

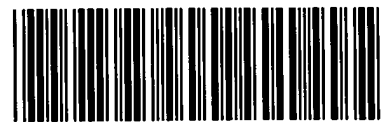
**BERGHAUS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Registered number: 00871405**

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# BERGHAUS LIMITED

## Strategic Report for the year ended 31 December 2022

The directors present their strategic report of the company for the year ended 31 December 2022.

### Principal Activity and Future Developments

The company's principal activity during the year was the design, sourcing, marketing and distribution of high performance, technical outdoor clothing, footwear and related accessories in the UK and internationally. This is not expected to change in the coming year.

### Performance

The company's loss for the financial year is £2.2m (2021: loss of £4.4m) and is shown in the profit and loss account on page 11. The company had net liabilities as at 31 December 2022 of £5.3m (2021: net liabilities of £3.1m). The directors do not recommend the payment of a final dividend (2021: £nil).

Given the straightforward nature of the business, the key performance indicators are limited to the following:

	2022 £m	2021 £m
Revenue	81.1	70.2

### Principal Risks and Uncertainties

The directors of Pentland Group Holdings Limited, the ultimate parent company, manage the group's risk and key performance indicators at a group level, rather than at an individual entity level, including financial risk management.

The key risks and uncertainties specific to the company are as follows:

Category	Risk	Mitigating Activity
<b>Intercompany Funding</b> The company is in a net liability position.	Access to funding from the immediate parent may not be available on demand.	Regular profit and cash flow forecasts are provided to the Group Treasury function to highlight peaks and troughs in the working capital cycle of the company so that funding availability can be managed accordingly.
<b>Reliance on Non-UK Manufacturers</b> The majority of the company's product is sourced from outside the UK, so is exposed to the risks associated with international trade and transport, as well as different legal systems and operating standards.	There may be a disruption to the supply chain process from events which may not be under its control.	<p>The company looks to mitigate supply chain risk by implementing a rigorous supply selection process and working closely with a variety of suppliers.</p> <p>The company (through its group function) works with its suppliers to ensure that the products being sourced satisfy increasingly stringent laws and regulations governing issues of health and safety, packaging and labelling and other social and environmental factors.</p> <p>Adequate levels of stock are maintained to cover short periods of supply delay.</p>

## **BERGHAUS LIMITED**

### **Strategic Report for the year ended 31 December 2022 (continued)**

#### **Requirement to report in respect of Section 172 Companies Act 2006**

The following disclosure describes how the directors have approached and met their responsibilities under section 172 of the Companies Act 2006, and in particular how the directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the company for the benefit of its members as a whole, and in doing so having regard for stakeholders interests, and forms the directors' statement required under section 414CZA of the Companies Act 2006.

As a business we set high expectations for ourselves, our people, our business partners and our suppliers. We have presented below a summary of the key stakeholder groups, as well as the key decisions made during the year, with reference to how our key stakeholders were impacted and how the directors engaged with those stakeholders to promote the success of the company.

#### *- Pentland Group Limited (formerly known as Pentland Group (Trading) Limited)*

Pentland Group Limited is the company's immediate parent undertaking and provides intercompany funding to the company. Continued access to capital is vital to the long-term success of the company.

Regular profit and cash flow forecasts are provided to Pentland Group Limited and the Group Treasury function, not only to advise on when funding is needed, but also to highlight sales and profit growth to ensure we are creating value for the ultimate shareholders. These are challenged and scrutinised as well as regular forecast update and outlook processes.

#### *- Suppliers*

Our suppliers are fundamental to the quality of our products. Most of our stock is sourced from outside the UK so it is important to ensure that we are compliant with trading standards and regulations, such as the Modern Slavery Act, to meet the highest standards of social responsibility. Our Risk Committee allows us to highlight any challenges associated with various regions due to political or economic instability that may impact our ability to act in accordance with the standards of conduct we set ourselves, or our ability to meet customer demands, and support our suppliers if necessary.

Much of the engagement with our suppliers is through our sourcing partners, though we regularly assess the results of our Payment Practices Reporting for all suppliers to ensure that we are meeting their liquidity demands.

Modern slavery can occur in any global supply chain and is particularly prevalent in the apparel and footwear industry, so understanding where the risk is higher helps us evolve our approach. In April 2023 we published our seventh Pentland Brands Modern Slavery report (covering 2022 activities), reviewing the progress it has made and setting its direction to continue working towards 100% transparency across its supply chain.

