)	(1.2)	1.6
Total tax charge...	2.6	9.8	7.2

The differences between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax of 19 per cent. (2019: 19 per cent., 2018: 19 per cent.) to the profit before tax for the Group are as follows:

	2020	2019	2018
		(£m)	
Profit before tax	28.9	22.7	22.1
Tax at the standard corporation tax rate	5.5	4.3	4.2
Depreciation of non-qualifying property	0.6	0.7	0.6
Tax effect of expenses that are not deductible	0.2	5.2	—
Prior period adjustment	(0.3)	(0.6)	(0.3)
Effect of share based payments	—	0.1	0.3
Change in tax rate	(2.4)	(0.2)	2.6
Other differences	(1.0)	0.3	(0.2)
Total tax charge	2.6	9.8	7.2

The effective tax rate for the period is 11.7 per cent. (2019: 43.4 per cent., 2018: 32.6 per cent.). The 2020 and 2019 effective tax rates are affected by the impact of the change in tax rate on the Group's deferred tax asset and the loss on legal entity restructuring respectively. These events and their tax effect do not provide a guide to the Group's future tax charge.

11 Property, plant and equipment

	Leasehold improvements	Plant and equipment	Total
		(£m)	
Cost			
At 31 December 2017	119.8	227.4	347.2
Additions	17.0	22.3	39.3
Disposals	(6.5)	(9.0)	(15.5)
At 29 December 2018	130.3	240.7	371.0
Additions	12.7	6.9	19.6
Disposals	(22.3)	(9.1)	(31.4)
At 28 December 2019	120.7	238.5	359.2
Additions	9.3	7.9	17.2
Disposals	(3.6)	(5.8)	(9.4)
At 26 December 2020	126.4	240.6	367.0
Accumulated depreciation			
At 31 December 2017	63.0	160.7	223.7
Charged in the period	6.6	20.2	26.8
Disposals	(4.8)	(8.5)	(13.3)
At 29 December 2018	64.8	172.4	237.2
Charged in the period	5.4	18.4	23.8
Impairment	1.9	—	1.9
Disposals	(5.3)	(7.4)	(12.7)
At 28 December 2019	66.8	183.4	250.2
Charged in the period	6.4	14.9	21.3
Disposals	(2.3)	(5.3)	(7.6)
At 26 December 2020	70.9	193.0	263.9
Net book value			
At 29 December 2018	65.5	68.3	133.8

	Leasehold improvements	Plant and equipment	Total
		(£m)	
At 28 December 2019	53.9	55.1	109.0
At 26 December 2020	55.5	47.6	103.1

In preparation for the demerger, on 19 December 2019 assets of £15.5m held by the Group were transferred to Travis Perkins plc at book value for consideration left outstanding as intercompany debt as they did not form part of the continuing Wickes business.

12 Leases

The Group leases many assets including land and buildings and vehicles, the weighted average remaining lease term is nine years (2019: nine years, 2018: nine years). Information about leases for which the Group is a lessee is presented below.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options and break clauses. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which can significantly affect the amount of lease liabilities and right-of-use assets recognised. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For property leases the following factors are normally the most relevant:

- The profitability of the leased store/warehouse and future plans for the business
- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate)

At 26 December 2020 the Group had no material leases committed to but not yet commenced. The Group, which does not enter into turnover rent agreements and which has extension options solely in respect of some vehicle leases, does not have material variable payments in its leases and does not have significant exposure to extension options that are not reflected in the lease liability.

Right-of-use assets

	Land and buildings	Plant and equipment	Total
		(£m)	
Net carrying value			
At 31 December 2017	761.8	18.5	780.3
Additions	75.3	1.0	76.3
Terminations	(0.3)	—	(0.3)
Depreciation	(74.8)	(4.7)	(79.5)
At 29 December 2018	762.0	14.8	776.8
Additions	40.4	6.2	46.6
Terminations	(8.8)	—	(8.8)
Depreciation	(73.9)	(4.9)	(78.8)
At 28 December 2019	719.7	16.1	735.8
Additions	9.7	0.3	10.0
Terminations	(2.0)	(0.2)	(2.2)
Depreciation	(72.5)	(4.8)	(77.3)
Impairments	(12.1)	—	(12.1)
At 26 December 2020	642.8	11.4	654.2

Lease liabilities

	2020	2019	2018
		(£m)	
Maturity analysis – contractual undiscounted cash flows			
Less than one year	110.0	108.8	107.2
One to five years	404.5	410.6	399.1
More than five years	472.7	543.7	582.1
Total undiscounted lease liabilities	987.2	1,063.1	1,088.4
Lease liabilities included in the balance sheet			
Current	77.2	75.5	75.6
Non-current	712.8	779.5	819.6
	790.0	855.0	895.2

Amounts recognised in profit and loss

	2020	2019	2018
		(£m)	
Depreciation expense on right-of-use assets	77.3	78.8	79.5
Interest expense on lease liabilities	32.0	33.3	34.3
Gain on terminations	(1.9)	(3.0)	(0.1)
Impairment	12.1	—	—
Expenses related to short-term leases	0.8	1.5	2.7
Expenses related to low-value assets	0.5	0.5	0.1
Income from subleasing right-of-use assets	(3.8)	(3.7)	(4.3)

The weighted average incremental borrowing rate applied to property leases is 4.0 per cent., and for fleet leases was 1.8 per cent. Incremental borrowing rates for property leases are calculated from Group debt costs modified for retail property yields across the UK. Incremental borrowing rates for fleet leases are calculated from hire-purchase rates.

Sublet income

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

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

	2020	2019	2018
		(£m)	
Within one year	3.8	3.3	4.1
One to five years	11.5	10.3	12.7
After five years	7.2	8.6	10.2
	22.5	22.2	27.0

13 Goodwill and other intangible assets

	Goodwill	Software	Total
		(£m)	
Cost			
At 31 December 2017	8.4	11.4	19.8
Additions	—	4.5	4.5
At 29 December 2018	8.4	15.9	24.3
Additions	—	4.5	4.5
At 28 December 2019	8.4	20.4	28.8
Additions	—	2.9	2.9
At 26 December 2020	8.4	23.3	31.7
Amortisation and impairment			
At 31 December 2017	—	0.3	0.3
Charged in the period	—	1.8	1.8
Impairment	—	0.7	0.7
At 29 December 2018	—	2.8	2.8
Charged in the period	—	3.4	3.4
Impairment	—	0.3	0.3
At 28 December 2019	—	6.5	6.5
Charged in the period	—	4.5	4.5
At 26 December 2020	—	11.0	11.0
Net Book Value			
At 39 December 2018	8.4	13.1	21.5
At 28 December 2019	8.4	13.9	22.3
At 26 December 2020	8.4	12.3	20.7

Goodwill arising on acquisition represents the excess of the cost of acquisition over the share of the aggregate fair value of identifiable net assets (including intangible assets) of a business or a subsidiary at the date of acquisition. The goodwill held by the Group arose on the acquisition of Focus DIY stores.

At the beginning and end of the financial periods the recoverable amount of goodwill with indefinite useful lives was in excess of their book value. In the absence of a binding agreement to sell the assets and active reference market on which fair value can be determined, the recoverable amount of the goodwill was determined according to value in use. The Directors' calculations have shown that no impairments have occurred. Details of impairment tests are shown in note 32.

14 Inventories

	2020	2019	2018
		(£m)	
Inventories	138.3	150.4	147.8

Inventories consist of goods for resale. Inventories are stated after provisions for impairment of £4.6m (2019: £4.6m, 2018: £4.5m).

Inventory included in expenses in the period was £837.8m (2019: £791.1m, 2018: £729.9m).

15 Supplier income

Supplier income balances included within balance sheet are as follows:

	2020	2019	2018
		(£m)	
Trade payables and other receivables	35.3	18.4	19.2
Inventories	(7.2)	(7.0)	(7.0)

16 Trade and other receivables

	2020	2019	2018
		(£m)	
Trade receivables	43.7	32.9	28.8
Expected loss allowance	(0.6)	(0.2)	(0.3)
	43.1	32.7	28.5
Amounts owed by Travis Perkins group undertakings	186.1	282.7	684.6
Tax receivable	4.0	—	—
Other receivables	24.9	5.2	5.5
Prepayments	3.5	6.4	5.0
Trade and other receivables	261.6	327.0	723.6

Trade receivables represent amounts due from third parties providing finance to the Group's customers. These amounts are payable to the Group by the financing providers following the provision of the financed goods or the completion of kitchen or bathroom installation. Cash received from third parties providing finance to the Group's customers is recognised in the Cash Flow Statement as an operating cash flow.

The Group does not retain consumer credit risk in respect of these financed sales and does not provide credit services directly to customers. The Directors consider that the only class of asset containing significant credit risk is trade receivables.

Amounts due to Travis Perkins group undertakings relate to loans and trading balances. These loans are interest-free and have no fixed date for repayment. The Directors expect these balances to be settled in 2021 in advance of the Group's demerger.

Expected credit loss assessment

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 26 December 2020.

	Gross carrying amount	Weighted average loss rate	Net loss allowance	Credit impaired
		(£m)		
Current (not past due)	41.5	1.7%	(0.6)	No
Days overdue:				
1-30	1.1	—	—	No
31-60	—	—	—	No
61-90	—	—	—	No
91-120	—	—	—	No
More than 120	0.1	—	—	No
	43.7		(0.6)	

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 28 December 2019.

	Gross carrying amount	Weighted average loss rate	Net loss allowance	Credit impaired
		(£m)		
Current (not past due)	32.2	0.7%	(0.2)	No
Days overdue:				
1-30	0.3	—	—	No
31-60	0.2	—	—	No
61-90	—	—	—	No
91-120	—	—	—	No
More than 120	0.2	—	—	No

	32.9		(0.2)	

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 29 December 2018.

	Gross carrying amount	Weighted average loss rate	Net loss allowance	Credit impaired
		(£m)		
Current (not past due)	28.0	1.3%	(0.3)	No
Days overdue:				
1-30	0.1	—	—	No
31-60	0.1	—	—	No
61-90	0.1	—	—	No
91-120	0.1	—	—	No
More than 120	0.4	—	—	No
	28.8		(0.3)	

Loss rates are assessed on a forward-looking basis, considering actual credit loss experience over the past three years and whether there has been a significant increase in credit risk.

17 Trade and other payables

	2020	2019	2018
		(£m)	
Trade payables	150.1	132.0	126.4
Amounts owed to Travis Perkins group undertakings	1.0	13.9	458.9
Other taxation and social security	15.0	17.2	9.6
Other payables	16.7	11.9	7.9
Deferred income	36.1	26.7	28.7
Accruals	59.0	38.3	29.8
Trade and other payables	277.9	240.0	661.3

The accruals balance includes £32.6m in respect of the Government's Business Rates Relief arrangement. The Travis Perkins Group announced in December 2020 that it would repay all support it received in 2020 under these schemes.

The deferred income balance represents amounts received directly from customers for goods and services where the Group has not fulfilled its performance obligations. Under the terms of the relevant contracts, sales made where third parties have provided finance to the customer do not give rise to deferred income.

18 Financial instruments

Carrying value of categories of financial instruments

	2020	2019	2018
		(£m)	
Financial assets			
Trade and other receivables (including cash) at amortised cost	78.5	63.3	50.2
Amounts owed by Travis Perkins group at amortised cost	186.1	282.7	684.6
	264.6	346.0	734.8
Financial liabilities			
Trade and other payables at amortised cost	166.8	143.9	134.3

Amounts owed to Travis Perkins group at amortised cost	1.0	13.9	458.9
	167.8	157.8	593.2

Trade and other receivables exclude prepayments of £3.5m (2019: £6.4m, 2018: £5.0m). Trade and other payables excludes taxation, social security, accruals and deferred income amounts totalling £110.1m (2019: £82.2m, 2018: £68.1m). The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. Management consider the credit risk of the counterparty to both trade and intercompany receivables to be low. Trade receivables represents amounts due from reputable finance institutions. Intercompany receivables represents amounts due from Travis Perkins PLC – a FTSE 250 business with a robus financial position. Prior to the issue of this Historical Financial Information the intercompany receivables have been settled in full.

Liquidity analysis

The following table details the Group's liquidity analysis for its other financial liabilities. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest and foreign currency rates as illustrated by the yield curves existing at the reporting date.

	0-1 year	1-2 years	2-5 years	5+ years	Total
			(£m)		
2020:					
Trade and other payables at amortised cost	166.8	—	—	—	166.8
Amounts owed to Travis Perkins group at amortised cost	1.0	—	—	—	1.0
	167.8	—	—	—	167.8
2019:					
Trade and other payables at amortised cost	143.9	—	—	—	143.9
Amounts owed to Travis Perkins group at amortised cost	13.9	—	—	—	13.9
	157.8	—	—	—	157.8
2018:					
Trade and other payables at amortised cost	134.3	—	—	—	134.3
Amounts owed to Travis Perkins group at amortised cost	458.9	—	—	—	458.9
	593.2	—	—	—	593.2

19 Provisions

	Property	Warranty	Restructuring	Insurance	Total
			(£m)		
At 31 December 2017	2.6	—	0.3	7.9	10.8
Charge to income statement	1.0	—	6.1	3.2	10.3
Utilisation	(0.9)	—	—	(2.7)	(3.6)
At 29 December 2018	2.7	—	6.4	8.4	17.5
Charge to income statement	1.4	1.4	3.1	3.5	9.4
Utilisation	(0.4)	—	(5.6)	(5.4)	(11.4)
At 28 December 2019	3.7	1.4	3.9	6.5	15.5
Charge to income statement	1.7	0.1	2.2	2.8	6.8
Utilisation	(3.0)	—	(6.1)	(2.5)	(11.6)
At 26 December 2020	2.4	1.5	—	6.8	10.7

Property-related provisions primarily arise following the decision to close a branch where there is still an obligation to fulfil rate, insurance and dilapidation payments under the lease contract. The provision will be revised in future periods should the lease be terminated early or a subtenant found. The provision will be utilised over the life of the properties to which they relate, as shown below.

As set out in note 5, the Group recognised an adjusting charge relating to restructuring costs. The restructuring provision relates to these costs. It excludes property-related provisions and trade creditor amounts, which are presented separately.

The insurance provision relates to outstanding insurance claims where the final settlement is uncertain.

The following table details the Group's liquidity analysis of its provisions, based on the undiscounted net cash outflows.

	0-1 year	**1-2 years**	**2-5 years**	**5+**	**Total**
			(£m)		
2020:					
Property	2.1	0.1	—	0.2	2.4
Warranty	1.5	—	—	—	1.5
Insurance	6.8	—	—	—	6.8
	10.4	0.1	—	0.2	10.7
2019:					
Property	1.5	2.0	0.1	0.1	3.7
Warranty	1.4	—	—	—	1.4
Restructuring	3.9	—	—	—	3.9
Insurance	6.5	—	—	—	6.5
	13.3	2.0	0.1	0.1	15.5
2018:					
Property	1.4	0.5	0.6	0.2	2.7
Warranty		—	—	—	
Restructuring	6.4	—	—	—	6.4
Insurance	8.4	—	—	—	8.4
	16.2	0.5	0.6	0.2	17.5

20 Deferred tax

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

Asset/(liability)	**At 29 December 2019**	**Recognised in income**	**Recognised in equity**	**At 26 December 2020**
		(£m)		
2020:				
Capital allowances	(1.3)	1.6	—	0.3
Share-based payments	0.2	0.3	—	0.5
Leases	20.3	2.9	—	23.2
Deferred tax	19.2	4.8	—	24.0

Asset/(liability)	**At 30 December 2018**	**Recognised in income**	**Recognised in equity**	**At 28 December 2019**
		(£m)		
2019:				
Capital allowances	(2.3)	1.0	—	(1.3)
Share-based payments	0.2	—	—	0.2
Leases	20.1	0.2	—	20.3
Deferred tax	18.0	1.2	—	19.2

Asset/(liability)	At 31 December 2017	Recognised in income	Recognised in equity	At 29 December 2018
		(£m)		
2018:				
Capital allowances....................	(2.6)	0.3	—	(2.3)
Share-based payments	0.3	(0.1)	—	0.2
Leases.....................................	21.9	(1.8)	—	20.1
Deferred tax..............................	19.6	(1.6)	—	18.0

At 26 December 2020 the Group had unused capital losses of £38.7m available for offset against future capital profits. No deferred tax asset has been recognised because it is improbable that future taxable profits will be available against which the Group can utilise the losses.

21 Pension arrangements

All qualifying employees are able to contribute to the Travis Perkins Pension Plan, a defined contribution pension scheme. The pension cost, which represents contributions payable by the Group, amounted to £4.0m (2019: £3.6m, 2018: £3.0m).

22 Dividends

The components of the dividends paid that are recognised in equity are as follows:

	2020	2019	2018
		(£m)	
Dividends paid	176.8	—	50.7

The dividends paid in 2020 were as a result of the reorganisation of the legal structure of the Wickes entities in preparation for the demerger. The dividend paid was in the form of an intercompany transfer, as a result no cash payment was made.

23 Investments

The Group's subsidiary undertakings at 26 December 2020 are listed below:

Subsidiary undertaking	Country of incorporation	Holding	Percentage of shares held	Nature of business
Wickes Group Holdings Limited	England and Wales	Ordinary shares	100%	Holding company
Wickes Building Supplies Limited	England and Wales	Ordinary shares*	100%	Home improvement retailer
Wickes Finance Limited	England and Wales	Ordinary shares*	100%	Dormant
Wickes Holdings Limited	England and Wales	Ordinary shares*	100%	Dormant

* indirect shareholding

The registered office of the above subsidiary undertakings is Vision House, 19 Colonial Way, Watford, United Kingdom, WD24 4JL.

The following direct and indirect subsidiaries were disposed of on 19 December 2019. See note 24.

Subsidiary undertaking	Country of incorporation	Holding	Percentage of shares held	Nature of business
Wickes Retail Sourcing Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
HTG (1996) Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary

Subsidiary undertaking	Country of incorporation	Holding	Percentage of shares held	Nature of business
Hunter Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
MD (1995) Group Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
HT (1995) Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Hunter Estates Limited	England and Wales	Ordinary shares	100%	Active
Wickes Group Trustees Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Wickes Properties Limited	England and Wales	Ordinary shares	100%	Active
Wickes Developments Limited	England and Wales	Ordinary shares	100%	Active
MD (1995) Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
May & Hassell Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Builders Mate Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Christie & Vesey Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Curran Sawmills Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Downpatrick Timber Slate & Coal Company Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
JT Stanton & Co Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
John Dove & Co Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Kisling Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Malden Timber (West) Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Elecnation Limited (formerly Malden Timber Limited)	England and Wales	Ordinary shares	100%	Dormant subsidiary
MD (Park Street) Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
MD-DOR3 Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
MD-DOR4 Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Norman Mackenzie (Building Supplies) Limited	Scotland	Ordinary shares	100%	Dormant subsidiary
R A Thomas (Joinery) Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Deny Mott & Dickson Limited	England and Wales	Ordinary shares	100%	In Liquidation
Harrison Trenery Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
M & H (North East) Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
May & Hassell (Cumbria) Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary

Subsidiary undertaking	Country of incorporation	Holding	Percentage of shares held	Nature of business
May & Hassell (Scotland) Limited	Scotland	Ordinary shares	100%	Dormant subsidiary
Vaner Holdings Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
Chandler Forest Products Limited	England and Wales	Ordinary shares	100%	Dormant subsidiary
May & Hassell Saw Mills (Liverpool) Limited	England and Wales	Ordinary shares	100%	In Liquidation

24 Disposals

In preparation for the demerger, on 19 December 2019 the investments held by the Group in the dormant companies and property companies listed as disposed of in note 23 were transferred to other entities in the Travis Perkins Group for consideration of £92.7m left outstanding as intercompany debt. This consideration represented the book value of these companies' assets and liabilities in their individual company accounts, which differed from the net impact of these companies' assets and liabilities on the consolidated balance sheet of the Group. The disposal of these companies resulted in the derecognition of £119.3m of intercompany receivables and a £26.6m loss on disposal in these consolidated accounts. This has been disclosed as an adjusting item (note 5). No assets or liabilities other than intercompany amounts were affected by these disposals.

25 Related party transactions

The Group has related party relationships with its subsidiaries plus other Travis Perkins Group companies and with its Directors. There have been no related party transactions with Directors other than in respect of remuneration. Transactions with the Travis Perkins Group companies relate to the purchase of goods and lease arrangements.

Purchases of £2.8m (2019: £3.1m, 2018: £4.0m) were made from other entities in the Travis Perkins group, of which £1.0m (2019: £nil, 2018: £nil) remained due at the period-end. Rental payments of £4.7m (2019: £9.8m, 2018: £10.5m) were made to other entities in the Travis Perkins group, of which £0.2m (2019: £nil, 2018: £nil) remained due at the period-end, and received rental income of £2.1m (2019: £1.3m, 2018: £1.5m), of which £nil (2019: £nil, 2018: £nil) remained due at the period-end.

In preparation for the demerger, on 19 December 2019 assets of £15.5m held by the Group were transferred to Travis Perkins plc at book value for consideration left outstanding as intercompany debt as they did not form part of the continuing Wickes business.

26 Guarantees and security

At 29 December 2018, 28 December 2019 and 26 December 2020, Wickes Building Supplies Limited, together with six other subsidiaries of the Travis Perkins plc group have guaranteed:

- The Travis Perkins Group's £400 million UK syndicated bank facility (2019: £400 million, 2018: £550 million). At 31 December 2020 the facility was undrawn (2019: undrawn, 2018: undrawn).
- £550 million of UK guaranteed notes, issued by Travis Perkins plc.
- A £30 million overdraft facility available to the Travis Perkins Group. At the period-end the overdraft facility was not utilised.
- Certain agreements entered into during the normal course of business by the Travis Perkins plc group which at the period-end totalled £25.0m (2019: £25.0m, 2018: £25.0m)

On demerger Wickes Building Supplies Limited will cease to be a guarantor of the above debt facilities. The Group negotiated a revolving credit facility with a syndicate of four banks in March 2021. The facility is for a total value of £80m and matures in March 2024. The facility is subject to covenants relating to fixed charge cover and gearing which will be assessed on a quarterly basis.

27 Net debt

Movement in net debt

	Cash and cash equivalents	Lease liability	Total
		(£m)	
At 31 December 2017	(6.6)	895.5	888.9
Cash flow	(9.6)	(109.5)	(119.1)
Discount unwind on lease liability	—	34.3	34.3
Lease additions	—	75.4	75.4
Lease terminations	—	(0.5)	(0.5)
At 29 December 2018	(16.2)	895.2	879.0
Cash flow	(9.2)	(108.5)	(117.7)
Discount unwind on lease liability	—	33.3	33.3
Lease additions	—	46.6	46.6
Lease terminations	—	(11.6)	(11.6)
At 28 December 2019	(25.4)	855.0	829.6
Cash flow	18.9	(107.8)	(88.9)
Discount unwind on lease liability	—	32.0	32.0
Lease additions	—	15.0	15.0
Lease terminations	—	(4.2)	(4.2)
At 26 December 2020	(6.5)	790.0	783.5

Balances

	2020	2019	2018
		(£m)	
Cash and cash equivalents	(6.5)	(25.4)	(16.2)
Non-current lease liabilities	712.8	779.5	819.6
Current lease liabilities	77.2	75.5	75.6
Net debt	783.5	829.6	879.0

28 Capital commitments

	2020	2019	2018
		(£m)	
Contracted for but not provided in the accounts	13.9	8.7	0.1

29 Post balance sheet events

Travis Perkins plc announced on 2 March 2021 that the demerger process, which was put on hold in 2020 as a result of the Covid-19 pandemic, had re-commenced. Accordingly it is expected that the Company will be re-registered as a public company in 2021.

30 Capital and reserves

On 17 March 2020, the Company acquired Wickes Group Holdings Limited in exchange for the issuance of 252,143,913 ordinary shares with a nominal value of £0.10 each. Group reconstruction relief was applied and resulted in the recognition of share premium of £862.3m.

Following this, the Company had 252,143,923 allotted and fully paid ordinary shares of £0.10 each. There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

On 18 March 2020, after the Capital Reorganisation, the Company undertook a capital reduction and the entire balance on the share premium account of £862.3m was reduced and credited to retained earnings.

31 Earnings per share

Basic and diluted earnings per share

	2020	2019	2018
Earnings for the purposes of earnings per share	26.3	12.9	14.9
Weighted average number of shares for the purposes of basic earnings per share	252,143,923	252,143,923	252,143,923
Dilutive effect of share options on potential ordinary shares	—	—	—
Weighted average number of ordinary shares for the purposes of diluted earnings per share	252,143,923	252,143,923	252,143,923
Earnings per share	10.4p	5.1p	5.9p
Diluted earnings per share	10.4p	5.1p	5.9P

32 Impairment

Measuring recoverable amounts

For impairment testing purposes, the Group has determined that each store is a separate CGU. 'Click and collect' sales and an allocation of delivered online sales are included in store cash flows. Each CGU is tested for impairment at the balance sheet date if any indicators of impairment have been identified. The Covid-19 pandemic and related government restrictions implemented on 23 March 2020 was considered an impairment trigger and as a result all stores were tested for impairment as at 30 June 2020.

The Group's goodwill balance, which arose in relation to the acquisition of certain stores formerly operating under the Focus brand in 2007 and 2011, is allocated and monitored for impairment testing purposes to groups of individual CGUs. The Group tests goodwill for impairment annually, or more frequently if there are indications that an impairment may have occurred.

At the end of the 2020 financial year, the recoverable amount of goodwill was in excess of its book value and therefore no impairment has been recognised. Then impairment review was not sensitive to changes in the assumptions used in the value in use model.

The recoverable amount of each CGU is determined from value-in-use calculations. The key assumptions for the value-in-use calculation are those regarding discount rates, long-term growth rates, the growth rate of sales and gross margin and changes in the operating cost base. Management estimates pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the Group that are not reflected in the cash flow projections.

Key assumptions

The key financial assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of current market conditions and future trends and have been based on historical data from both external and internal sources.

	2020	2019	2018
Pre-tax discount rate	11.8%	9.3%	9.3%
Long-term growth rate	1.5%	1.6%	1.5%

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

- The pre-tax discount rate is derived from the Group's weighted average cost of capital, which has been calculated using the capital asset pricing model, the inputs of which include a UK risk-free rate, equity risk premium, Group size premium and a risk adjustment ("beta"). Due to Covid-19 and its impact on debt and equity markets, the Group's estimated cost of capital was significantly higher during some periods of 2020 compared to December 2019.

- Long-term growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. This represents the forecast GDP growth for the final period considered in the Office for Budget Responsibility's most recent Economic and Fiscal Outlook report.

Cash flow forecasts are derived from the latest budget and forecast cash flows that form the most recent Board-approved corporate plan updated for changes in current trading conditions and adjusted for risks relevant to the cash flows. These updates have included the impact of Covid-19 on sales and operating costs. The key operating assumptions used in the estimation of future cash flows are sales and gross margin growth and operating margin changes for the store budgets. These are derived from a variety of sources including historical store performance, local competitor activity, consumer outlook reports, current and forecast housing market transaction numbers, the household saving ratio and the impact of committed initiatives.

Cash flows beyond the corporate plan period (2025 and beyond) have been determined using the long-term growth rate.

Impairment of goodwill

At the end of 2020 financial period the recoverable amount of goodwill was in excess of its book value and therefore no impairment has been recognised. The impairment review was not sensitive to changes in the assumptions used in the value-in-use model.

Impairment of right-of-use assets

Due to Covid-19 and its impact on the UK economy and the Group, an impairment review was performed on the Group's stores as at 30 June 2020. An impairment charge of £12.1m was recognised in respect of five Wickes stores where the impacts of Covid-19 have made it more challenging to implement the performance improvement plans necessary to generate cash flows that support the stores' value-in-use. The carrying amount of non-current assets attributable to these five stores after this impairment is £21.9m. The impairment reviews were carried out using the assumptions and methodology disclosed in this note. The remaining lease term was used as the remaining useful life. The impairments have been recognised against the right-of-use assets associated with these stores, which are the only material assets. The impairment did not relate to any CGU to which goodwill is allocated. The Directors do not believe that there is a significant risk of material adjustment to these impairments in 2021 as these impairments arose as a result of specific circumstances related to the Covid-19 pandemic and its impact on the Group's ability to improve the performance of these stores.

It is possible that a materially different impairment would have been identified in the impairment review undertaken as at 30 June 2020 if the key assumptions were changed significantly in the value-in-use calculations. The impact on the impairment charge recognised from reasonably possible changes in assumption, all other assumptions remaining the same, are shown in the table below.

Assumption

	Increase in impairment charge
	(£m)
5% fall in sales and 20bps reduction in gross margin	7.5
1% fall in sales and 10bps reduction in gross margin	2.6
3% increase in overhead costs	2.7

Reasonably possible changes of the other key assumptions, including a 50 basis point increase in the discount rate or reducing the long-term growth rate to 0 per cent., would not result in a significant increase to the impairment charge, either individually or in combination.

Key estimates over assumptions used in value-in-use calculations

In testing for impairment, the Directors have made certain estimates concerning discount rates, future cash flows and the future development of the business that are consistent with the corporate plan. Whilst the Directors consider their assumptions to be realistic, should actual results, including those for market volume changes, be different from expectations, for instance due to a worsening of the UK economy, then it is possible that the value of non-current assets included in the balance sheet could become impaired.

PART X
UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Section A: Introduction

The unaudited pro forma statement of net assets set out in Section B of this Part X: *"Unaudited Pro Forma Statement of Net Assets"* has been prepared to illustrate the impact of the Demerger on the net assets of the Wickes Group as if the Demerger had taken place on 26 December 2020. The unaudited pro forma statement of net assets has been prepared on the basis of, and should be read in conjunction with, the notes set out below.

The unaudited pro forma statement of net assets of the Wickes Group is based on the net assets of the Wickes Group as at 26 December 2020 and has been prepared on the basis that the Demerger was effective as of 26 December 2020 and in a manner consistent with the accounting policies adopted by the Company in preparing its audited consolidated financial statements for the year ended 26 December 2020.

Because of its nature, the unaudited pro forma statement of net assets addresses a hypothetical situation and, therefore, does not represent the Wickes Group's actual financial position or results. It may not, therefore, give a true picture of the Wickes Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma statement of net assets has been prepared for illustrative purposes only and in accordance with Annex 20 of the Prospectus Regulation.

Section B – Unaudited Pro Forma Statement of Net Assets

	Net assets of the Wickes Group as at 26 December 2020	Adjustment for cash settlement of intercompany balances by the Travis Perkins Group	Adjustment for the repayment of rate relief	Adjustment for transaction costs in connection with the Demerger	Adjustment for settlement of remaining intercompany balances with the Travis Perkins Group	Pro Forma
	Note 1	**Note 2**	**Note 3**	**Note 4**	**Note 5**	
	£'m	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**
Non-current assets						
Goodwill	8.4	—	—	—	—	8.4
Other intangible assets	12.3	—	—	—	—	12.3
Property, plant and equipment	103.1	—	—	—	—	103.1
Right-of-use assets	654.2	—	—	—	—	654.2
Deferred tax asset	24.0	—	—	—	—	24.0
Total non-current assets	**802.0**	**—**	**—**	**—**	**—**	802.0
Current assets						
Inventories	138.3	—	—	—	—	138.3
Trade and other receivables	261.6	(156.1)	—	—	(30.0)	75.5
Cash and cash equivalents	6.5	156.1	(32.6)	(5.0)	—	125.0
Total current assets	**406.4**	**—**	**(32.6)**	**(5.0)**	**(30.0)**	**338.8**
Total assets	**1,208.4**	**—**	**(32.6)**	**(5.0)**	**(30.0)**	**1,140.8**
Non-current liabilities						
Lease liabilities	712.8	—	—	—	—	712.8
Long-term provisions	0.3	—	—	—	—	0.3
Total non-current liabilities	**713.1**	**—**	**—**	**—**	**—**	**713.1**
Current liabilities						
Lease liabilities	77.2	—	—	—	—	77.2
Trade and other payables	277.9	—	(32.6)	—	—	245.3
Short-term provisions	10.4	—	—	—	—	10.4
Total current liabilities	**365.5**	**—**	**(32.6)**	**—**	—	**332.9**
Total liabilities	**1,078.6**	**—**	**(32.6)**	**—**	—	**1,046.0**
Net assets/(liabilities)	**129.8**	**—**	**—**	**(5.0)**	**(30.0)**	**94.8**

Notes:

(1) The net assets of the Wickes Group as at 26 December 2020 have been extracted without material adjustment from Part IX: "*Historical Financial Information*".

(2) The adjustment in Note 2 reflects the £156.1 million cash settlement of certain intercompany balances owed by the Travis Perkins Group to the Wickes Group as part of the pre-Demerger Reorganisation in order to provide that the Wickes Group had a cash balance of £130.0 million as at 26 December 2020. On the settlement of these intercompany balances immediately prior to the Demerger the Wickes Group will derecognise an equivalent amount of the intercompany receivables due from the Travis Perkins Group.

(3) The adjustment in Note 3 reflects the voluntary repayment of £32.6 million of business rates relief claimed by the Wickes Group in April to December 2020.

(4) The adjustment in Note 4 reflects transaction costs that are directly attributable to the Demerger that are being borne by the Wickes Group and which had not been incurred at 26 December 2020. These comprise estimated professional adviser fees and exclude one-off costs arising from the separation of the Wickes Business from the Travis Perkins Group which are estimated to be £5.0 million, as detailed in the section headed "*Current Trading, Listed Company Costs and IT Separation Costs*" in Part VII: "*Operating and Financial Review*".

(5) The adjustment in Note 5 reflects the settlement of the remaining intercompany balance by the Travis Perkins Group to the Wickes Group achieved via the payment of dividends equal to a total amount of £30.0 million by the Wickes Group to the Travis Perkins Group, left outstanding as an intercompany balance and offset against the remaining equivalent intercompany balances owed by the Travis Perkins Group.

(6) Each of the adjustments in Notes 2, 3, 4 and 5 are non-recurring items.

No adjustment has been made to reflect any other change in the Wickes Group's financial position in this period since 26 December 2020.

Section C – Accountant's Report on Pro Forma Financial Information

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24 March 2021

Ladies and Gentlemen

Wickes Group plc

We report on the pro forma financial information (the 'Pro forma financial information') set out in Part X of the prospectus dated 24 March 2021. This report is required by Section 3 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980 (the "PR Regulation") and is given for the purpose of complying with that Section and for no other purpose.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Wickes Group plc.

Responsibilities

It is the responsibility of the directors of Wickes Group plc to prepare the Pro forma financial information in accordance with Annex 20 of the PR Regulation.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the PR Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 of the PR Regulation, consenting to its inclusion in the prospectus.

Basis of Preparation

The pro forma financial information has been prepared on the basis described in Section A of Part X, for illustrative purposes only, to provide information about how the proposed demerger of Wickes Group plc and its respective subsidiary undertakings (the "Group") from Travis Perkins plc and its respective subsidiary undertakings (the "Travis Perkins Group") might have affected the financial information presented on the basis of the accounting policies adopted by Wickes Group plc in preparing the financial statements for the year ended 26 December 2020.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council (the "FRC") in the United Kingdom. We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of Wickes Group plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Wickes Group plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the prospectus in compliance with Item 1.2 of Annex 1 of the PR Regulation.

Yours faithfully

KPMG LLP

PART XI
TAXATION

General

The following is a summary of certain United Kingdom and United States tax considerations relating to an investment in the Wickes Shares.

United Kingdom Taxation

The comments set out below are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs published practice (which may not be binding on HM Revenue & Customs), in each case as at the Latest Practicable Date before the date of this Prospectus, and both of which are subject to change, possibly with retrospective effect. They are intended as a general guide and apply only to Wickes Shareholders resident and, in the case of an individual, domiciled for tax purposes in the United Kingdom and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold their Wickes Shares as an investment and who are, or are treated as, the absolute beneficial owners thereof. The discussion does not address all possible tax consequences relating to an investment in the Wickes Shares. Certain categories of Wickes Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those connected with the Company or Group and those for whom the Wickes Shares are employment-related securities may be subject to special rules and this summary does not apply to such Wickes Shareholders.

Wickes Shareholders or prospective Wickes Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately. In particular, Wickes Shareholders should be aware that the tax legislation of any jurisdiction where a Wickes Shareholder is resident or otherwise subject to taxation (as well as the jurisdiction discussed below) may have an impact on the tax consequences of an investment in the Wickes Shares including in respect of any income received from the Wickes Shares.

Taxation of Dividends

The Company will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend.

Individual Wickes Shareholders

Dividends received by a United Kingdom resident individual Wickes Shareholder from the Company will generally be subject to tax as dividend income.

The first £2,000 (the “**Dividend Allowance**”) of the total amount of dividend income (including any dividends received from the Company) received by such a Wickes Shareholder in a tax year will be taxed at a nil rate (and so no income tax will be payable in respect of such amounts).