The 'Our Standards' policy provides our partners with guidance on working ethically and transparently and is available in the languages of all our major sourcing markets. We are continuing to look at how we can work collaboratively with our suppliers to manage risks. You can read both the Modern Slavery report and Our Standards policy on the Pentland Brands website -- [pentlandbrands.com/reports-and-resources/](https://pentlandbrands.com/reports-and-resources/).

#### *- Customers*

Sustaining long lasting relationships with our customers is vital to the success of the company and regular meetings take place to ensure this continues. We also regularly review terms in place and ensure that both the company and the customer can meet the demands placed on them.

Any significant decisions on new product ranges or investment/divestment in distribution channels must take customer needs into consideration, and engage with those customers as necessary.

## **BERGHAUS LIMITED**

### **Strategic Report for the year ended 31 December 2022 (continued)**

#### **Requirement to report in respect of Section 172 Companies Act 2006 (continued)**

##### *- Employees*

Whilst all employee contracts are held by Pentland Brands Limited, a sister company within the group, the company recognises that a number of those employees represent the company in the conduct of its principal activity. Accordingly, we believe they are crucial to operating our business successfully and engage to ensure that we are fostering an environment in which they are happy to work.

We recognise the significant challenges that many people are currently facing when it comes to cost-of-living crisis and we care about the impact this is having on individuals' ability to pay bills and meet basic requirements.

In response, Pentland Brands applied a 5% in-year salary increase to help its lower earners (applied from July 2022). They then agreed a further 7% annual salary increase for all employees from 2023, bringing forward the application of this from April 2023, to January 2023. Pentland Brands also introduced a package of support for employees including money coaching and financial education sessions.

##### *- Community*

Respect for the people and the environment has long been at the heart of our business and we strive to do the right thing, not the easy thing, and make all our decisions in good conscience.

In addition to publishing our annual Positive Business report, in 2022, Pentland Brands shared how it worked towards achieving its ambitious 100-1-0 sustainability goals by its centenary year in 2032. Launched in November 2021, we've made significant progress in benefitting people and planet. You can find out more on the Pentland Brands website -- [pentlandbrands.com/pentland-brands-drives-forward-sustainability-initiatives/](https://pentlandbrands.com/pentland-brands-drives-forward-sustainability-initiatives/).

Berghaus prides itself on making long-lasting and repairable gear, and in furtherance of its own sustainability targets, it relaunched its repairs service, Repairhaus, in 2021, providing 6,000 free repairs to customers in 2022. Furthermore, Berghaus use Made Kinder, an internal criterion, to help consumers see the gear made from materials that minimise impact.

Also in the year, Berghaus backed initiatives that enhance accessibility to the outdoors for underrepresented groups, supporting The Outward Bound Trust, It's Great Out There Coalition, Millimetres 2 Mountains and Black Girls Hike. It also partnered with organisations that conserve the outdoor environment, including The John Muir Trust and the European Outdoor Conservation Association.

In August 2022, Berghaus was awarded B Corp status, the first brand in the Pentland Brands portfolio to certify. Please see 'Our Principal Decisions' below for more details.

You can read more about some of the actions Berghaus are taking in its positive business report available on its website -- [berghaus.co.uk](https://berghaus.co.uk) -- together with Pentland Brands and our brands across all areas at [pentlandbrands.com/news/](https://pentlandbrands.com/news/).

#### **Our Principal Decisions**

##### *- B Corp*

During the year, Berghaus was awarded B Corp status after a rigorous assessment that covered governance, workers, community, customers, and environment. As a B Corporation, the brand joins the globally recognised community that use business for good and pledges to continue improving its approach to responsible business practices.

Berghaus has pledged to use this status as a catalyst to strive for even higher social and environmental standards.

# **BERGHAUS LIMITED**

## **Strategic Report for the year ended 31 December 2022 (continued)**

### **Requirement to report in respect of Section 172 Companies Act 2006 (continued)**

#### **Our Principal Decisions (continued)**

- *Supply Chain Delays*

With lockdowns in China continuing into early 2022, some of our factory partners continued to operate at a reduced capacity. Despite our best efforts to keep things running smoothly, restrictions impacted the movement of orders to our freight forwarders. This meant we were unable to ship some orders until lockdown restrictions eased towards mid-2022. To minimise impact, we communicated the challenges with our suppliers and worked with them on finding solutions.