If a United Kingdom resident individual Wickes Shareholder’s total dividend income for a tax year exceeds the Dividend Allowance (such excess being referred to as the “**Taxable Excess**”), then the Taxable Excess will be subject to tax depending on the tax rate band or bands it falls within. The relevant tax rate band is determined by reference to the Wickes Shareholder’s total income charged to income tax (including the dividend income charged at a nil rate by virtue of the Dividend Allowance) less relevant reliefs and allowances (including the Wickes Shareholder’s personal allowance). The Taxable Excess is, in effect, treated as the top slice of any resulting taxable income and:

(a) to the extent that the Taxable Excess falls below the basic rate limit, the Wickes Shareholder will be subject to tax on it at the dividend basic rate of 7.5 per cent.;

(b) to the extent that the Taxable Excess falls above the basic rate limit but below the higher rate limit, the Wickes Shareholder will be subject to tax on it at the dividend upper rate of 32.5 per cent.; and

(c) to the extent that the Taxable Excess falls above the higher rate limit, the Wickes Shareholder will be subject to tax on it at the dividend additional rate of 38.1 per cent.

Corporate Wickes Shareholders

Wickes Shareholders who are within the charge to corporation tax will be subject to corporation tax on dividends paid by the Company, unless (subject to special rules for such Wickes Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each such Wickes Shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by the Company would fall within an exempt class.

Non-UK Wickes Shareholders

A Wickes Shareholder resident or otherwise subject to tax outside the United Kingdom (whether an individual or a body corporate) may be subject to foreign taxation on dividend income under local law. Wickes Shareholders to whom this may apply should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

Taxation of Capital Gains

Wickes Shareholders who are resident in the United Kingdom, or, in the case of individuals, who cease to be resident in the United Kingdom for a period of five years or less may, depending on their circumstances (including the availability of exemptions or reliefs), be liable to United Kingdom taxation on chargeable gains in respect of gains arising from a sale or other disposal of their Wickes Shares.

Inheritance Tax

Wickes Shares will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax, even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, United Kingdom inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold Wickes Shares bringing them within the charge to inheritance tax. Holders of Wickes Shares should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Wickes Shares through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to United Kingdom inheritance tax and an equivalent tax in another country or if they are in any doubt about their United Kingdom inheritance tax position.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position. Special rules apply to certain transactions such as transfers of shares to a company connected with the transferor and those rules are not described below. Investors should also note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

Issue

No stamp duty or SDRT will arise on the issue of Wickes Shares in registered form by the Company. In the case of Wickes Shares issued to a clearance service or depositary receipt system, this is as a result of case law which has been accepted by HM Revenue & Customs.

Transfers outside of Depositary Receipt Systems and Clearance Services

An agreement to transfer Wickes Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Transfers of Wickes Shares will generally be subject to stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer (rounded up to the next £5). The purchaser normally pays the stamp duty.

If a duly stamped transfer completing an agreement to transfer is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT already paid is generally repayable, normally with interest, and any SDRT charge yet to be paid is cancelled.

Transfers within CREST

Paperless transfers of Wickes Shares within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Wickes Shares into CREST will not generally be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration.

Transfers to and within Depositary Receipt Systems and Clearance Services

Where Wickes Shares are transferred: (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services; or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT may be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given or, in certain circumstances, the value of the Wickes Shares.

Except in relation to clearance services that have made an election under section 97A(1) of the Finance Act 1986 (to which the special rules outlined below apply), no stamp duty or SDRT is payable in respect of paperless transfers within clearance services or depositary receipt systems.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HM Revenue & Customs. In these circumstances, SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer will arise on any transfer of Wickes Shares into such an account and on subsequent agreements to transfer such Wickes Shares within such account.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

US taxation

The following is a summary of certain US federal income tax consequences of the ownership and disposition of Wickes Shares by US Holders (as defined below). This summary deals only with initial holders of Wickes Shares that are US Holders that received Wickes Shares pursuant to the Demerger, that use the US dollar as their functional currency and that will hold their Wickes Shares as capital assets. The following discussion is a general summary; it is not a substitute for tax advice.

This summary does not address tax considerations applicable to US Holders subject to special rules, such as banks or other financial institutions, insurance companies, tax exempt entities, dealers, traders in securities that elect to mark to market, regulated investment companies, real estate investment trusts, US expatriates, persons that that will own immediately after the Demerger directly, indirectly or constructively five per cent. or more by vote or value of Wickes' equity interests, or persons holding their Wickes Shares as part of a hedge, straddle, conversion, constructive sale or other integrated transaction. It also does not address US federal taxes other than the income tax (such as the alternative minimum tax and estate or gift taxes) or US state and local, or non-US tax considerations.

As used in this summary, "***US Holder***" means a beneficial owner of Wickes Shares that is, for US federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation or entity treated as such created or organised under the laws of the United States, any State thereof or the District of Columbia; (iii) a trust subject to the control of a US person and the primary supervision of a US court; or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The tax consequences to a partner in a partnership (or other entity treated as a partnership for US federal income tax purposes) receiving, holding or disposing of Wickes Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships holding Wickes Shares should consult their own tax advisers about the US federal income tax consequences to their partners of owning and disposing of Wickes Shares.

The Company believes that it will not be a passive foreign investment company ("***PFIC***") for the current year, and this discussion assumes that the Company will not be a PFIC in the current year or future years.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the United Kingdom (the "**US-UK Treaty**"), all as of the date hereof and all of which are subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL US HOLDERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF THE WICKES SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE US-UK TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-US AND OTHER TAX LAWS, AND POSSIBLE CHANGES IN TAX LAW.

Dividends

The gross amount of any distribution of cash or property with respect to the Wickes Shares (other than certain distributions, if any, of the Wickes Shares distributed pro rata to all shareholders) generally will be included in a US Holder's gross income as ordinary income to the extent of the Wickes Group's current and accumulated earnings and profits as determined under US federal income tax laws. The amount of such distribution in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of US Holder's basis in the Wickes Shares and thereafter as capital gain. However, the Wickes Group does not expect to maintain calculations of its earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that any such distribution will generally be treated as a dividend from foreign sources when received. The dividends will not be eligible for the dividends-received deduction generally available to US corporations.

Dividends received by eligible non-corporate US Holders should be taxed at the preferential rates applicable to qualified dividend income, provided that Wickes qualifies for the benefits of the US-UK Treaty, which Wickes believes it will, and such dividend is paid on the Wickes Shares that have been held by such US holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date.

Dividends received by certain non-corporate US Holders will generally be includible in net investment income for purposes of the Medicare contribution tax on net investment income.

Sale or other taxable disposition

A US Holder generally will recognise capital gain or loss on the sale or other taxable disposition of Wickes Shares equal to the difference between the US dollar value of the amount realised and the US Holder's tax basis in the Wickes Shares. Any gain or loss generally will be treated as arising from US sources. The gain or loss will be long term capital gain or loss if the US Holder's holding period exceeds one year. Long term capital gains of non-corporate US Holders are subject to preferential tax rates. Deductions for capital loss are subject to significant limitations.

Capital gains from the sale or other taxable disposition of the Wickes Shares received by certain non-corporate US Holders will generally be includible in net investment income for purposes of the Medicare contribution tax.

Backup withholding and information reporting

Dividends on Wickes Shares and proceeds from the sale or other taxable disposition of Wickes Shares may be reported to the IRS unless the holder establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting. Any amount withheld may be credited against the holder's US federal income tax liability subject to certain rules and limitations. US Holders should consult with their own tax advisers regarding the application of the US information reporting and backup withholding rules.

Certain non-corporate US Holders are required to report information with respect to investments in Wickes Shares not held through an account with a domestic financial institution. US Holders that fail to report required information could become subject to substantial penalties. US Holders are encouraged to consult with their own tax advisers about these and any other reporting obligations arising from their ownership of Wickes Shares.

PART XII
ADDITIONAL INFORMATION

1 The Demerger

On 31 July 2019, the Travis Perkins Board announced its intention to separate the Wickes Group from the Travis Perkins Group and on 20 March 2020, the Travis Perkins Board announced that it would pause the Demerger process as a result of the level of uncertainty surrounding the impact of COVID-19 on the Travis Perkins Group's end markets and the extreme volatility in global and UK equity markets.

On 2 March 2021, the Travis Perkins Board announced that, as the Wickes digitally-led model has proved highly effective during the pandemic and the business is in great shape to embark on its journey as a standalone entity, the process to demerge Wickes has recommenced.

It is proposed that the separation of the Wickes Group be effected by way of a demerger of the Wickes Group from the Travis Perkins Group by Travis Perkins making an interim *in-specie* distribution of Wickes Shares to Travis Perkins Shareholders immediately prior to Admission (the "**Demerger Dividend**").

As at the Latest Practicable Date, the entire issued share capital of the Company was held by Travis Perkins. Immediately following the Demerger, the Wickes Shareholders will be the same as the Travis Perkins Shareholders as at the Record Time. The Demerger is conditional on, among other things, the approval of the Demerger Resolution by Travis Perkins Shareholders at the General Meeting.

Assuming the Demerger proceeds, Qualifying Travis Perkins Shareholders (being Travis Perkins Shareholders who are registered on the Travis Perkins Share Register at the Record Time) will receive:

For each Existing Travis Perkins Share held at the Record Time

1 Wickes Share

Detailed information about how the Demerger will be effected, including in relation to the Demerger Dividend and Travis Perkins Share Consolidation, is contained in the Travis Perkins Circular, and those considering the Demerger should rely only on the information in the Travis Perkins Circular.

2 Responsibility statement

The Company and the Directors, whose names are set out in Part V: "*Directors, Senior Management and Corporate Governance*", accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

3 Incorporation and activity of the Company

3.1 The Company was incorporated and registered in England and Wales on 4 September 2019 and re-registered as a public company limited by shares on 17 March 2021 under the Companies Act with the name Wickes Group plc and with the registered number 12189061. The Company's legal entity identifier is 213800IEX9ZXJRAOL133.

3.2 The Company's registered office and principal place of business is at Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom and its telephone number is +44 (0)19 2365 6600.

3.3 The Company's customer website is www.wickes.co.uk and its corporate website is www.wickesplc.co.uk. Information contained on the Company's website or the contents of any website accessible from hyperlinks on the Company's website are not incorporated into and do not form part of this Prospectus.

3.4 The principal laws and legislation under which the Company operates and the Wickes Shares have been created are the Companies Act and regulations made thereunder.

3.5 The principal activity of the Company is to act as the ultimate holding company of the Wickes Group. Save for the engagement of professional advisers, the Company has not traded since its incorporation.

4 Share capital of the Company

4.1 Issued share capital of the Company on Admission

On Admission, the number of Wickes Shares in issue will be equal to the number of Travis Perkins Shares in issue at the Record Time. Wickes Shares have a nominal value of £0.10 each and will be fully paid.

As at the Latest Practicable Date, there were 252,143,923 Travis Perkins Shares in issue and 252,143,923 Wickes Shares in issue. Further Travis Perkins Shares may be issued by Travis Perkins to satisfy entitlements under the Travis Perkins Share Plans, although it is not currently anticipated that any further Travis Perkins Shares will be issued. Any additional Travis Perkins Shares will, if issued, be issued prior to the Record Time and a corresponding number of Wickes Shares will also be issued prior to the Record Time.

On Admission, the Company will not hold any Wickes Shares in treasury.

4.2 History of Wickes' share capital and Reorganisation

On incorporation, the Company's share capital consisted of 10 ordinary shares with a nominal value of £0.10 each which were issued, fully paid, to Travis Perkins.

The Wickes Group completed a reorganisation in 2020 of its corporate structure to bring all of the companies that comprise the Wickes Group under the ownership of the Company and ensure that the number of Wickes Shares in issue will be equal to the number of Travis Perkins Shares in issue at the Record Time (the "**Reorganisation**"). Following completion of the Reorganisation, the Company owns 100 per cent. of the entire issued share capital (either directly or through its subsidiaries) of Wickes Group Holdings Limited, Wickes Building Supplies, Wickes Finance Limited and Wickes Holdings Limited. A summary of the key Reorganisation steps that relate to the establishment of the Wickes Group and the share capital of the Company is set out below.

4.2.1 On 17 March 2020, Travis Perkins contributed 100 per cent. of the issued share capital in Wickes Finance Limited (which holds 100 per cent. of the issued share capital in Wickes Holdings Limited) and Wickes Building Supplies to Wickes Group Holdings Limited by way of a share-for-share exchange, issuing one £0.10 share at a premium as consideration.

4.2.2 On 17 March 2020, Travis Perkins contributed 100 per cent. of the issued share capital in Wickes Group Holdings Limited to the Company by way of a share-for-share exchange. The Company issued 252,143,913 ordinary shares of £0.10 each, which reflects the total number of Travis Perkins Shares expected to be in issue at the Record Time minus the 10 ordinary shares of £0.10 issued by the Company on incorporation, resulting in there being an equal number of Wickes Shares and Travis Perkins Shares in issue.

4.2.3 On 18 March 2020, the Company undertook a reduction of capital through the directors' solvency statement process by extinguishing all share premium in order to create distributable reserves.

5 Information about the Wickes Shares

5.1 Description and type of securities

The Wickes Shares are fully paid ordinary shares with a nominal value of £0.10 each. The Company has, and, on Admission, will have, one class of ordinary shares, comprising the entire issued share capital of the Company.

The currency of the Wickes Shares is pounds sterling.

5.2 **Rights attached to the Wickes Shares**

The rights attaching to the Wickes Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the Company's share capital.

Subject to the provisions of the Companies Act, any equity securities issued by the Company for cash must first be offered to the Wickes Shareholders in proportion to their holdings of Wickes Shares. The Companies Act and Listing Rules allow for the disapplication of pre-emption rights which may be waived by a special resolution of the Wickes Shareholders, whether generally or specifically, for a maximum period not exceeding five years. The Company intends to seek approval prior to Admission from Travis Perkins, its sole shareholder, for resolutions of the Company disapplying pre-emption rights to this effect as summarised at section 6 of this Part XII.

On a show of hands, every Wickes Shareholder who is present in person shall have one vote and, on a poll, every Wickes Shareholder present in person or by proxy shall have one vote per Wickes Share.

Except as provided by the rights and restrictions attached to any class of shares, Wickes Shareholders will, under general law, be entitled to participate in any surplus assets in a winding-up in proportion to their shareholdings.

The Wickes Shares do not carry any rights as respects to capital to participate in a distribution (including on a winding-up) other than those that exist as a matter of law.

5.3 **Confirmations**

At the date of the Prospectus, and save as otherwise disclosed in this Part XII: "*Additional Information*":

5.3.1 no share or loan capital of the Company has, since the incorporation of the Company, been issued or agreed to be issued, or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash, to any person;

5.3.2 no commission, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital; and

5.3.3 no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

5.4 **Listing**

Application will be made to the FCA and the London Stock Exchange for the Wickes Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's market for listed securities, respectively. As at the date of this document, no Wickes Shares are admitted to trading on a regulated market.

If the Demerger proceeds as currently envisaged, it is expected that Admission will become effective, and that dealings in the Wickes Shares will commence on the London Stock Exchange, at 8.00 a.m. (London time) on 28 April 2021.

The Wickes Shares have not been marketed to, and are not available in whole or in part for purchase by, the public in the United Kingdom or elsewhere in connection with the introduction of the Wickes Shares to the premium listing segment of the Official List. No application has been or is currently intended to be made for the Wickes Shares to be admitted to listing elsewhere or dealt in on any other exchange. There is no prior trading record for the Wickes Shares.

The Wickes Shares are in registered form and capable of being held in certificated or uncertificated form. Application has been made to Euroclear for the Wickes Shares to be enabled for dealings through CREST as a participating security. For Travis Perkins Shareholders who held their Travis Perkins Shares in uncertificated form at the Record Time, Wickes Shares to which the Travis Perkins Shareholder is entitled will be issued in uncertificated form through CREST. For Travis Perkins Shareholders who held their Travis Perkins Shares in certificated form at the Record Time, Wickes Shares to which the Travis Perkins Shareholder is entitled will be issued in certificated form. Definitive share certificates for the Wickes Shares are expected to be despatched on in the week commencing 10 May 2021.

Pending the despatch of share certificates for Wickes Shares, transfers of Wickes Shares will be certified against the register of members of the Company. Temporary documents of title will not be issued in respect of the Wickes Shares.

None of Travis Perkins or Wickes or their respective agents shall be responsible for any loss or delay in the transmission or delivery of any certificates sent in accordance with this section 5.4, which shall be sent at the risk of the persons entitled thereto.

The International Securities Identification Number for the Wickes Shares is GB00BL6C2002. The rights attaching to the Wickes Shares are set out in section 5.2 of this Part XII.

5.5 **Restrictions on free transferability**

The Wickes Shares are freely transferable and there are no restrictions on transfer.

6 Authorisations relating to the share capital of the Company

On 23 March 2021, Travis Perkins, in its capacity as sole shareholder of the Company passed the following resolutions relating to the share capital of the Company, each of which is subject to and conditional upon Admission occurring.

6.1 In substitution for all existing authorities, the Directors be generally and are hereby unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company:

6.1.1 up to an aggregate nominal amount of £8,404,797 (such amount to be reduced by the aggregate nominal amount allotted or granted under section 6.1.2 below of this resolution in excess of £8,404,797); and

6.1.2 comprising equity securities (as defined in section 560(1) of the Companies Act) up to an aggregate nominal amount of £16,809,595 (such amount to be reduced by the aggregate nominal amount allotted or granted under section 6.1.1 above of this resolution) in connection with an offer by way of a rights issue:

(a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(b) to holders of other equity securities as required by the rights of those securities, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply until the end of the Company's next annual general meeting after this resolution is passed (or, if earlier, until the close of business 23 June 2022) but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the authority expires and the Directors may allot shares or grant such rights under any such offer or agreement as if the authority had not expired.

6.2 If the resolution referred to at section 6.1 above is passed, the Board be authorised pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in the Companies Act) for cash under the authority given by that resolution and to sell shares held by the Company as treasury shares for cash as if section 561 of the Companies Act did not apply to any such allotment or sale, such authority being limited:

6.2.1 to the allotment of equity securities or sale of treasury shares in connection with an offer of securities (but in the case of the authority granted under section 6.1.2 of resolution 6.1 above, by way of rights issue only) in favour of the holders of shares on the register of members at such record date as the Directors may determine where the equity securities respectively attributable to the interests of the shareholders are proportionate (as nearly as may be practicable) to the respective numbers of shares held by them on any such record date, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

6.2.2 to the allotment of equity securities or sale of treasury shares (otherwise than under section 6.2.1 above) up to a nominal amount of £1,260,720,

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 23 June 2022) but, in each case, so that prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires, and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

6.3 The Company be and is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693(4) of the Companies Act) of Wickes Shares, provided that:

6.3.1 the maximum aggregate number of ordinary shares authorised to be purchased is 25,214,392;

6.3.2 the minimum price (exclusive of expenses) which may be paid for a Wickes Share is its nominal value;

6.3.3 the maximum price (exclusive of expenses) which may be paid for a Wickes Share is the higher of: (a) 105 per cent. of the average of the middle market quotations for a Wickes Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Wickes Share is contracted to be purchased; and (b) an amount equal to the higher of the price of a Wickes Share quoted for the last independent trade and the highest current independent bid for a Wickes Share on the trading venues where the purchase is carried out;

6.3.4 this authority (unless previously renewed, varied or revoked by the Company in general meeting) expires at the conclusion of the next annual general meeting of the Company or 23 June 2022, whichever is the earlier; and

6.3.5 the Company may make a contract to purchase Wickes Shares under this authority before the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares pursuant to any such contract.