*Timothy Cullen*

T E Cullen  
**Company Secretary**  
Date: 18 August 2023

## **BERGHAUS LIMITED**

### **Directors' Report for the year ended 31 December 2022**

The directors present their report of the company for the year ended 31 December 2022.

#### **Future Developments**

Refer to the Strategic Report on page 1.

#### **Going Concern**

Notwithstanding net current liabilities of £5.9m as at 31 December 2022 and a loss of £2.2m for the year then ended, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its immediate parent company, Pentland Group Limited (formerly known as Pentland Group (Trading) Limited), to meet its liabilities as they fall due for that period.

Pentland Group Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

#### **Dividends**

Refer to the Strategic Report on page 1.

#### **Financial Instruments and Financial Risk Management**

Cash flows which are denominated in a foreign currency present risk and uncertainty as to the value of these cash flows in an entity's functional currency. Due to the significant volumes of USD and EUR cash flows across the group, these exposures are managed centrally by Group Treasury on a combined rather than individual brand basis. The objectives of this policy are to maximise the efficiency benefits of group hedging and to provide a level of exchange rate certainty to individual brands to assist them in the forecasting, planning and budgeting processes.

#### **Directors**

The directors who held office during the year and up to the date of signing the financial statements, unless noted, were:

Sir C Bonington CBE  
R S Rubin  
A K Rubin  
A M Long  
C Y Patel  
J M Godden (resigned 30 June 2023)  
D Highfield (resigned 28 February 2022)

#### **Qualifying Third Party and Pension Scheme Indemnity Provisions**

The company has provided an indemnity for the directors and the secretary of the company, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006, and was in force during the financial year and at the date of approving these financial statements.

## **BERGHAUS LIMITED**

### **Directors' Report for the year ended 31 December 2022 (continued)**

#### **Branches outside of the UK**

The operations of Berghaus's branch in Germany have ceased and is in the process of being closed.

<i>Branch name</i>	<i>Location</i>	<i>Registration number</i>
Berghaus Ltd. Niederlassung Munchen	Germany	HRB 203747

#### **Political Contributions**

The company made no political donations nor incurred any political expenditure during the year.

#### **People Policies**

The talented individuals working within our business are integral to our continuous success. Pentland Brands is committed to promoting policies which are designed to ensure that employees, and those who seek to work for us, are treated equally and with respect, regardless of age, disability, ethnicity, gender, marital status, religion, social background or sexual orientation. We believe that being transparent about our goals is crucial to achieving them and Pentland Brands publishes its UK Gender Pay Gap report on its website -- [pentlandbrands.com](https://pentlandbrands.com).

Pentland Brands has a careers website enabling employees to see up to the minute vacancy information and is actively engaged on digital platforms such as LinkedIn to promote attractive employment propositions to the industry leaders of tomorrow.

Employee wellbeing is very important to us and we promote health and wellbeing in a number of ways. Pentland Brands offers employees a number of tools and resources to help employees be at their best. We are continually working to build a diverse and inclusive work culture where everyone feels a true sense of belonging. Pentland Brands four employee networks continued to drive change across the areas of positive business, as well as allyship and action around wellbeing and equal rights for women, LGBTQ+ and black colleagues. Through a combination of continued succession planning, talent pipeline development and external recruitment, Pentland aims to improve the representation of women and people from ethnic minority groups in director level roles.

A vital component of our strategy is our commitment to the development of our people. Pentland Brands has learning strategies to provide employees with access to a blend of e-learning, face-to-face tuition, mentoring and experiential learning. Employee engagement is a key aspect of ensuring that employees remain motivated and well informed. Pentland Brands has an intranet, giving employees the opportunity to learn about the business and hosts all company webinars, townhall briefings and team huddles to keep employees informed of performance and strategy. It also conducts an employee feedback survey to understand what people think about working for Pentland Brands. The survey allows the company to access feedback and to make improvements.

More information can be found at [pentlandbrands.com/careers](https://pentlandbrands.com/careers).

#### **Fostering Business Relationships**

The company has summarised in its section 172 statement on pages 2 to 4 how it regards the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the year.

#### **Greenhouse Gas Emissions and Energy Consumption**

The disclosure on greenhouse gas emissions and energy consumption for the company is stated in the consolidated financial statements of Pentland Group Holdings Limited. These are prepared in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 and can be obtained as set out in note 18.



## **BERGHAUS LIMITED**

### **Directors' Report for the year ended 31 December 2022 (continued)**

#### **Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **Disclosure of Information to Auditor**

In the case of each director in office at the date the directors' report is approved:

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

#### **Independent Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor KPMG LLP will not be reappointed as the company's auditors following a decision of the parent undertaking preparing group accounts to appoint Deloitte LLP as its auditors, who are to be appointed as the company's auditors.

By order of the board



T E Cullen  
**Company Secretary**  
Date: 18 August 2023

## ***Independent Auditor's Report to the Members of Berghaus Limited***

### **Opinion**

We have audited the financial statements of Berghaus Limited ("the company") for the year ended 31 December 2022 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; 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 company's ability to continue as a going concern for the going concern period.

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

### **Fraud and breaches of laws and regulations – ability to detect**

#### ***Identifying and responding to risks of material misstatement due to fraud***

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

Our risk assessment procedures included:

- enquiring of directors as to the company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board minutes; and
- using analytical procedures to identify any unusual or unexpected relationships.

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

## ***Independent Auditor's Report to the Members of Berghaus Limited (continued)***

### **Fraud and breaches of laws and regulations – ability to detect (continued)**

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because transactions are simple and non-complex, with few sources of judgement, and no pressures or incentives for management to commit fraudulent financial reporting through inappropriate revenue recognition were identified.

We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts; and
- assessing significant accounting estimates for bias.

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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

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

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

### **Strategic report and directors' report**

The directors are responsible for the strategic report and directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

***Independent Auditor's Report to the Members of Berghaus Limited (continued)***

**Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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



**Aimie Keki (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
24 August 2023

**BERGHAUS LIMITED****Financial statements for the year ended 31 December 2022****Profit and loss account**

	Note	<b>Year ended 31 December</b>	
		<b>2022 £m</b>	<b>2021 £m</b>
<b>Turnover</b>	5	<b>81.1</b>	70.2
Cost of sales		<b>(53.8)</b>	(53.6)
<b>Gross profit</b>		<b>27.3</b>	16.6
Distribution costs		<b>(10.7)</b>	(8.0)
Administrative expenses		<b>(19.6)</b>	(14.0)
<b>Operating loss</b>	6	<b>(3.0)</b>	(5.4)
<b>Loss before taxation</b>		<b>(3.0)</b>	(5.4)
Tax credit on loss	8	<b>0.8</b>	1.0
<b>Loss for the financial year</b>		<b>(2.2)</b>	(4.4)

**Statement of comprehensive income**

	<b>Year ended 31 December</b>	
	<b>2022 £m</b>	<b>2021 £m</b>
<b>Loss for the financial year</b>	<b>(2.2)</b>	(4.4)
<b>Total comprehensive loss for the year</b>	<b>(2.2)</b>	(4.4)

The notes on pages 14 to 26 are an integral part of these financial statements.

**BERGHAUS LIMITED****Financial statements for the year ended 31 December 2022 (continued)****Balance Sheet**

	Note	As at 31 December	
		2022 £m	2021 £m
<b>Fixed assets</b>			
Tangible assets	9	0.6	0.7
		0.6	0.7
<b>Current assets</b>			
Inventories	10	35.9	11.1
Deferred tax asset	11	0.9	1.2
Debtors	12	15.2	9.6
Cash at bank		0.2	5.7
		52.2	27.6
<b>Creditors: amounts falling due within one year</b>	13	(58.1)	(31.4)
<b>Net current liabilities</b>		(5.9)	(3.8)
<b>Total assets less current liabilities</b>		(5.3)	(3.1)
<b>Net liabilities</b>		(5.3)	(3.1)
<b>Capital and reserves</b>			
Called up share capital	14	1.3	1.3
Share premium		24.1	24.1
Capital redemption reserve	15	0.6	0.6
Accumulated losses		(31.3)	(29.1)
<b>Total shareholders' deficit</b>		(5.3)	(3.1)

The notes on pages 14 to 26 are an integral part of these financial statements.