6.4 That a general meeting of the Company, other than an annual general meeting, may be called by notice of not less than 14 clear days.

6.5 That the Company and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect be authorised for the purposes of Part 14 of the Companies Act during the period from the date of the passing of this resolution to the conclusion of the Company’s next annual general meeting after this resolution is passed (or, if earlier, until the close of business on 23 June 2022):

6.5.1 to make political donations to political parties, and/or independent election candidates;

6.5.2 to make political donations to political organisations other than political parties; and

6.5.3 to incur political expenditure,

up to an aggregate amount of £50,000, and the amount authorised under each of paragraphs 6.5.1 to 6.5.3 shall also be limited to such amount (words and expressions defined for the purpose of the Companies Act shall have the same meaning in this resolution).

7 Summary of the Articles

The Articles, which were adopted with effect from 11 March 2021 by a special resolution of the Company, will be substantially identical to the Travis Perkins Articles and will contain, *inter alia*, provisions to the following effect:

7.1 Objects

Section 31 of the Companies Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles of association. There are no such restrictions in the Articles and the objects of the Company are therefore unrestricted.

7.2 Rights attaching to Wickes Shares

7.2.1 Voting rights

Subject to any rights or restrictions attached to any shares:

(a) on a show of hands:

(I) every member who is present in person has one vote;

(II) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way), the proxy has one vote for and one vote against the resolution; and

(III) every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to;

(b) on a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which such member is the holder or in respect of which such person's appointment as proxy or corporate representative has been made; and

(c) a member, proxy or corporate representative entitled to more than one vote need not, if such member, proxy or corporate representative votes, use all such votes or cast all the votes being used the same way.

7.2.2 Joint holders

In the case of joint holders, the vote of the joint holder whose name appears first on the register of members in respect of the joint holding shall be accepted to the exclusion of the votes of the other joint holders.

7.2.3 Dividends

The Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.

7.3 **Variation of rights**

The rights attached to a class of shares may be varied:

7.3.1 in such manner (if any) as may be provided by those rights; or

7.3.2 in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

7.4 **Transfer of shares**

7.4.1 **Transfer of shares in certificated form**

Shares in certificated form may be transferred by any usual form or in any other form which the Directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.

7.4.2 **Transfer of shares in uncertificated form**

If a class of shares is, for the time being, a participating security, title to shares of that class which are recorded on an Operator (as such term is defined in the CREST Regulations) register of members as being held in uncertificated form may be transferred by means of the relevant system concerned. The transfer may not be in favour of more than four transferees.

7.5 **Disclosure of interests in shares**

If a member, or another person appearing to be interested in shares held by that member, has been given a notice under section 793 of the Companies Act and has failed in relation to any shares to give the Company the information thereby required within 14 days from the date of giving the notice, such member will be subject to sanctions (including voting and transfer restrictions), unless the Directors otherwise determine.

7.6 **General meetings**

The Directors may call general meetings whenever and at such times and places as they shall determine. If there are not sufficient Directors to form a quorum in order to call a general meeting, any Director may call a general meeting. If there is no Director, any member of the Company may call a general meeting.

7.6.1 **Notice of annual general meetings and other general meetings**

An annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed or permitted under the Companies Act. The notice shall specify the place or places (including for a combined physical and electronic general meeting, electronic platform), the date and the time of the meeting and the general nature of business being transacted and, in the case of an annual general meeting, shall specify the meeting as such. Subject to the provisions of the Articles and to any rights or restrictions attached to any shares, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law and to the Directors and Auditors.

7.6.2 **Quorum**

The quorum for a general meeting is two persons who are entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member (including, for this purpose, two persons who are proxies or corporate representatives of the same member).

7.6.3 **Postponement or cancellation of general meetings**

7.7 The Board may resolve to postpone or cancel any general meeting or move the place or places (including, for a combined physical and electronic general meeting, electronic platform) of such meeting before the date on which it is to be held, except where the postponement or cancellation or move would be contrary to the Companies Act, the CREST Regulations or any other enactment for the time being in force concerning companies and affecting the Company. **Directors' appointments, interests, retirements and removals**

7.7.1 **Number of Directors**

The Articles provide that the number of Directors (disregarding any alternate directors) shall not be less than two but, unless otherwise determined by the Company by Ordinary Resolution, shall not be subject to any maximum.

7.7.2 **Appointments**

Directors may be appointed by Ordinary Resolution.

7.7.3 **Permitted interests**

Provided that they have disclosed to the Directors the nature and extent of any material interest, a Director notwithstanding such Director's office, may be: (i) a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; or (ii) a director or other officer of, or employed by, or hold any position with, or be a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

7.7.4 **Retirements**

At each annual general meeting, all of the Directors shall retire from office except for any Director appointed by the Board after the notice of that general meeting has been given and before that annual general meeting has been held. If the vacancy of the retiring Director is not filled, a Director who retires in this way and, if willing to act, is deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost.

7.7.5 **Removal**

The Company may, by special resolution, remove a Director before the expiration of their period in office. No special notice is required in respect of any resolution to remove a Director in accordance with the Articles and no Director proposed to be removed in this way has any special right to protest against such Director's removal. The Company may, by Ordinary Resolution, appoint another person who is willing to act as a Director instead of the Director who is removed.

7.8 **Alternate director**

Any Director (other than an alternate director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate director. Any Director may also remove an alternate director appointed by such Director from such Director's appointment as alternate director.

7.9 **Board meetings**

7.9.1 **Calling and notice of board meetings**

A board meeting may be called by any Director or the Company Secretary at the request of a Director. Notice of a board meeting may be given to a Director personally, or by telephone, or sent in hard copy or electronic form. A Director may waive notice of any board meeting and any such waiver may be retrospective.

7.9.2 **Proceedings**

Questions arising at a board meeting shall be decided by a majority of votes. In case of an equality of votes, the Chair of the meeting shall (unless the Chair is not entitled to vote on the resolution in question) have a second or casting vote. A Director who is also an alternate director shall be entitled in the absence of such Director's appointor to a separate vote on behalf of such appointor in addition to such Director's own vote, and an alternate director who is appointed by two or more Directors shall be entitled to a separate vote on behalf of each of appointor in such appointor's absence.

7.9.3 **Quorum**

No business shall be transacted at any board meeting unless a quorum is present. The quorum may be fixed by the Directors, however, if it is not fixed, it shall be two. A Director shall not be counted in the quorum present in relation to a matter of resolution on which such Director is not entitled to vote (or when such Director's vote cannot be counted), but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting.

7.10 **Directors' interests in contracts**

Subject to the provisions of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which such Director has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company), unless such Director's interest falls within one or more of the exceptions set out in the Articles.

7.11 **Directors' fees and expenses**

7.11.1 **Fees**

Until otherwise determined by an Ordinary Resolution, Directors who do not hold executive office (other than alternate directors) shall be paid such fees for their services in the office of director as the Directors may determine, provided that the amount payable to each of the Non-Executive Directors shall not exceed £600,000 per annum in aggregate or such larger amount as the Company may by Ordinary Resolution decide. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Director pursuant to any other provision of the Articles.

7.11.2 **Expenses**

The Directors may also be paid all reasonable expenses properly incurred by them in connection with their attendance at board meetings or of committees of the Directors or general meetings or separate meetings of the holders of any class of shares or debentures of the Company, and any reasonable expenses properly incurred by them otherwise in connection with the exercise of their powers and the discharge of their responsibilities as directors of the Company.

7.12 **Directors' gratuities and pensions**

The Directors may (by the establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of allowances, gratuities or pensions, or by insurance or death, sickness or disability benefits or otherwise, for any Director or any former Director of the Company or of any body corporate which is or has been a subsidiary undertaking of the Company or a predecessor in business of the Company or of any such subsidiary undertaking, and for any member of such Director's family (including a spouse or civil partner or a former spouse or former civil partner) or any person who is or was dependent on such Director and may (before as well as after such

Director ceases to hold such office) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

7.13 **Indemnity of officers**

Subject to the provisions of the Companies Act or any other provision of law, the Company:

7.13.1 may indemnify to any extent any person who is or was a Director, or a director of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by such Director or otherwise, in relation to the Company or any associated company;

7.13.2 may indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by such Director in connection with the company's activities as trustee of an occupational pension scheme; and

7.13.3 may purchase and maintain insurance for any person who is or was a Director, or a director of any associated company, against any loss or liability or any expenditure such Director may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by such Director or otherwise, in relation to the Company or any associated company.

7.14 **Borrowing powers**

The Directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Wickes Group (excluding amounts borrowed by any member of the Wickes Group from any other member of the Wickes Group) shall not at any time, save with the prior sanction of an Ordinary Resolution of the Company, exceed an amount equal to two and a half times the aggregate of:

7.14.1 the amount paid up, or credited as paid up, on the share capital of the Company (excluding any share capital presented as debt); and

7.14.2 the total of any credit balance on the distributable and undistributable reserves of the Wickes Group, but excluding amounts attributable to outside shareholders in subsidiary undertakings of the Company and deducting any debit balance on any reserve,

all as shown in the latest audited consolidated balance sheet of the Wickes Group.

8 Directors and Senior Management

8.1 **Directorships and partnerships outside of the Wickes Group**

The Directors and members of Senior Management, their functions within the Company and brief biographies are set out in Part V: "*Directors, Senior Management and Corporate Governance*".

Each of the Directors and Senior Managers holds directorships of the various entities within the Wickes Group. In addition to these directorships, the companies and partnerships of which the Directors and members of Senior Management are, or have been, within the past five years, members of the administrative, management or supervisory bodies or partners are as follows:

Name	Current directorships/ partnership	Former directorships/ partnerships
	Directors	
Christopher Rogers	Kerry Group plc Sanderson Design Group plc Snowfox Topco Limited Travis Perkins plc (to retire following Travis Perkins' annual general meeting on 27 April 2021) Vivo Energy plc	Abaris Holdings Limited Abaris (Overseas) Holdings Limited Anstey Wallpaper Company Limited Anthology Fabrics and Wallcoverings Limited Arthur Sanderson & Sons Limited Barracks Fabric Printing Limited Caldicott Trust Limited Cirka Limited Coffeeheaven Holdings Limited Coffeeheaven International Limited Costa Beijing Limited Costa Card Elmi Limited Costa China Holdings Limited Costa International Limited Costa Limited Design Edition Limited Globaltex 2015 Limited Globaltex Limited Harlequin Fabric & Wallcoverings Limited Life Coffee Cafes Limited Morris & Co. (Artworkers) Limited Rush Hair Group Limited Sanderson of London Limited Scion Fabrics and Wallcoverings Limited Scion Living Limited Standfast Dyers and Printers Limited Strines Textiles Limited Style Library Limited Walker Greenbank Distribution Limited Whitbread plc William Morris Wallpapers Limited Zoffany Limited
David Wood	Dremt Consulting Limited Green Sheep Group Ltd	Early Learning Centre Limited Incorporated Society of British Advertisers Limited Kmart Holding Corporation Mothercare plc Mothercare UK Limited

Name	Current directorships/ partnership	Former directorships/ partnerships
Julie Wirth	Wirthwhile Resources Ltd	Conviviality plc Countrywide Farmers plc Chepstow Farmers Limited Country Keeper Limited Countrywide 2018 Limited Countrywide Farmers Retail Limited Countrywide Farmers Stores Limited H E Pringle Limited Heart of England Grain Company Limited Lidstone Midwinter Holdings Limited MB 2000 Limited M.S.F. (Property) Ltd Neway Datacare Limited Passey Nott & Co. Limited Porthouse Farms Limited S.M. Hackett & Son Limited West Midland Farmers Limited Wiltshire Farmers Limited
Mark Clare	Aggreko plc Grainger plc Premier Marinas Holdings Limited United Utilities Group plc United Utilities Water Limited	Barratt Developments plc Geneff Limited The Apartment Network Limited
Sonita Alleyne	They're Watching Us Limited Jesus College Developments Limited Jesus College Cambridge Properties Limited Alcock Investments Limited Jesus College Cambridge Conferences Limited Jesus College (Station Road Investments) Limited Jesus College (Harston Barns) Limited Yes Programme Limited	Temple Bar Investment Trust Plc British Board of Film Classification
Michael Iddon	Pets at Home Group plc	Linnaeus Referrals Ltd New Look Limited New Look Retailers Limited Top Gun Realisations Limited Top Gun Realisations 50 Limited Top Gun Realisations 60 Limited Top Gun Realisations 61 Limited Top Gun Realisations 70 Limited Top Gun Realisations 72 Limited Top Gun Realisations 73 plc Top Gun Realisations 74 plc Top Gun Realisations 80 Limited Top Gun Realisations 90 Limited

Name	Current directorships/ partnership	Former directorships/ partnerships
	Senior Managers	
Sonia Astill	None	Eostre Education Limited Kingsdown Management Services Limited Astill & Sons (Holdings) Limited
Mark Cooke	None	None
Gary Kibble	None	Mothercare UK Limited Mothercare Group Foundation Early Learning Centre Limited
Fraser Longden	None	None
Helen O'Keefe	None	Travis Perkins Plumbing & Heating LLP TP Directors Ltd TPG Management Services Limited

8.2 Save as set out above, none of the Directors or any member of the Senior Management has any business interests, or performs any activities, outside the Company which are significant with respect to the Company.

8.3 **Conflicts of interest**

There are no:

8.3.1 potential conflicts of interest between any duties to the Company of the Directors and members of Senior Management and their private interests and/or other duties; or

8.3.2 arrangements or understandings with any other major shareholders, customers, suppliers or others pursuant to which any Director or member of Senior Management was selected as a Director or member of Senior Management.

8.4 **Directors and Senior Managers' confirmations**

8.4.1 Save as set out below, as at the date of this Prospectus, none of the Directors or any member of Senior Management has, at any time within the last five years:

(a) had any prior convictions in relation to fraudulent offences;

(b) been declared bankrupt or been the subject of any individual voluntary arrangement;

(c) been associated with any bankruptcies, receiverships, liquidations or companies put into administration when acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager;

(d) been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies);

(e) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer;

(f) been a partner or senior manager in a partnership which, while such Director or Senior Manager was a partner or within 12 months of such Director's or Senior Manager's ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;

(g) owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where such Director or Senior Manager was a partner at the time or within the 12 months preceding such event; or

(h) been an executive director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which such Director or Senior Manager was an executive director or senior management of that company or within 12 months of such Director's or Senior Manager's ceasing to be an executive director or senior manager.

8.4.2 There are no family relationships between any Directors, between any members of Senior Management or between any Directors and members of Senior Management.

8.4.3 There are no restrictions agreed by any Director or any member of Senior Management on the disposal within a certain time of their holdings in the Company's securities.

8.4.4 David Wood was the CEO of Mothercare plc from April 2018 to May 2018 and Group Managing Director from June 2018 to November 2018 prior to it being placed into administration in November 2019.

8.4.5 Julie Wirth was the interim CEO of Countrywide Farmers plc when it was placed into administration in March 2018.

8.4.6 Gary Kibble was the Chief Marketing Officer (Global) of the Mothercare group from March 2015 to June 2017 prior to it being placed into administration in November 2019.

8.5 **Interests of the Directors and Senior Management**

As at the date of this Prospectus, the Directors and Senior Managers have no interest in the share capital of the Company. Following Admission, the interests of the Directors and Senior Managers will be based on the number of Travis Perkins Shares held by such persons at the Record Time. In addition, certain Directors and Senior Managers will have an interest in the share capital of the Company pursuant to awards held under the Transitional Demerger Award arrangement as described in section 13.1 of this Part XII. In due course, it is anticipated that the Directors and Senior Managers will receive share awards over Wickes Shares as described in section 13 of this Part XII.

8.5.1 **Issued Travis Perkins plc share capital**

Set out below are the interests (all of which are beneficial unless otherwise stated) as at the Latest Practicable Date of the Directors and the Senior Managers in the share capital of Travis Perkins or interests of a person connected (within the meaning of Article 3(1)(26) of the Market Abuse Regulation) with a Director, together with such interests as are expected to be held immediately following the Demerger.

The interests of the Directors and Senior Management together represent 0.03 per cent. of the issued share capital of Travis Perkins as at the Latest Practicable Date and are expected to represent 0.03 per cent. of the issued share capital of the Company upon the Demerger becoming effective.

Name	Number of Travis Perkins Shares	Percentage of Travis Perkins issued share capital (%)
Christopher Rogers	9,228	0.004
David Wood	16,615	0.007
Julie Wirth	6,067	0.002

Name	Number of Travis Perkins Shares	Percentage of Travis Perkins issued share capital (%)
Mark Clare	0	0.000
Sonita Alleyne	0	0.000
Michael Iddon	0	0.000
Sonia Astill	10,390	0.004
Mark Cooke	10,350	0.004
Gary Kibble	7,131	0.003
Fraser Longden	16,341	0.006
Helen O'Keefe	607	0.000

8.5.2 **Options and awards over Travis Perkins Shares**

The following table sets out details of the options and awards under the Travis Perkins Share Plans over Travis Perkins Shares held by the Directors and Senior Managers as at the Latest Practicable Date:

Name	Plan	Number of options/ awards over Travis Perkins Shares	Option exercise price (£)	Option exercise period
Christopher Rogers	n/a	n/a	n/a	n/a
David Wood	Co-Investment Plan 2020	42,501	0.00	03/04/2023 to 02/04/2030
	Performance Share Plan Unapproved 2020	50,772	0.00	17/03/2023 to 16/03/2030
	Performance Share Plan Approved 2020	2,623	11.435	17/03/2023 to 16/03/2030
	Sharesave 2020	2,004	8.98	01/12/2023 to 31/05/2024
Julie Wirth	Co-Investment Plan 2020	22,061	0.00	03/04/2023 to 02/04/2030
	Performance Share Plan Unapproved 2020	13,117	0.00	17/03/2023 to 16/03/2030
	Performance Share Plan Approved 2020	2,623	11.435	17/03/2023 to 16/03/2030
	Sharesave 2020	2,004	8.98	01/12/2023 to 31/05/2024
Mark Clare	n/a	n/a	n/a	n/a
Sonita Alleyne	n/a	n/a	n/a	n/a
Michael Iddon	n/a	n/a	n/a	n/a

Name	Plan	Number of options/ awards over Travis Perkins Shares	Option exercise price (£)	Option exercise period
Sonia Astill	Co-Investment Plan 2018	7,830	0.00	29/03/2021 to 28/03/2028
	Co-Investment Plan 2019	13,625	0.00	01/04/2022 to 31/03/2029
	Co-Investment Plan 2020	17,301	0.00	03/04/2023 to 02/04/2030
	Deferred Share Bonus Plan 2018	659	0.00	13/03/2021 to 12/03/2028
	Deferred Share Bonus Plan 2019	762	0.00	12/03/2022 to 11/03/2029
	Performance Share Plan Unapproved Mar 2018	3,830	0.00	13/03/2021 to 12/03/2028
	Performance Share Plan Unapproved Mar 2020	10,452	0.00	17/03/2023 to 16/03/2030
	Performance Share Plan Approved 2020	2,623	11.435	17/03/2023 to 16/03/2030
	Sharesave 2020	2,004	8.98	01/12/2023 to 31/05/2024
Mark Cooke	Co-Investment Plan 2019	16,682	0.00	01/04/2022 to 31/03/2029
	Co-Investment Plan 2020	21,498	0.00	03/04/2023 to 02/04/2030
	Performance Share Plan Unapproved 2020	11,854	0.00	17/03/2023 to 16/03/2030
	Performance Share Plan Approved 2020	2,623	11.435	17/03/2023 to 16/03/2030
	Sharesave 2018	1,980	9.09	01/12/2021 to 31/05/2022
Gary Kibble	Co-Investment Plan 2020	25,589	0.00	03/04/2023 to 02/04/2030
	Performance Share Plan Unapproved 2020	15,216	0.00	17/03/2023 to 16/03/2030
	Performance Share Plan Approved 2020	2,623	11.435	17/03/2023 to 16/03/2030
	Sharesave 2020	1,002	8.98	01/12/2023 to 31/05/2024

Name	Plan	Number of options/ awards over Travis Perkins Shares	Option exercise price (£)	Option exercise period
Fraser Longden	Co-Investment Plan 2018	20,673	0.00	29/03/2021 to 28/03/2028
	Co-Investment Plan 2019	18,257	0.00	01/04/2022 to 31/03/2029
	Co-Investment Plan 2020	22,494	0.00	03/04/2023 to 02/04/2030
	Performance Share Plan Unapproved 2020	13,037	0.00	17/03/2023 to 16/03/2030
	Performance Share Plan Approved 2020	2,623	11.435	17/03/2023 to 16/03/2030
	Sharesave 2018	1,980	9.09	01/12/2021 to 31/05/2022
Helen O'Keefe	Performance Share Plan Approved Mar 2017	593	14.880	15/03/2020 to 14/03/2027
	PSP Linked Mar 2017	593	0.00	15/03/2020 to 14/03/2027
	Performance Share Plan Approved Mar 2018	332	13.001	13/03/2021 to 12/03/2028
	Performance Share Plan Unapproved Mar 2018	642	0.00	13/03/2021 to 12/03/2028
	Performance Share Plan Unapproved 2019	1,446	0.00	12/03/2022 to 11/03/2029
	Performance Share Plan Approved 2020	907	11.435	17/03/2023 to 16/03/2030
	Performance Share Plan Unapproved Mar 2020	7,870	0.00	17/03/2023 to 16/03/2030
	Sharesave 2018	1,980	9.09	01/12/2021 to 31/05/2022

Upon the Demerger becoming effective, in accordance with their terms, options/ awards under the Travis Perkins Share Plans held by Directors and Senior Managers will be subject to "good leaver" treatment, meaning that:

(a) awards under the Travis Perkins Co-Investment Plan continue to vest on the normal vesting date subject to time pro-rating and performance testing;

(b) awards under the Travis Perkins Deferred Share Bonus Plan continue to vest on the normal vesting date;

(c) awards under the Travis Perkins Performance Share Plans continue to be released on the normal release date subject to time pro-rating and performance testing (where performance conditions apply);

(d) options under the Travis Perkins Sharesave Scheme become exercisable to the extent of savings made and remain exercisable for six months (after which they lapse); and

(e) shares under the Travis Perkins Share Incentive Plan will be transferred to the Directors and Senior Managers as soon as reasonably practicable after the Demerger, participation will stop and ongoing contributions will be paid to the Directors and Senior Managers as soon as practicable.

8.5.3 No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Company and was effected by the Company in the current or immediately preceding financial year or was effected during an earlier financial year and remains in any respect outstanding or unperformed.

8.5.4 As at the Latest Practicable Date, there were no outstanding loans granted by any member of the Wickes Group to any Director or member of Senior Management, nor by any Director or member of Senior Management to any member of the Wickes Group, nor was any guarantee which had been provided by any member of the Wickes Group for the benefit of any Director or member of Senior Management, or by any Director or member of Senior Management for the benefit of any member of the Wickes Group, outstanding.

9 Directors' service agreements, letters of appointment and remuneration

9.1 Executive Directors

9.1.1 Service agreements

The Chief Executive Officer and the Chief Financial Officer will be employed under service agreements dated 23 March 2021, which are conditional, and become effective, on completion of the Demerger. Key terms of the service agreements (other than those that relate to remuneration and benefits, which are addressed separately below) are as follows:

Term	Description
Duties	Both executives are required to devote the whole of their time and attention to their duties and to use their best endeavours to promote, protect, develop and extend the business of the Company and the Wickes Group.
Holidays	Both executives are entitled to 30 days' holiday plus bank holidays.
Notice Period	Both the Chief Executive Officer and the Chief Financial Officer are subject to twelve months' notice from Wickes and six months' notice from the executive.
Payment in Lieu of Notice	Both service agreements can be terminated immediately by serving notice and undertaking to pay the relevant executive in lieu of notice. The payment in lieu of notice clause provides that payments may be made in equal monthly instalments, during which time the Chief Executive Officer and Chief Financial Officer would be obliged to take reasonable steps to find alternative employment or otherwise replace their income and, if they are successful in entirely replacing their income, the Company would be under no obligation to continue to pay any remaining instalments. The only amount payable in respect of loss of office is in respect of the twelve month notice period.

Garden Leave	Both the Chief Executive Officer and the Chief Financial Officer can be required to remain away from the office during their notice period. During this time, the Company can require them not to engage in certain activities, including requiring them not to contact employees, suppliers and customers, and to take any accrued but untaken holiday.
Summary Termination	The service agreements can be terminated without notice or payment in lieu of notice in certain prescribed circumstances. The specific grounds for summary dismissal include for example misconduct, persistent breaches of the service agreement, bankruptcy, a criminal charge or conviction (other than minor motor offences), acting in a way prejudicial to the interests or reputation of the Company and disqualification as a director.
Sick Pay	Both executives shall be entitled to receive full salary and contractual benefits during such absence subject to the relevant notification and certification procedures being complied with, for a period or periods aggregating twenty-six weeks in any fifty-two period.
Conflicts of Interest	There is a limitation in both service agreements on conflicts of interest, however, both the Chief Executive Officer and the Chief Financial Officer are permitted to hold up to 5 per cent. of the issued shares or loan capital in any other publicly listed entity.
Restrictive Covenants	Both the Chief Executive Officer and the Chief Financial Officer are subject to nine month restrictive covenants covering non-competition, non-solicitation of clients, prospective clients and key employees, non-dealing with customers and prospective customers, and non-interference with suppliers.
Confidentiality	Both executives are under an obligation not to disclose information confidential to the Company or any Wickes Group company.

9.1.2 **Base salaries**

Salaries are set taking into account the performance, experience and responsibilities of the individual, the scope and scale of the role, internal pay comparators and external benchmark data. Base salaries are presently £495,000 for the Chief Executive Officer and £350,000 for the Chief Financial Officer. Salaries are normally reviewed annually and the next review date is 1 April 2022.

9.1.3 **Benefits and pension**

Benefits include family private medical insurance, life assurance, income protection and company car/car allowance. Other benefits, including relocation allowances may be provided, as appropriate.

Pension comprises a contribution into the Wickes Group personal pension plan or a cash allowance in lieu of pension contributions (or a mix of both) and will be in line with the general workforce at rates of up to 10 per cent. of base salary per annum.

9.1.4 **Annual bonus**

Annual bonuses are payable at the sole discretion of the Remuneration Committee and are based on the achievement of demanding metrics measured over a one-year performance period.

The potential bonus opportunity under the remuneration policy will be set at 140 per cent. of salary for the Chief Executive Officer and 120 per cent. of salary for the Chief Financial Officer. Performance measures and targets will be determined by the Remuneration Committee at the start of the financial year, with financial targets accounting for at least 80 per cent. of the targets. In the first year of operation 70 per cent. of the target set will be measured against profit, 20 per cent. against cash performance and 10 per cent. will be against measurable Environmental, Social and Governance ("ESG") objectives.

It is intended that any annual bonus in respect of the 2021 financial year will be payable in a mix of cash and shares. For Executive Directors at least 33 per cent. of any bonus paid will be deferred in Wickes Shares for three years. Any deferral into shares will be awarded under the Wickes Deferred Annual Bonus Plan ("**DABP**"), the key terms of which are set out in section 13.2 of this Part XII, which was adopted by the Board on 23 March 2021, conditional on Admission and approval of the Share Plans Resolution by Travis Perkins Shareholders at the General Meeting.

9.1.5 **LTIP**

The Board adopted the LTIP on 23 March 2021, conditional on Admission and approval of the Share Plans Resolution by Travis Perkins Shareholders at the General Meeting. This will form the primary long-term incentive arrangement for executive directors and senior management. The purpose of the LTIP is to incentivise and reward the creation of long-term shareholder value.

Under the LTIP, it is intended that awards will be in the form of conditional free shares or nil cost options and will be granted to the Executive Directors and selected senior executives (including senior management) on an annual basis. The maximum LTIP award in any financial year under the plan rules will be 200 per cent. of base salary (excluding Transitional Demerger Awards).

Awards under the LTIP to Executive Directors are currently planned to be on the basis of performance share awards (subject to performance conditions).

In order to retain the Executive Directors and other senior management through the period until the vesting of the first LTIP awards, an initial, one-off transitional award will be granted under the LTIP as restricted share awards (subject to a performance underpin), within six weeks of the announcements of the Company's half year financial results (the "**Transitional Demerger Awards**"). The Transitional Demerger Awards for Executive Directors shall have reference grant values of:

(a) 175 per cent. of salary for the Chief Executive Officer; and

(b) 150 per cent. of salary for the Chief Financial Officer.

Subject to an underpin and continued service, half of these awards will vest on the first anniversary of Demerger and the remainder on the second anniversary of Demerger.

The LTIP will also be used to satisfy regular awards for Executive Directors and senior managers.

The first annual awards under the LTIP to the Executive Directors and other selected senior executives are presently timetabled for grant within six weeks of the announcement of the Company's half year financial results. It is intended that these first regular awards will have reference grant values as follows in respect of the Executive Directors:

(a) 175 per cent. of salary for the Chief Executive Officer; and

(b) 150 per cent. of salary for the Chief Financial Officer.

The second annual grant of awards under the LTIP to Executive Directors and other selected senior executives is presently timetabled for March/April 2022 following the announcement of the Company's annual results for 2021. Annual grants are expected to follow this timetable in future years.

In the normal course of events, awards under the LTIP to Executive Directors (other than Transitional Demerger Awards) will vest three years from award subject to the participant's continued service. Any shares vesting for Executive Directors, other than those sold to settle tax and national insurance contributions, will be subject to a two-year holding period during which they may not ordinarily be sold.

The performance conditions for the first performance share awards to the Executive Directors to be granted in the 2021 financial year will be determined closer to the time of the award and will be disclosed in the Directors' Remuneration Report next year. It is intended that these will be based on earnings growth for 70 per cent. of the award and relative total shareholder return for 30 per cent. of the award.

A summary of the principal terms of the LTIP, including further details in respect of the Transitional Demerger Awards, is set out in section 13.1 of this Part XII.

9.1.6 **In-post share ownership requirements**

Executive Directors are expected to accumulate a shareholding in the Company's shares to the value of 200 per cent. of salary over the first five years but with the Remuneration Committee having the discretion to extend this period if it considers circumstances warrant it.

Shares directly owned by the Executive Directors and their spouses or partners, shares that have vested or are otherwise held under DABP awards and shares that have vested under the LTIP but are held within the two-year holding period would all count towards the share ownership requirements.

9.1.7 **Post-cessation share ownership requirements**

Executive Directors are required to hold the lower of 100 per cent. of their in-post share ownership requirement or their actual holding on departure for two years post-cessation.

9.1.8 **Recruitment policy**

New Executive Director hires (including those promoted internally) will be offered packages in line with the remuneration policy in force at the time, including the maximum limits set out therein. In the case of an external hire, it may be necessary to buy out previous remuneration arrangements (which would be forfeited on leaving the previous employer). This would be provided for taking into account the form (cash or shares), timing and expected value (i.e. likelihood of meeting any existing performance criteria) of the remuneration being forfeited.

9.1.9 **Malus, clawback and override of formulaic outcomes**

Best practice malus and clawback provisions will apply in respect of the operation of the annual bonus plan, DABP and LTIP including in the case of material misstatement of the Company's financial results, an error of calculation or in the event of serious misconduct, serious reputational damage or corporate failure.

In addition, notwithstanding any other provision of the LTIP, and irrespective of whether any performance condition and/or additional condition attached to an award has been satisfied, the Remuneration Committee retains discretion under the LTIP to scale back the level of vesting that would otherwise result by reference to formulaic outcomes alone. Such discretion would only be used in exceptional circumstances and may include corporate and personal performance.

9.1.10 **Other share plans**

The Executive Directors are also eligible to participate in any all-employee share plans operated by the Company on the same terms as other eligible employees (for further information see section 13 of this Part XII).

9.2 **Non-Executive Directors**

The Company's Non-Executive Chair is Christopher Rogers who was appointed on 23 March 2021. The Company's other current Non-Executive Directors are Mark Clare, Michael Iddon and Sonita Alleyne who were also appointed on 23 March 2021. Each of the Non-Executive Directors has agreed terms of appointment with the Company as follows:

9.2.1 Each of the Non-Executive Directors is engaged under a non-executive director appointment letter, which states that the appointment will continue for a renewable three-year term provided that the appointment must not continue for more than nine years in total. In any event, each appointment is terminable by either party on three months' written notice.

9.2.2 From Admission, the Chair is entitled to receive an annual fee of £185,000. Each of the other Non-Executive Directors is entitled to receive an annual fee of £55,000. Additional fees of £10,000 are payable to any Non-Executive Director serving as a committee chair of the Board. A further £7,500 is payable to the Senior Independent Director.

9.2.3 Each Non-Executive Director is also entitled to reimbursement of reasonable expenses. The Non-Executive Directors are not entitled to receive any compensation on termination of their appointment and are not entitled to participate in the Company's share, bonus or pension schemes.

9.2.4 The Non-Executive Directors are subject to confidentiality undertakings without limitation in time. They are also subject to non-compete restrictive covenants for the duration of their appointments.

9.3 **Directors' remuneration**

Under the terms of their service contracts and any applicable incentive plans, effective in Financial Year 2020, the aggregate remuneration and benefits to the Directors who served during Financial Year 2020, consisting of two individuals, was £1,176,234.

Under the terms of their service contracts and applicable incentive plans, effective in Financial Year 2020, the Directors were remunerated as set out below:

Name	Remuneration	Benefits in kind	Pension	Total
David Wood	£669,900	£13,138	£44,660	£727,698
Julie Wirth	£394,020	£10,516	£44,000	£448,536

9.4 **Senior Management remuneration**

Under the terms of their service contracts and any applicable incentive plans, effective in Financial Year 2020, the aggregate remuneration and benefits to the Senior Managers who served during Financial Year 2020, consisting of five individuals, was £1,864,319. This consisted of remuneration of £1,640,364, benefits in kind of £47,222 and pension of £176,734.

10 Remuneration policy

The Directors and their functions are set out in Part V: "*Directors, Senior Management and Corporate Governance*". Summaries of material terms of the service agreements with the

Executive Directors and letters of engagement of the Non-Executive Directors are set out below together with summary details of proposed post Demerger and Admission remuneration policy.

10.1 **Executive Directors**

Remuneration philosophy

The Wickes Group's overall philosophy on remuneration is that it should be linked to the performance and behaviour of the individual, business results and shareholder and customer outcomes.

The remuneration approach is intended to:

10.1.1 provide competitive, transparent and fair rewards;

10.1.2 reward achievement of short and long-term financial objectives and support delivery of the business strategy;

10.1.3 align the interests of employees and shareholders through share ownership; and

10.1.4 support the company's approach to risk and ensure that any risks are identified and mitigated.

Reward levels are set to attract, retain and engage high calibre talent to support the business strategy. Selected employees are able to share in the success of the Wickes Group through participation in annual bonus schemes, with Executive Directors and other select members of the senior management team also eligible for participation in the LTIP.

Executive Director remuneration policy

In anticipation of the Demerger and Admission, the Wickes Group undertook a review of its remuneration policy for senior management, including the Executive Directors.

The remuneration policy as it now stands has been structured taking into account the latest principles set out in the UK Corporate Governance Code, remuneration levels in place prior to Admission and market practice for comparable FTSE-listed companies. The aim of the remuneration policy is to provide an appropriate reward structure for Executive Directors and senior management to ensure their retention, focus them on the achievement of the business strategy and enable them to share in the success of the Wickes Group.

The remuneration policy, insofar as it applies to the Executive Directors, will be subject to a binding shareholder vote at the Company's first annual general meeting in 2022.

A summary of the key terms of the remuneration policy for Executive Directors is set out at section 9.1 of this Part XII.

10.2 **Non-Executive Directors**

The terms of the Non-Executive Directors' appointment with the Company are set out at section 9.2 of this Part XII.