The financial statements on pages 11 to 26 were authorised for issue by the board of directors on 18 August 2023 and signed on its behalf by:

*Andrew Long*

A M Long  
**Director**  
**Berghaus Limited**  
**Registered number: 00871405**

**BERGHAUS LIMITED****Financial statements for the year ended 31 December 2022 (continued)****Statement of changes in equity**

	<b>Called up share capital £m</b>	<b>Share premium £m</b>	<b>Capital redemption reserve £m</b>	<b>Accumulated losses £m</b>	<b>Total shareholders' equity/ (deficit) £m</b>
<b>Balance as at 1 January 2021</b>	<b>1.3</b>	<b>24.1</b>	<b>0.6</b>	<b>(24.7)</b>	<b>1.3</b>
Loss for the financial year	-	-	-	(4.4)	(4.4)
Total comprehensive loss for the year	-	-	-	(4.4)	(4.4)
<b>Balance as at 31 December 2021</b>	<b>1.3</b>	<b>24.1</b>	<b>0.6</b>	<b>(29.1)</b>	<b>(3.1)</b>
<b>Balance as at 1 January 2022</b>	<b>1.3</b>	<b>24.1</b>	<b>0.6</b>	<b>(29.1)</b>	<b>(3.1)</b>
Loss for the financial year	-	-	-	(2.2)	(2.2)
Total comprehensive loss for the year	-	-	-	(2.2)	(2.2)
<b>Balance as at 31 December 2022</b>	<b>1.3</b>	<b>24.1</b>	<b>0.6</b>	<b>(31.3)</b>	<b>(5.3)</b>

The notes on pages 14 to 26 are an integral part of these financial statements.

# **BERGHAUS LIMITED**

## **Notes to the financial statements**

### **1 General Information**

Berghaus Limited is a private company limited by shares and is incorporated in England and Wales. Its registered office is situated at 8 Manchester Square, London, W1U 3PH.

The company's principal activity during the year was the design, sourcing, marketing and distribution of high performance, technical outdoor clothing, footwear and related accessories in the UK and internationally.

All amounts in the financial statements have been rounded to the nearest £m.

### **2 Statement of compliance**

The individual financial statements of Berghaus Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **(a) Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where judgements and estimates are significant to the financial statements are disclosed in note 4.

#### **(b) Going concern**

Notwithstanding net current liabilities of £5.9m as at 31 December 2021 and a loss of £2.2m for the year then ended, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent company, Pentland Group Limited (formerly known as Pentland Group (Trading) Limited), to meet its liabilities as they fall due for that period.

Pentland Group Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.



# **BERGHAUS LIMITED**

## **Notes to the financial statements (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **(c) Exemptions for qualifying entities under FRS 102**

The company's ultimate parent undertaking, Pentland Group Holdings Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Pentland Group Holdings Limited are prepared in accordance with FRS 102 and can be obtained as set out in note 18.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosure:

- Cash Flow Statement and related notes; and
- Key management personnel compensation, under FRS 102 paragraph 33.7, as the key management personnel are the directors.

#### **(d) Foreign currency**

##### *Functional and presentational currency*

The company's functional and presentational currency is pound sterling.

##### *Transactions and balances*

Transactions in foreign currencies during the year are translated at the spot exchange rate at the transaction date or, in the case of stock purchases, at an average spot rate of exchange for the period in which the purchases were made or actual spot rate at the transaction date, where this would give a material difference.

At each period end foreign currency monetary items are translated using the closing spot rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction or, in the case of stock purchases, at an average spot rate of exchange for the period in which the purchases were made or actual spot rate at the transaction date, where this would give a material difference. Non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and all other foreign exchange gains or losses are presented in the profit and loss account.

The trading results of the branch are translated into pound sterling at the average exchange rates for the year. The assets and liabilities are translated at the exchange rates as at the year end.

#### **(e) Turnover**

Turnover comprises the value of external sales and royalties, net of trade discounts, rebates and returns, excluding sales related taxes.

##### *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and rebates allowed by the company and value added taxes. The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The company recognises revenue when the significant risks and rewards of ownership have been transferred.

# **BERGHAUS LIMITED**

## **Notes to the financial statements (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **(e) Turnover (continued)**

- Sale of goods – wholesale

The company sells a range of outdoor footwear, clothing and accessory products in the wholesale market. Sales of goods are recognised on delivery to the wholesaler, when the wholesaler has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the product. Delivery occurs when the goods have been shipped to the location specified by the wholesaler, the risks of obsolescence or loss have been transferred to the wholesaler, the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

Goods sold to wholesalers are often sold with the provision for volume rebates and for the wholesale customer to return faulty goods. Sales are measured at the prices specified in the sales contract, net of estimated volume rebates and returns. Accumulated experience is used to estimate and provide for the discounts and returns.

Provisions are made for credit notes based on the expected level of returns, which is based on the historical experience of returns.

Volume rebates are assessed based on anticipated annual purchases.