11 Interests of significant Shareholders

11.1 As at the Latest Practicable Date, insofar as it is known to the Company (by reference to notifications to Travis Perkins made in accordance with the Disclosure Guidance and Transparency Rules), the following persons are directly or indirectly interested in 3 per cent. or more of Travis Perkins' issued share capital and, assuming that such persons do not acquire or dispose of any Travis Perkins Shares and no changes are made to Travis Perkins' issued share capital (in each case, prior to the Record Time), the amount of such person's holding of the total voting rights in respect of Wickes Shares at Admission is expected to be as follows:

Shareholder	**Number of Travis Perkins Shares held**	**Percentage of total voting rights at Admission**
BlackRock Inc.	Not disclosed	Less than 5 per cent.
Investec Asset Management	12,741,837	5.05

Shareholder	Number of Travis Perkins Shares held	Percentage of total voting rights at Admission
Ninety One UK Limited	12,480,008	4.95
Harris Associates L.P.	12,398,948	4.92
OppenheimerFunds, Inc.	12,381,080	4.91
Sanderson Asset Management LLP	12,321,382	4.89

11.2 Save as disclosed above, insofar as is known to the Directors, there are no other holdings of voting rights (within the meaning of Chapter 5 of the Disclosure Guidance and Transparency Rules) which will represent 3 per cent. or more of the total voting rights in respect of the issued share capital of the Company following Admission.

11.3 The Company is not aware of any persons who, as at the Latest Practicable Date, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company, nor is it aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

11.4 None of the shareholders referred to above has or will have different voting rights from any other holder of Wickes Shares in respect of any Wickes Shares held by them, and all Wickes Shares have the same voting rights.

12 Dividend policy

Wickes is a strongly cash generative business and the Board recognises the importance of balancing investment in the business with dividends to shareholders. The Board intends to adopt a progressive dividend policy and currently expects to start with a dividend of 30 per cent. of adjusted profit after tax in respect of the full financial year ending 1 January 2022, split approximately one-third and two-thirds between interim and final dividends, respectively.

The Company intends to put in place a dividend re-investment plan following Admission. Details of the availability of the Wickes dividend re-investment plan and the relevant elections that need to be made in order to participate will be sent to certificated Wickes Shareholders together with the share certificates in respect of their Wickes Shares and will also be posted on the Wickes Group's website at www.wickesplc.co.uk.

13 Wickes Share Plans

To cater for discretionary share-based incentive awards to selected employees, the Company has adopted, conditional on Admission and approval of the Share Plans Resolution by Travis Perkins Shareholders at the General Meeting, the Wickes Long Term Incentive Plan (the "**LTIP**") and the Wickes Deferred Annual Bonus Plan (the "**DABP**") (together, the "**Wickes Executive Share Plans**").

Details of the proposed operation of the Wickes Executive Share Plans in respect of the Executive Directors is summarised in sections 9.1.4 to 9.1.5 of this Part XII.

Separately, to provide flexibility for a broad based "all-employee" share incentive policy, the Company has adopted, conditional on Admission and approval of the Share Plans Resolution by Travis Perkins Shareholders at the General Meeting, the Wickes Share Incentive Plan (the "**SIP**") and the Wickes Savings Related Share Option Scheme (the "**Sharesave**") (together, the "**Wickes All-Employee Share Plans**").

The Wickes Executive Share Plans and the Wickes All-Employee Share Plans (together, the "**Wickes Share Plans**") were adopted by the Board on 23 March 2021 conditional on Admission and approval of the Share Plans Resolution by Travis Perkins Shareholders at the General Meeting.

Sections 13.1 to 13.4 of this Part XII describe the key unique features of the LTIP, DABP, SIP and Sharesave and the key features which are common to the Wickes Share Plans. It also provides details of the Wickes Employee Benefit Trust (which may be used to acquire shares to hold or distribute them in respect of the various share schemes) in section 13.6 of this Part XII.

13.1 **Summary of the LTIP**

13.1.1 **Operation and eligibility**

The Remuneration Committee will supervise the operation of the LTIP. Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the LTIP at the discretion of the Remuneration Committee.

13.1.2 **Grant of awards under the LTIP**

The Remuneration Committee may grant awards to acquire Wickes Shares as conditional share awards or as nil (or nominal) cost options. The Remuneration Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

13.1.3 **Timing of grants**

The Remuneration Committee may grant awards within 90 days of Admission. Thereafter, the Remuneration Committee may grant awards within six weeks following the Company's announcement of its results for any period. The Remuneration Committee may also grant awards at any other time when it considers there to be exceptional circumstances which justify the granting of awards (for example, in the case of recruitment).

The first use of the LTIP will be to grant two awards: the Transitional Demerger Awards and the first annual grant of awards under the LTIP which are planned for grant to the Executive Directors and other selected senior management within six weeks of the announcement of the Company's half year financial results.

The second annual grant of awards under the LTIP to Executive Directors and selected others is presently timetabled for March/April 2022 following the announcement of the Company's annual results for 2021.

13.1.4 **Individual limit**

An employee may not receive awards in any financial year in respect of Wickes Shares having a market value in excess of 200 per cent. of their annual base salary in that financial year.

Market value for such purposes shall be based on the market value of Wickes Shares on the dealing day immediately preceding the grant of an award (or by reference to a short averaging period) or on such other basis as the Remuneration Committee determines appropriate having regard to such exceptional factors as it considers relevant.

The Transitional Demerger Awards shall not count towards such limits.

13.1.5 **Extent of vesting**

The extent of vesting of awards for Executive Directors will be subject to performance conditions and/or such additional conditions (in each case if any) as set for the relevant award by the Remuneration Committee and may be so in the case of awards to other employees.

Details of the proposed operation of the LTIP in respect of the Executive Directors is summarised in section 9.1.5 of this Part XII and as further explained in that section is (other than the Transitional Demerger Awards) planned to be in the form of performance share awards (subject to performance conditions).

The Remuneration Committee may vary the performance conditions applying to any award if an event has occurred which causes the Remuneration Committee to consider it appropriate to do so, provided the Remuneration Committee considers the varied conditions to be fair and reasonable and, in the case of an award held by Executive Directors, not materially less challenging than the original conditions would have been but for the event in question.

13.1.6 **Vesting of awards**

Awards shall ordinarily vest on such normal vesting date specified for the award or, if later, when the Remuneration Committee determines the extent to which any performance conditions and/or additional conditions have been satisfied.

The normal vesting date in respect of awards to Executive Directors (other than the Transitional Demerger Awards) shall not be earlier than the third anniversary of the grant of the award.

Where awards are granted in the form of options, once exercisable these will then remain exercisable up until the tenth anniversary of grant (or such shorter period specified by the Remuneration Committee at the time of grant) unless they lapse earlier.

Shorter exercise periods shall apply in the case of ‘‘good leavers’’ and/or vesting of awards in connection with corporate events.

13.1.7 **Leaving employment**

As a general rule, an award will lapse upon a participant’s termination of employment within the Wickes Group.

However, if a participant ceases to be an employee of the Wickes Group because of death, injury, ill-health, disability, redundancy, retirement with the agreement of the Remuneration Committee, their employing company or the business for which they work being sold out of the Wickes Group or in other circumstances at the discretion of the Remuneration Committee, then their award will normally vest on the normal timetable. The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions/additional conditions (in each case, if any) have, in the opinion of the Remuneration Committee, been satisfied over the original performance measurement period, and (ii) ordinarily pro rating of the award to reflect the period spent in service relative to the normal vesting period. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

Alternatively, in such “good leaver” circumstances specified above (including in the case of a discretionary good leaver), the Remuneration Committee can decide that the participant’s award will vest when they leave, subject to: (i) the performance conditions/additional conditions measured at that time; and (ii) ordinarily pro-rating as described above (including the Remuneration Committee’s discretion as described above in respect of pro-ration).

Holding periods (if any) will typically continue to apply to a good leaver’s awards.

13.1.8 **Corporate events**

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that the performance conditions/additional conditions (in each case, if any) have been satisfied at that time; and (ii) pro-rating of the awards to reflect the period elapsed into the award’s normal vesting period. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in a new holding company.

In the event of a demerger, special dividend or other similar event which, in the opinion of the Remuneration Committee, would affect the market price of the Wickes Shares to a material extent, the Remuneration Committee may decide that awards shall vest early or be adjusted on such basis as considered appropriate.

13.1.9 **Holding periods**

The terms of the LTIP include that Executive Directors (and such others, if any, as the Remuneration Committee requires) will ordinarily be required to retain their net of tax number of vested shares (if any) delivered under the LTIP (or the full number of the vested shares whilst held under an unexercised nil (or nominal) cost option award, where relevant) until the fifth anniversary of the grant of the award.

13.1.10 **Override**

Notwithstanding any other provision of the LTIP, and irrespective of whether any performance condition and/or additional condition attached to an award has been satisfied, the Remuneration Committee retains discretion under the LTIP to scale back the level of vesting that would otherwise result by reference to formulaic outcomes alone.

13.1.11 **Dividend equivalents**

The Remuneration Committee may decide that participants will receive a payment (in cash and/or Wickes Shares) on or shortly following the vesting/exercise of their awards of an amount equivalent to the dividends that would have been paid on those Wickes Shares between the time (or part of the time) when the awards were granted and the time when they vest (or where an award is structured as an option and subject to a holding period, the date of expiry of the holding period or if earlier the exercise of such award). This amount may assume the reinvestment of dividends. Alternatively, participants may have their awards increased as if dividends were paid on the Wickes Shares subject to their award and then assumed to be reinvested in further Wickes Shares.

13.1.12 **Malus and clawback**

The Remuneration Committee may apply the LTIP's malus and clawback provisions if, at any point prior to the third anniversary of the date of vesting of an award, it is discovered that there has been a material misstatement of the Company's financial results, an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, serious reputational damage or corporate failure.

The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, existing award or future share awards and/or a requirement to make a cash payment.

13.1.13 **Transitional Demerger Awards**

As noted above the Transitional Demerger Awards are planned for grant under the LTIP within six weeks of the announcement of the Company's half year financial results.

The Transitional Demerger Awards shall ordinarily vest 50 per cent. on the first anniversary of the completion of the Demerger with the balance vesting on the second anniversary of the completion of the Demerger.

It is currently anticipated that the Transitional Demerger Awards shall be granted over Wickes Shares having an aggregate market value at grant of no more than £4 million and be granted to senior managers and the Executive Directors. The reference grant values of the proposed Transitional Demerger Awards to the Executive Directors are £866,250 for the Chief Executive Officer and £525,000 for the Chief Financial Officer. The maximum reference grant value of the proposed Transitional Demerger Awards to other recipients shall not exceed £330,000 per individual.

Any awards made will be subject to the continued employment of recipients and for Executive Directors, a performance underpin.

Market value for the purposes of setting the number of shares under the awards shall be based on the market value of Wickes Shares on the dealing day immediately preceding the grant of an award (or by reference to a short averaging period) or on such other basis as the Remuneration Committee determines appropriate having regard to such exceptional factors as it considers relevant.

The terms of the LTIP shall apply to the Transitional Demerger Awards in the same manner as other awards under the LTIP.

13.2 **Summary of Deferred Annual Bonus Plan**

The Remuneration Committee will supervise the operation of the DABP. Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the DABP at the discretion of the Remuneration Committee.

13.2.1 **Overview**

The general purpose of the DABP is to facilitate the deferral of part of an Executive Director's and other key managers' annual bonus into Wickes Shares at the discretion of the Remuneration Committee. The decision (if any) to require such bonus deferral in any year, and the portion of any bonus which will be deferred, will be determined by the Remuneration Committee and, in the case of Executive Directors, also having regard to the requirements of the prevailing shareholder approved directors' remuneration policy (where relevant).

The Remuneration Committee currently proposes to require 33 per cent of any bonuses payable to the Executive Directors and 25 per cent of any bonuses payable to key senior managers to be deferred under the DABP.

13.2.2 **Grant of awards under the DABP**

The Remuneration Committee may grant awards to acquire Wickes Shares as conditional share awards or as nil (or nominal) cost options. The Remuneration Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

13.2.3 **Timing of grants**

The Remuneration Committee may grant awards within six weeks following the Company's announcement of its results for any period or the date on which bonuses are determined. The Remuneration Committee may also grant awards at any other time when it considers there to be exceptional circumstances which justify the granting of awards (for example, in the event awards cannot be granted during the normal grant windows due to dealing constraints).

The first awards under the DABP are presently timetabled for grant in March/April 2022 following the announcement of the Company's annual results for 2021.

13.2.4 **Individual limits**

Awards may only be granted in relation to the deferral of bonus and accordingly the employee may not receive awards in any financial year of Wickes Shares having a market value in excess of the relevant portion of the bonus being deferred under the DABP.

Market value for such purposes shall ordinarily be based on the market value of Wickes Shares on the dealing day immediately preceding the grant of an award (or by reference to a short averaging period) or on such other basis as the Remuneration Committee determines appropriate having regard to such exceptional factors as it considers relevant.

13.2.5 **Vesting of awards**

The normal vesting date for awards will be the third anniversary of grant (or such other normal vesting date (or dates in respect of distinct portions) as the Remuneration Committee may specify).

Where awards are granted in the form of options, once exercisable these will then remain exercisable up until the tenth anniversary of grant (or such shorter period specified by the Remuneration Committee at the time of grant) unless they lapse earlier. Shorter exercise periods shall apply in the case of ‘‘good leavers’’ and/or vesting of awards in connection with corporate events.

13.2.6 **Leaving employment**

An award will be retained upon a participant’s termination of employment within the Wickes Group except in the case of the participant’s dismissal for misconduct or departure following misconduct that could have warranted such dismissal. Retained awards will vest on the normal timetable unless the Remuneration Committee decide that the participant’s award will instead vest when they leave.

13.2.7 **Corporate events**

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation), all awards will vest early in full.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Remuneration Committee, would affect the market price of the Wickes Shares to a material extent, then the Remuneration Committee may adjust the awards, or may decide that awards will vest on the basis which would apply in the case of a takeover as described above.

13.2.8 **Dividend equivalents**

The Remuneration Committee may decide that participants will receive a payment (in cash and/or Wickes Shares) on or shortly following the vesting/ exercise of their awards of an amount equivalent to the dividends that would have been paid on those Wickes Shares between the time when the awards were granted and the time when they vest. This amount may assume the reinvestment of dividends. Alternatively, participants may have their awards increased as if dividends were paid on the Wickes Shares subject to their award and then assumed to be reinvested in further Wickes Shares.

13.2.9 **Malus and clawback**

The Remuneration Committee may apply the DABP’s recovery and withholding provisions if, at any point prior to the third anniversary of the grant of an award, it is discovered that there has been a material misstatement of the Company’s financial results, an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, serious reputational damage or corporate failure.

The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, existing award or future share awards and/or a requirement to make a cash payment.

13.3 **Summary of Share Incentive Plan**

13.3.1 **Operation**

The Board will supervise the operation of the SIP. It is intended that the SIP will meet the requirements of Schedule 2 to the Income Tax (Earnings and Pensions)

Act 2003 (''ITEPA'') as amended and re-enacted from time to time in order to provide UK tax-advantaged participation to UK employees.

The SIP comprises the following three elements and the Board may decide which element to offer (if any) to eligible employees:

(a) "**Free Shares**" which are free Wickes Shares which may be allocated to an employee.

The market value of Free Shares allocated to any employee in any tax year may not exceed the limit permitted by the relevant legislation (currently £3,600). Free Shares may be allocated to employees equally or on the basis of salary, length of service or hours worked, or on the basis of performance, as permitted by legislation.

(b) "**Partnership Shares**" which are Wickes Shares an employee may purchase out of their pre-tax earnings.

The market value of Partnership Shares which an employee can agree to purchase in any tax year may not currently exceed £1,800 (or 10 per cent. of the employee's salary, if lower), or such other limit as may be permitted by the relevant legislation. The funds used to purchase Partnership Shares will be deducted from the employee's pre-tax salary. Salary deductions may be accumulated over a period of up to 12 months and then used to buy Wickes Shares.

(c) "**Matching Shares**" which are free Wickes Shares which may be allocated to an employee who purchases Partnership Shares.

The Board may allocate up to a maximum of two Matching Shares for every one Partnership Share purchased (or such other maximum ratio as may be permitted by the relevant legislation). The same Matching Share ratio will apply to all employees who purchase Partnership Shares under the SIP on the same occasion.

13.3.2 **Eligibility**

Employees of the Company and any designated participating subsidiary who are UK resident taxpayers are eligible to participate. The Board may allow non-UK tax resident taxpayers to participate. The Board may require employees to have completed a qualifying period of employment of up to 18 months in order to be eligible to participate. All eligible employees must be invited to participate.

The Board currently envisages using the Free Shares element of the SIP within six months of Admission to make an award of Free Shares (of an anticipated aggregate value on award of up to £2.5 million) to eligible UK tax resident employees.

13.3.3 **Retention of Shares**

The trustee of the SIP trust will acquire Partnership Shares on behalf of participants and hold those shares in the SIP trust on their behalf. Employees can withdraw Partnership Shares from the SIP trust at any time.

The trustee will award Free Shares and Matching Shares to participants and hold those shares in the SIP trust on their behalf. The Board may decide that awards of Free Shares or Matching Shares will be forfeited in certain circumstances. The default position is that such shares will be forfeited on leaving employment within three years of the award unless the participant leaves by reason of death, injury, disability, redundancy, retirement or the employing company or business ceasing to be part of the Wickes Group. In addition, the default position includes that Free Shares and Matching Shares will be forfeited if the participant attempts to withdraw such shares or the corresponding Partnership Shares (as relevant) from the SIP trust within the first three years. The Board may amend or remove the forfeiture provisions applying to a particular award but the same provisions must apply to all shares under the same award.

If a participant ceases to be employed by the Wickes Group at any time such participant will be required to withdraw such participant's shares from the SIP trust (if they are not forfeited).

13.3.4 **Corporate events**

In the event of a general offer being made to Shareholders, participants will be able to direct the trustees how to act in relation to their Wickes Shares. In the event of a corporate reorganisation any Wickes Shares held by participants may be replaced by equivalent shares in a new holding company.

13.3.5 **Dividends on Wickes Shares held by the trustee of the SIP**

Any dividends paid on Wickes Shares held by the trustee of the SIP on behalf of participants may be either used to acquire additional Wickes Shares for employees or distributed to participants.

13.3.6 **Rights attaching to Wickes Shares**

An employee will be treated as the beneficial owner of Wickes Shares held on his/her behalf by the trustee of the SIP.

13.4 **Summary of Sharesave**

13.4.1 **Operation**

The operation of the Sharesave will be supervised by the Board.

It is intended that the Sharesave will meet the requirements of Schedule 3 to ITEPA as amended and re-enacted from time to time in order to provide UK tax-advantaged options to UK employees.

13.4.2 **Eligibility**

Employees and full-time directors of the Company and any designated participating subsidiary who are UK resident tax payers are eligible to participate. The Board may require employees to have completed a qualifying period of employment of up to five years before the grant of options (although current intention is to require no more than one year). The Board may also allow other employees to participate.

13.4.3 **Grant of options**

Options can only be granted to employees who enter into HMRC approved savings contracts, under which monthly savings are normally made over a period of three or five years. Options must be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set. The number of Wickes Shares over which an option is granted will be such that the total option price payable for those Wickes Shares corresponds to the proceeds on maturity of the related savings contract.

13.4.4 **Individual participation**

Monthly savings by an employee under all savings contracts linked to options granted under any sharesave scheme may not exceed the statutory maximum (currently £500). The Board may set a lower limit in relation to any particular grant.

13.4.5 **Option price**

The price per Wickes Share payable upon the exercise of an option will not be less than the higher of: (i) 80 per cent. of the average middle-market quotation of a Wickes Share on the London Stock Exchange on the three days preceding a date specified in an invitation to participate in the Sharesave (or such other day or days as may be agreed with HMRC); and (ii) if the option relates only to new issue Wickes Shares, the nominal value of a Wickes Share.

The option price will be determined by reference to dealing days which fall within six weeks of Admission, the announcement by the Company of its results for any period, any day on which a new savings contract prospectus is announced or comes into force, or by reference to any other time when the Board considers there to be exceptional circumstances which justify offering options under the Sharesave.

13.4.6 **Exercise of options**

Options will normally be exercisable for a six-month period from the third or fifth anniversary of the commencement of the related savings contracts. Earlier exercise is permitted, however, in the following circumstances:

(a) following cessation of employment by reason of death, injury, disability, redundancy, retirement or the business or company that the employee works for ceasing to be part of the Wickes Group;

(b) where employment ceases more than three years from grant for any reason other than dismissal for misconduct; and

(c) in the event of a takeover, amalgamation, reconstruction or winding-up of the Company, except in the case of an internal corporate reorganisation when the Board may decide to exchange existing options for equivalent new options over shares in a new holding company.

Except where stated above, options will lapse on cessation of employment or directorship within the Wickes Group.

Wickes Shares will be allotted or transferred to participants within 30 days of exercise.

13.5 **Principal terms common to the Wickes Share Plans**

13.5.1 **Life of the Wickes Share Plans**

An award may not be granted more than 10 years after the date on which the Wickes Share Plans were adopted.

No payment is required for the grant of an award save in the case of the purchase of Partnership Shares or allocation of dividend shares under the SIP.

Awards are not transferable, except on death. Awards are not pensionable.

13.5.2 **Participants' rights**

Awards under the Wickes Executive Share Plans and Sharesave will not confer any shareholder rights until the awards have vested or the options have been exercised as relevant and the participants have received their Wickes Shares.

13.5.3 **Rights attaching to Wickes Shares**

Any Wickes Shares allotted will rank equally with Wickes Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

13.5.4 **Variation of capital**

Other than in respect of the Wickes SIP, in the event of any variation of the Company's share capital (or in the case of the Wickes Executive Share Plans only, in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Wickes Shares), the Remuneration Committee or Board as relevant may make such adjustment as it considers appropriate to the number of Wickes Shares subject to an award and/or the exercise price payable (if any).

13.5.5 **Overall limits**

The Wickes Share Plans may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10 per cent. of the issued ordinary share capital of the Company under the Wickes Share Plans and any other (executive or otherwise) share incentive plan adopted by the Company.

Furthermore, in the same period as noted above, the Company may not issue (or grant rights to issue) more than 5 per cent. of the shares in issue under the Wickes Executive Share Plans and any other executive share plan adopted by the Company.

Treasury shares will count as new issue shares for the purposes of these limits unless institutional investor guidelines cease to require them to count.

Wickes Shares issued or to be issued under awards or options granted before Admission will not count towards these limits.

13.5.6 **Alterations**

The Remuneration Committee may, at any time, amend the Wickes Share Plans in any respect, provided that the prior approval of Wickes Shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of awards.

The requirement to obtain the prior approval of Wickes Shareholders will not, however, apply to any minor alteration made to benefit the administration of the Wickes Share Plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Wickes Group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award amended in line with its terms.

13.5.7 **Overseas plans**

The Wickes Share Plans allow the Remuneration Committee or Board, as relevant, to establish further plans for overseas territories, any such plan to be similar to the relevant Wickes Share Plan, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the relevant Wickes Share Plan.

13.6 **Employee Benefit Trust**

At its discretion the Company may operate the Wickes Share Plans in conjunction with a Wickes Employee Benefit Trust (''**Wickes EBT**'') which includes the flexibility to acquire shares to hold or distribute them in respect of share options and awards granted pursuant to the Company's share plan arrangements from time to time. Such Wickes EBT would not, without prior Wickes Shareholder approval, acquire shares which would cause its holding to exceed 5 per cent. of the Wickes Shares in issue.

The proposed Wickes EBT is an offshore trust and the trustees may buy shares including from on the market or subscribe for them. It is currently intended that, for the first set of awards, the Wickes EBT will subscribe for Wickes Shares. It is intended that the proposed Wickes EBT would be funded by way of loans and other contributions from the Wickes Group.

14 Pensions

The Company has agreed with Travis Perkins that the Wickes Group employees shall remain with the Travis Perkins Group's defined contribution pension plan (the "**Travis Perkins Group Retirement Savings Plan**") for a short period of time following completion of the Demerger. This is because the Travis Perkins Group will be changing its pension provider and it has been agreed that it would be more efficient to establish a new defined contribution pension plan operated by the Wickes Group, on terms that are materially no less favourable than the Travis Perkins Group Retirement Savings Plan, at such time. This is expected to take place within six months after completion of the Demerger.

15 Employees

The average number of employees employed by the Wickes Group for Financial Year 2018, Financial Year 2019 and Financial Year 2020 (calculated on the same basis) was 7,585, 7,533 and 7,981, respectively. The following table sets forth a breakdown of the Wickes Group's employees across its operations during Financial Years 2020, 2019 and 2018.

	Financial Year		
	2020	**2019**	**2018**
Administration and support	368	386	413
Sales	7,613	7,147	7,172
Total	7,981	**7,533**	**7,585**

16 Subsidiaries, joint ventures and associates

Following completion of the Reorganisation and the Demerger becoming effective, the Company will be the holding company of the Wickes Group. The following table shows the list of entities which will be the principal subsidiaries and subsidiary undertakings of the Company immediately following the Demerger becoming effective.

Name and registration number	Country of incorporation and registered office	Percentage of ownership interest	Principal activity
Subsidiaries			
Wickes Group Holdings Limited 12219561	Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom	100%	Holding Company
Wickes Building Supplies Limited 01840419(1)	Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom	100%	Retail sale of new goods (principal trading entity for the Wickes Business)
Wickes Finance Limited 02070200(1)	Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom	100%	Holding Company
Wickes Holdings Limited 01738919(1)	Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom	100%	Holding Company

Notes:

(1) Wickes Group Holdings Limited, of which the Company is the sole shareholder, owns 100 per cent. of the issued share capital in Wickes Finance Limited and Wickes Building Supplies Limited. Wickes Finance Limited owns 100 per cent. of the issued share capital in Wickes Holdings Limited.

17 Statutory Auditor

The auditor of the Company since the date of its incorporation has been KPMG LLP, whose registered office is at 15 Canada Square, Canary Wharf, London, E14 5GL. KPMG LLP is a member of the Institute of Chartered Accountants in England and Wales and has no material interest in the Wickes Group.

18 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Wickes Group: (a) within the two years preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Wickes Group; or (b) at any time and contain any provision under which the Company or any member of the Wickes Group has any obligation or entitlement which is, or may be, material to the Company or any member of the Wickes Group as at the date of this Prospectus:

18.1 **The Demerger Agreement**

The Demerger Agreement was entered into between the Company and Travis Perkins on 23 March 2021 to effect the Demerger and to govern the post-Demerger obligations of the Wickes Group and the Travis Perkins Group in respect of, among other things, their respective indemnity obligations.

The Demerger Agreement is conditional on: (i) the passing of the Demerger Resolution; (ii) the Demerger Dividend being made such that the Wickes Shares are transferred to Qualifying Travis Perkins Shareholders; (iii) the FCA having acknowledged (and such acknowledgement not having been withdrawn) that the application for Admission has been approved; and (iv) the London Stock Exchange having acknowledged (and such acknowledgement not having been withdrawn) that the Wickes Shares will be admitted to trading on its main market. As a result, the Demerger will become effective, save for Admission, immediately prior to Admission.

The Demerger Agreement contains customary mutual cross-indemnities under which the Company indemnifies the Travis Perkins Group against liabilities of any kind arising directly or indirectly from or in consequence of the business carried on by the Wickes Group and the Travis Perkins Group indemnifies the Company against liabilities of any kind arising directly or indirectly from or in consequence of the business carried on by the Travis Perkins Group other than the Wickes Group. Claims made under these mutual cross-indemnities by the indemnified party are, subject to the right of the indemnifying party to defend any such claim, required to be paid by the indemnifying party. These mutual cross-indemnities are unlimited in terms of amount and duration.

The Demerger Agreement also sets out how intragroup balances and insurance claims will be dealt with following the Demerger. Both groups have agreed to keep certain information on the other group confidential, subject to certain customary exemptions.

The Demerger Agreement will terminate if the conditions set out above have not been satisfied on or before 30 June 2021 (or such other date as Travis Perkins and the Company may agree).

18.2 **The Tax Deed**

The Tax Deed, which was entered into between the Company and Travis Perkins on 23 March 2021, contains provisions relating to, among other things, the allocation of tax liabilities between the Travis Perkins Group and the Wickes Group, the manner in which each group will prepare and agree tax computations and returns, the basis on which certain claims and elections can be made, the conduct of negotiations and disputes with the tax authorities, the exchange of information relating to their tax affairs and certain other administrative matters relating to the respective groups.

The two general principles underlying the Tax Deed are that:

18.2.1 each company in the Wickes Group and the Travis Perkins Group, respectively, will be responsible for the tax liabilities relating broadly to the assets owned by it following the Demerger, whether arising before or after the Demerger becoming effective, and the tax liabilities relating to its own activities following the Demerger becoming effective; and

18.2.2 the Wickes Group and the Travis Perkins Group will co-operate in relation to any tax matter or issue which gives rise or may give rise to a tax liability in both the Wickes Group and the Travis Perkins Group.

18.3 **The Transitional Services Agreement**

Overview of agreement

On 23 March 2021, Wickes Building Supplies entered into a Transitional Services Agreement with Travis Perkins Trading Company Limited ("**TPTC**") under which TPTC has agreed to provide or procure the provision of certain transitional services to the Wickes Group for an agreed term following implementation of the Demerger. The Transitional Services Agreement will continue until the date that the last service term expires (envisaged to be within 24 months following implementation of the Demerger, subject to any extension as described below). The services that are to be provided under the Transitional Services Agreement are:

18.3.1 Human Resources: Payroll; rewards and benefits; compensation; HR information systems access and administration; HR data management; employee relations and legal services; management of apprenticeships levy; recruitment systems access; company car expenses support; and, pensions services.

18.3.2 Information Technology: Wide and local area network support; telephony and internet access; data centre, storage and computation facilities; on-premise technology solutions (including business applications, delivery services, end-user and platform services); Google collaboration and productivity services (G-Suite); software as a service solution; and, technical support and maintenance services.

Overview of terms

TPTC is bound to provide or procure the provision of the services to the Wickes Group for the relevant term. TPTC must use its best endeavours to provide the services to the same standard to which they were provided during the twelve-month period prior to the implementation of the Demerger.

Where Wickes Building Supplies identifies any service that was provided to it by the Travis Perkins Group prior to the Demerger but which has been omitted from the service descriptions, it has the right to require TPTC to provide or procure the provision of the omitted service in the same manner and subject to the same terms as the services included in the descriptions.

Wickes Building Supplies is obliged to pay fees for each service calculated in accordance with the terms of the Transitional Services Agreement. The fees include charges from TPTC for the services along with charges for certain IT security measures and any third-party costs associated with the provision of the services or the passing on of the benefit of group contracts. The total fees payable under the Transitional Services Agreement during the first 12 months are estimated at approximately £6 million, which is expected to decrease over the subsequent 12 months as the Wickes Group transitions off the Transitional Services Agreement and reduces its levels of services and associated costs.

Pursuant to the Transitional Services Agreement, a series of transfer plans have been agreed between Wickes Building Supplies and TPTC, which are designed to ensure that each service can be transitioned to the Wickes Group or a third party by the end of the relevant transitional service term. The parties are under absolute obligations to perform their respective tasks in accordance with the agreed transfer plan and TPTC is further obliged to provide all reasonable assistance that Wickes Building Supplies may require to transition off the Transitional Services Agreement.

In respect of certain elements of the services, Wickes Building Supplies has the right to a single extension of those elements for a period of up to six months. Wickes Building Supplies must provide three months prior notice ahead of the expiry of the relevant services term to extend. There are some inter-dependencies between service elements. Where this is the case, Wickes Building Supplies may only extend a service element to the extent that any other elements on which it depends are similarly extended. To ensure that the parties are motivated to complete the transition of the services, a ratchet is applied to any extension of the services. The remaining elements of the services are tied to underlying contracts with fixed terms that will be retained by the Travis Perkins Group and cannot be extended.

Subject to certain conventional exceptions (e.g. in instances of fraud or personal injury caused by negligence) where both parties liability is uncapped, the maximum liability of either party in relation to the Transitional Services Agreement is capped at 100 per cent. of the fees paid in the relevant contract year.

Wickes Building Supplies may terminate certain services on prior written notice. Where services are dependent on each other, Wickes Building Supplies must terminate them all at the same time. TPTC may only terminate the Transitional Services Agreement for unpaid service charges if the amount remaining unpaid after 30 days written notice to pay the unpaid sums due exceeds £250,000. Either party may terminate on written notice if the other party becomes insolvent or if the other party fails to remedy a material breach of the Transitional Services Agreement within 30 days of being given written notice of the breach.

18.4 **Sponsors' Agreement**

The Company, Travis Perkins and the Joint Sponsors entered into the Sponsors' Agreement on 23 March 2021. Pursuant to the terms of the Sponsors' Agreement:

18.4.1 the Company appoints Citi and Deutsche Bank as Joint Sponsors in connection with the Demerger, the application for Admission, and the production and publication of this document and the Joint Sponsors accept such appointment;

18.4.2 the Joint Sponsors have been granted all powers, authorities and discretions which are necessary for or incidental to the performance of its responsibilities under the Listing Rules and the Prospectus Regulation Rules;

18.4.3 the Company has agreed to deliver certain documents to the Joint Sponsors relating to the application for Admission and the Joint Sponsors' responsibilities under the Listing Rules and Prospectus Regulation Rules;

18.4.4 the Company has given customary representations, warranties, undertakings and indemnities to the Joint Sponsors; and

18.4.5 each of Citi and Deutsche Bank has the right to terminate the Sponsors' Agreement in certain customary circumstances prior to Admission. These circumstances include (among others): (i) any statement in this Prospectus has become or is discovered to be untrue, inaccurate or misleading in a manner which is material in the context of the Demerger; and (ii) the breach by the Company of any of its warranties, representations, undertakings or obligations contained in the Sponsors' Agreement, this Prospectus or the Demerger Agreement where the effect of such breach, in the opinion of either Citi or Deutsche Bank (acting in good faith) is material in the context of the Demerger.

18.5 **Revolving Credit Facility**

On 23 March 2021 (the "**Signing Date**"), Wickes Group Holdings Limited and Wickes Building Supplies Limited, as borrowers, and the Company, Wickes Group Holdings Limited, Wickes Building Supplies Limited and Wickes Finance Limited as guarantors, entered into a new £80 million revolving credit facility with National Westminster Bank plc as agent and security agent and Barclays Bank plc, BNP Paribas, London Branch, National Westminster Bank plc, The Governor and Company of the Bank of Ireland as lenders (the "**Lenders**") (the "**Revolving Credit Facility**"). Up to £20 million of the Revolving Credit Facility may be carved out into ancillary facilities to be provided by the Lenders and their affiliates to allow for overdrafts, short term loans, letters of credit or other ancillary bilateral facilities customary for a facility of this nature. The Revolving Credit Facility is intended to be used for general corporate purposes and may be drawn in pounds sterling, Euro, US dollars or any other freely available currency approved by all the Lenders.

The borrowers and guarantors have provided English law floating charges over all of their assets in support of their obligations under the Revolving Credit Facility.

Utilisation of the Revolving Credit Facility is subject to a number of conditions precedent typical to a revolving credit facility of this nature, including completion of the Demerger and Admission having taken place.

All amounts outstanding under the Revolving Credit Facility shall be repaid on the date that is three years after the Signing Date (the "**Termination Date**") and the Revolving Credit Facility shall be available for utilisation until the date falling one month prior to the Termination Date. The Revolving Credit Facility includes options to extend the Termination Date of the Revolving Credit Facility by one year at each of the first and/or the second anniversary of the Signing Date. Any such extensions may only be granted at the discretion of the Lenders and subject to the payment of any extension fee (in an amount to be determined at the time of any extension) to the relevant extending Lenders.

The Revolving Credit Facility also contains an uncommitted accordion mechanism, such that the Company may request that the total commitments are increased by a maximum amount of £20 million.

Interest in respect of loans under the Revolving Credit Facility (but not any ancillary facility) will be payable at a rate per annum equal to the aggregate of (a) a margin of 2.25 per cent.; plus (b) a Compound Reference Rate (in relation to pounds sterling, based on SONIA and, in relation to US dollars, based on SOFR) or, in relation to any loan in Euro, EURIBOR (or, if the Compound Reference Rate or EURIBOR (as applicable) is unavailable and subject to various market standard fallbacks, a replacement benchmark agreed with certain of the Lenders). The rate and time of payment of interest, commission, fees and any other remuneration in respect of any ancillary facility shall be determined by agreement between the relevant ancillary lender and the borrower of that ancillary facility based upon normal market rates and terms.

The Revolving Credit Facility has the following financial covenants, which will be tested on a quarterly basis:

18.5.1 Gearing: the ratio of total non-property net debt to adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) does not exceed 1.5x; and

18.5.2 Fixed charge cover: the ratio of EBITDAR (earnings before interest, taxes, depreciation and amortisation and restructuring or rent costs) to net finance charges and cash rental payments shall not be lower than 1.5x.

In addition, the Revolving Credit Facility contains customary covenants (including those related to disposals, acquisitions, change of business, financial indebtedness, granting of security, sanctions, anti-bribery, anti-corruption and anti-money laundering) subject to customary exceptions, certain carve-outs, *de minimis* exemption baskets and material adverse effect qualifications. No Lender will have the ability to cancel their commitments under the Revolving Credit Facility in the period from the Signing Date until the date of the admission to listing of the Company other than on the occurrence of certain significant events or circumstances which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof) be an event of default (including, for example, non-payment of amounts due under the Revolving Credit Facility, insolvency or insolvency proceedings in respect of any borrower or guarantor or the documents in respect of the Revolving Credit Facility ceasing to be legal, valid, binding and enforceable).

The Revolving Credit Facility contains a change of control provision under which, upon the occurrence of a change of control of the Company, the Lenders may refuse to fund utilisations under the Revolving Credit Facility, cancel their commitments and require repayment of all outstanding amounts. The Demerger and Admission will not constitute a change of control under the Revolving Credit Facility.

19 Related party transactions and other arrangements

Details of related party transactions entered into by members of the Wickes Group during the period covered by the historical financial information contained in this Prospectus are set out in Note 25 of Section B of Part IX: "*Historical Financial Information*".

Save as set out above, there are no related party transactions that were entered into during the period covered by the historical financial information or since the end of Financial Year 2019 to the date of this Prospectus.

20 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on the Company or the Wickes Group's financial position or profitability.

21 Working capital

The Company is of the opinion that the Wickes Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

22 No significant change

There has been no significant change in the financial position or financial performance of the Wickes Group since 26 December 2020, being the date to which the historical financial information in Part IX: "*Historical Financial Information*" has been published.

23 Consents

KPMG LLP has given and not withdrawn its written consent to the inclusion in this Prospectus of the reports set out in Section A of Part IX: "*Historical Financial Information*" and Section C of Part X: "*Unaudited Pro Forma Statement of Net Assets*" and has authorised those parts of the Prospectus which comprise its reports for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules.

24 Takeover regulation and compulsory acquisition rules relating to Wickes Shares

Following Admission, the Company will be subject to the Takeover Code and its shareholders will therefore be entitled to the protections afforded by the Takeover Code. The Takeover Code is issued and administered by the Takeover Panel.

Other than as provided by the Takeover Code and Part 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Wickes Shares.

24.1 **Mandatory bids**

Under Rule 9 of the Takeover Code, when: (i) a person acquires any interest in shares which (when taken together with shares in which such person and persons acting in concert with such person are interested) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company subject to the Takeover Code but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which such person is interested, then, in either case, that person, together with the person acting in concert with him, is normally required to extend offers in cash, at the highest price paid by such person (or any persons acting in concert with such person) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights.

"**Interests in shares**" is defined broadly in the Takeover Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

"**Voting rights**" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. Persons acting in concert (and concert parties) comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Certain categories of people are deemed under the Takeover Code to be acting in concert with each other unless the contrary is established.

24.2 **Authority of the Company to redeem or purchase its own shares**

When a company redeems or purchases its own voting shares, under Rule 37 of the Takeover Code any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the Takeover Code. Rule 37 of the Takeover Code provides that, subject to prior consultation, the Takeover Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure along the lines of that set out in Appendix 1 to the Takeover Code is followed. Appendix 1 to the Takeover Code sets out the procedure which should be followed in obtaining that consent of independent shareholders. Under Note 1 on Rule 37 of the Takeover Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company's purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the Directors is such that the person is, or is presumed to be, concert parties with any of the Directors. However, there is no presumption that all the Directors (or any two or more directors) are concert parties solely by reason of a proposed purchase by a company of its own shares, or the decision to seek shareholders' authority for any such purchase.

Under Note 2 on Rule 37 of the Takeover Code, the exception in Note 1 on Rule 37 of the Takeover Code described above will not apply, and an obligation to make a mandatory offer may therefore be imposed, if a person (or any relevant member of a group of persons acting in concert) has acquired an interest in shares at a time when they had reason to believe that such a purchase of their own shares by the company would take place. Note 2 on Rule 37 of the Takeover Code will not normally be relevant unless the relevant person knows that a purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).

The Takeover Panel must be consulted in advance in any case where Rule 9 of the Takeover Code might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30 per cent. or more but do not hold shares carrying more than 50 per cent. of the voting rights of a company, or may become interested in 30 per cent. or more on full implementation of the proposed purchase by the company of its own shares. In addition, the Takeover Panel should always be consulted if the aggregate interests in shares of the directors and any other persons acting in concert, or presumed to be acting in concert, with any of the directors amount to 30 per cent. or more, or may be increased to 30 per cent. or more on full implementation of the proposed purchase by the company of its own shares.

24.3 **Squeeze-out**

Under the compulsory acquisition procedures set out in sections 979 to 991 of the Companies Act, if a takeover offer (as defined in section 974 of the Companies Act) is made for the Wickes Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which the takeover offer relates (the "**Takeover Offer Shares**") and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent. It would do so by sending a notice (pursuant to section 979 of the Companies Act) to outstanding shareholders telling them that it will compulsorily acquire their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose Takeover Offer Shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

A minority shareholder may bring an application to the Court under section 986 of the Companies Act within six weeks of receiving a section 979 notice. The Court may:

24.3.1 order that the offeror shall not be entitled or bound to acquire the relevant shares; or

24.3.2 specify terms of acquisition different from those of the offer.

24.4 **Sell-out**

Section 983 of the Companies Act gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Wickes Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the Wickes Shares to which the offer relates, any holder of Wickes Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Wickes Shares. The offeror is required to give any shareholder notice of such shareholder's right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises such rights, the offeror is bound to acquire those Wickes Shares on the terms of the offer or on such other terms as may be agreed.

If a shareholder gives notice under section 983 of the Companies Act, both the shareholder and the offeror have the right to make an application to the Court. The Court has the power to vary the terms of the acquisition but cannot order that the offeror shall not be entitled or obliged to acquire the relevant shares.

25 Costs and expenses

The Company will not receive any proceeds as a result of the Demerger.

Under the Demerger Agreement, Travis Perkins and Wickes have agreed to allocate the professional fees and charges incurred in connection with the Demerger (including Joint Sponsor fees, structuring and separation advice and accounting fees), while the Travis Perkins Group retained costs arising from the General Meeting and production of this document (other than printing) and the Wickes Group all other costs. The estimated total costs and expenses for the Wickes Group that are directly attributable to the Demerger (excluding one-off costs arising from the separation of the Wickes Business from the Travis Perkins Group) are £5.0 million (excluding costs incurred and reflected in prior year consolidated financial statements of the Travis Perkins Group).

26 Third party information

Where third party information has been used in this Prospectus, the source of such information has been identified. The Company confirms that such information has been accurately reproduced and, so far as the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

27 Documents available for inspection

The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following the date of this Prospectus at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ and at the Company's registered office at Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom and on the Company's website at the following address www.wickesplc.co.uk:

27.1 the up-to-date Articles of the Company;

27.2 the consent letter referred to in section 23 (*Consents*) of this Part XII: "*Additional Information*";

27.3 the historical financial information of the Wickes Group for the three Financial Years ended 26 December 2020, which is set out in Section B of Part IX: "*Historical Financial Information*";

27.4 the report on the historical financial information by KPMG LLP set out in Section A of Part IX: "*Historical Financial Information*";

27.5 the report on the pro forma financial information by KPMG LLP set out in Section C of Part X: "*Unaudited Pro Forma Statement of Net Assets*";

27.6 the Wickes Share Plans; and

27.7 this Prospectus.

This Prospectus will be published in electronic form and be available on the Company's website at www.wickesplc.co.uk.

Dated: 24 March 2021

PART XIII
DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

Admission	the admission of the Wickes Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with, respectively the Listing Rules and the Admission and Disclosure Standards
Admission and Disclosure Standards	the current edition of the Admission and Disclosure Standards produced by the London Stock Exchange
Articles	the articles of association of the Company from time to time
ASA	Advertising Standards Authority
Audit and Risk Committee	the audit and risk committee of the Company
Auditor and Reporting Accountants	KPMG LLP
Board	the board of directors of the Company
Chair	the chair of the Board
Citi	Citigroup Global Markets Limited
Companies Act	the Companies Act 2006, as such act may be amended, modified or re-enacted from time to time
Company or **Wickes**	Wickes Group plc (incorporated in England and Wales under the Companies Act with registered number 12189061), whose registered office is at Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom
Consumer Credit Sourcebook	the Financial Conduct Authority's specialist sourcebook for credit-related regulated activities
core	products and/or revenue (as applicable) in relation to Local Trade and DIY customer sales (i.e., excluding products and/or revenue through DIFM sales)
Court	the High Court of Justice in England and Wales
CREST	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear is the operator
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
Demerger	the proposed demerger of the Wickes Group from the Travis Perkins Group to be implemented through the Demerger Dividend and on the terms and subject to the conditions set out in the Demerger Agreement
Demerger Agreement	the agreement relating to the Demerger between Travis Perkins and the Company, a summary of the principal terms of which is set out in section 18 of Part XII: "*Additional Information*"
Demerger Dividend	the *in-specie* distribution of the Wickes Shares by Travis Perkins as more fully described in the Travis Perkins Circular

Demerger Resolution	the ordinary resolution to be proposed at the General Meeting to approve the Demerger Dividend and the Demerger for the purposes of Chapter 10 of the Listing Rules, as set out in the notice of General Meeting at the end of the Travis Perkins Circular
Deutsche Bank	Deutsche Bank AG, London Branch
DIFM	Do-it-for-me home improvement services
Directors	the Executive Directors and the Non-Executive Directors of the Company
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules produced by the FCA and forming part of the handbook of the FCA through which a manager derives its status as an authorised person under the FSMA rules and guidance, as, from time to time, amended
DIY	Do-it-yourself
ESG Committee	The environmental, social and governance committee of the Company
EU	the European Union
EU-UK TCA	EU-UK Trade and Cooperation Agreement, entered into between the United Kingdom and the European Union on 30 December 2020
Euroclear	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
Executive Directors	the executive Directors of the Company
Existing Travis Perkins Shares	the existing ordinary shares of £0.10 each in the capital of Travis Perkins
FCA	the UK Financial Conduct Authority, in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission to the Official List otherwise than in accordance with Part VI of FSMA
Financial Year 2013	the 52-week period ending 28 December 2013
Financial Year 2014	the 52-week period ending 27 December 2014
Financial Year 2015	the 52-week period ending 26 December 2015
Financial Year 2016	the 52-week period ending 31 December 2016
Financial Year 2017	the 52-week period ending 30 December 2017
Financial Year 2018	the 52-week period ending 29 December 2018
Financial Year 2019	the 52-week period ending 28 December 2019
Financial Year 2020	the 52-week period ending 26 December 2020
FSMA	the Financial Services and Markets Act 2000, as amended

General Meeting	the general meeting of Travis Perkins Shareholders to be held at Northampton Rugby Football Club, Franklin's Gardens, Weedon Road, Northampton NN5 5BG, United Kingdom on 27 April 2021 at 10.45 a.m., or, if later, at the time which is immediately after Travis Perkins' annual general meeting convened for 10.00 a.m. on the same place and day shall have been concluded or adjourned, to consider and, if thought fit, pass the Resolutions, notice of which is set out at the end of the Travis Perkins Circular, and any adjournment thereof
HDC	the Wickes Group's home delivery centre
HMRC	Her Majesty's Revenue and Customs
IASB	the International Accounting Standards Board
IFRS	the International Financial Reporting Standards, in conformity with the requirements of the Companies Act 2006
Joint Sponsors	Citi and Deutsche Bank
Latest Practicable Date	19 March 2021 (being the latest practicable date prior to publication of this document)
Lenders	Barclays Bank plc, BNP Paribas, London Branch, National Westminster Bank plc, and The Governor and Company of the Bank of Ireland
Listing Rules	the listing rules relating to admission to the Official List made under section 73A(2) of FSMA
London Stock Exchange	London Stock Exchange plc
London Stock Exchange Daily Official List	the daily record of prices at which securities have been traded on the London Stock Exchange
Market Abuse Regulation	the EU Market Abuse Regulation (No 596/2014) and the delegated acts, implementing acts and technical standards thereunder as such legislation forms part of retained EU law
Medicare	the national health insurance programme in the United States as administered by the Centers for Medicare and Medicaid Services
New Travis Perkins Shares	the proposed new ordinary shares in the capital of Travis Perkins arising from the Travis Perkins Share Consolidation
Nominations Committee	the nominations committee of the Company
Non-Executive Directors	the non-executive Directors of the Company
OCI	Other Comprehensive Income
Official List	the official list of the FCA
OLI	"online, in-store" product search and order capabilities
Ordinary Resolution	a resolution of the Company passed in accordance with the Companies Act
Overseas Shareholders	holders of Travis Perkins Shares with a registered address outside the UK or who are citizens or residents of countries that are not the UK

PRA	the UK Prudential Regulation Authority
Prospectus	this prospectus approved by the FCA and published on 24 March 2021 as a prospectus prepared in accordance with the Prospectus Regulation Rules made under section 73A of FSMA
Prospectus Regulation	Regulation (EU) 2017/1129 and the delegated acts, implementing acts and technical standards thereunder as such legislation forms part of retained EU law as defined in the EU (Withdrawal) Act 2018
Prospectus Regulation Rules	means the Prospectus Regulation Rules made by the FCA, as from time to time amended and includes, where appropriate, relevant provisions of the Prospectus Regulation as referred to or incorporated within the Prospectus Regulation Rules and "PRR" is a reference to any one of the Prospectus Regulation Rules
Qualifying Travis Perkins Shareholder	a Travis Perkins Shareholder recorded on the Travis Perkins Share Register at the Record Time
Record Time	6.00 p.m. (London time) on 27 April 2021, being the time at which the Travis Perkins Shareholders are required to be on the Travis Perkins Share Register in order to be entitled to the Demerger Dividend
Registrar	Link Market Services Limited, trading as Link Group
Remuneration Committee	the remuneration committee of the Company
Reorganisation	the corporate reorganisation of the Wickes Group described in section 4.2 of Part XII: "*Additional Information*"
Resolutions	the Demerger Resolution, the Share Consolidation Resolution and the Share Plans Resolution to be proposed at the General Meeting as set out in the notice of General Meeting at the end of the Travis Perkins Circular
Revolving Credit Facility	the revolving credit facility of £80 million entered into between Wickes Group Holdings Limited and Wickes Building Supplies Limited, as borrowers, and the Company, Wickes Group Holdings Limited, Wickes Building Supplies Limited and Wickes Finance Limited as guarantors, with National Westminster Bank plc as agent and security agent and the Lenders, in connection with the Demerger on 23 March 2021, a summary of the principal terms of which is set out in section 18 of Part XII: "*Additional Information*"
SDC	the Wickes Group's store delivery centre
Senior Management or **Senior Manager**	those individuals identified as such in Part V: "*Directors, Senior Management and Corporate Governance*"
Share Consolidation Resolution	the ordinary resolution to be proposed at the General Meeting as set out in the notice of General Meeting at the end of the Travis Perkins Circular in relation to the Travis Perkins Share Consolidation
Share Plans Resolution	the ordinary resolution to be proposed at the General Meeting, as set out in the notice of General Meeting at the end of the Travis Perkins Circular in relation to the Wickes Share Plans

Sponsors' Agreement	the sponsors' agreement between the Joint Sponsors, Travis Perkins and the Company, a summary of the principal terms of which is set out in section 18 of Part XII: "*Additional Information*"
Subsidiary	has the meaning given to it in section 1159 of the Companies Act 2006
Takeover Code	the UK City Code on Takeovers and Mergers
Takeover Panel	the UK Panel on Takeovers and Mergers
Tax Deed	the Tax Deed entered into by Travis Perkins and the Company, a summary of the principal terms of which is set out in section 18 of Part XII: "*Additional Information*"
Transitional Services Agreement	the transitional services agreement entered into by Travis Perkins Trading Company Limited and Wickes Building Supplies, a summary of the principal terms of which is set out in section 18 of Part XII: "*Additional Information*"
Travis Perkins	Travis Perkins plc (incorporated and registered in England and Wales with registered number 00824821), whose registered office is at Lodge Way House, Lodge Way, Harlestone Road, Northampton NN5 7UG, United Kingdom
Travis Perkins Articles	the articles of association of Travis Perkins from time to time
Travis Perkins Board	the board of directors of Travis Perkins
Travis Perkins Circular	the circular to Travis Perkins Shareholders dated the date of this Prospectus containing, among other things, details of the Demerger and notice of the General Meeting
Travis Perkins Group	in respect of any time prior to completion of the Demerger, Travis Perkins and its subsidiaries and subsidiary undertakings including those companies which form part of the Wickes Group; and in respect of any period following completion of the Demerger, Travis Perkins and its subsidiaries and subsidiary undertakings excluding those companies which form part of the Wickes Group
Travis Perkins Share Consolidation	the proposed share consolidation of Existing Travis Perkins Shares to take place following the Demerger
Travis Perkins Share Plans	the Travis Perkins Co-Investment Plan, the Travis Perkins Deferred Share Bonus Plan, the Travis Perkins Performance Share Plan, the Travis Perkins Share Incentive Plan and the Travis Perkins Sharesave Scheme
Travis Perkins Share Register	the share register of Travis Perkins
Travis Perkins Shareholders	holders of Travis Perkins Shares
Travis Perkins Shares	prior to the Travis Perkins Share Consolidation, the Existing Travis Perkins Shares and after the Travis Perkins Share Consolidation, the New Travis Perkins Shares
UK	the United Kingdom of Great Britain and Northern Ireland
UK Corporate Governance Code	the UK Corporate Governance Code published by the Financial Reporting Council and dated July 2019, as amended from time to time

United States or **US**	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
US Securities Act	the US Securities Act of 1933, as amended
Wickes or **Company**	Wickes Group plc (incorporated in England and Wales under the Companies Act with registered number 12189061), whose registered office is at Vision House, 19 Colonial Way, Watford WD24 4JL, United Kingdom
Wickes Building Supplies	Wickes Building Supplies Limited (incorporated and registered in England and Wales with registered number 01840419), whose registered office is at Vision House, 19 Colonial Way, Watford, WD24 4JL, United Kingdom
Wickes Business	prior to implementation of the Demerger, the home improvement retail business of the Travis Perkins Group comprising the activities of Wickes Building Supplies and intermediate companies; or, following the implementation of the Demerger, the home improvement retail business of the Wickes Group, as the context requires
Wickes Group	Wickes and its subsidiaries from time to time which, prior to the date of the Demerger, shall be deemed to include the historical activities of the Wickes Business
Wickes Share Plans	the Wickes Deferred Annual Bonus Plan, the Wickes Long Term Incentive Plan, the Wickes Share Incentive Plan, and the Wickes Savings Related Share Option Scheme
Wickes Shareholders	the holders of Wickes Shares in the capital of the Company
Wickes Shares	the ordinary shares of £0.10 each in the capital of the Company

All times referred to are London times unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless otherwise stated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.