- Sale of goods – internet based transactions

The company sells goods via its website for delivery to the customer. Revenue is recognised when the risks and rewards of the inventory are passed to the customer on dispatch of goods or otherwise in accordance with shipping terms, where this varies.

- Sale of goods – retail

The company sells a range of outdoor footwear, clothing and accessory products in the retail market. Sales of goods are recognised on delivery to the customer.

- Royalty income

Royalty income is charged to licensee partner(s) according to the terms of licence agreement(s) and is recognised in the same period as the sales or purchases to which the royalty relates.

#### **(f) Employee benefits**

The company provides a range of benefits to employees including paid holiday arrangements and defined benefit and defined contribution pension plans.

##### *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *Retirement benefits*

The company's employees can either be members of the defined benefit or defined contribution pension schemes. The total expense recognised in the profit and loss account in relation to pensions represents the actual contribution paid into the defined contribution scheme on behalf of employees. There is no policy for charging the cost of the group defined benefit plan to individual entities within the group.

##### *Annual bonus plan*

Should the company provide a bonus for employees, an expense would be recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events, and a reliable estimate of the obligation can be made.

# BERGHAUS LIMITED

## Notes to the financial statements (continued)

### 3 Summary of significant accounting policies (continued)

#### (g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax, is also recognised in other comprehensive income or directly in shareholders' funds respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted in the countries where the company operates and generates taxable income.

Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *Deferred Tax*

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

#### (h) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

##### *Plant equipment, vehicles, fixtures and fittings and leasehold improvements*

Plant equipment, vehicles, fixtures and fittings and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

##### *Depreciation and residual values*

Plant equipment and vehicles	5-15 years
Leasehold improvements	10 years, or shorter depending on the life of the lease
Fixtures and fittings	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

##### *Derecognition*

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

**Notes to the financial statements (continued)**

**3 Summary of significant accounting policies (continued)**

**(i) Leased assets**

At inception, the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

*Operating leases*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

**(j) Inventories**

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

**(k) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**(l) Financial instruments**

Financial assets and liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

All financial assets and liabilities are measured at transaction price (including transaction costs), except for those financial assets classified at fair value through the profit or loss, which are initially measured at estimated fair value and subsequently measured at fair value.

**(m) Impairment of assets**

*Non-financial assets*

An asset is impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its estimated fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

# **BERGHAUS LIMITED**

## **Notes to the financial statements (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **(m) Impairment of assets (continued)**

##### *Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Where indicators exist for a decrease in impairment loss and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### **(n) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **(o) Related party transactions**

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned as per FRS 102.

### **4 Critical accounting estimates and judgements**

The company makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **(a) Inventory provision**

The company designs and sells outdoor footwear, clothing and accessory products and is subject to changing consumer demands and fashion trends. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods. Management also considers ageing and the potential to re-season certain stock lines, depending on the nature of that stock, as well as all possible routes to market. See note 10 for the net carrying amount of inventory and associated provision.

#### **(b) Impairment of debtors**

The company makes an estimate of the recoverable value of trade, intercompany and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of debtors and associated impairment provision.

# BERGHAUS LIMITED

## Notes to the financial statements (continued)

### 5 Turnover

Analysis of turnover by geography:

	2022 £m	2021 £m
United Kingdom	70.5	63.8
Continental Europe and Ireland	10.3	6.3
Americas	0.2	0.1
Rest of the World	0.1	-
	81.1	70.2

Analysis of turnover by category:

	2022 £m	2021 £m
Sales of goods	79.4	68.8
Royalty income	1.7	1.4
	81.1	70.2

### 6 Operating loss

Operating loss is stated after charging/(crediting):

	2022 £m	2021 £m
Depreciation of tangible fixed assets	0.2	0.2
Operating lease charges:		
Land and building	0.2	0.4
Impairment charge on debtors	0.4	-
Impairment charge/(reversal) on inventories	0.8	(0.1)

The company's audit fee was £27k (2021: £27k).

### 7 Employees and directors

#### Employees

The average monthly number of persons employed by the company, including directors, during the year was:

	2022 No.	2021 No.
Selling and distribution	-	1.

# BERGHAUS LIMITED

## Notes to the financial statements (continued)

### 7 Employees and directors (continued)

#### Employees (continued)

All employee contracts are held by Pentland Brands Limited, a sister company within the group that provides shared services to all other companies within the Pentland Brands group of companies. The average number of those employees are disclosed within the financial statements of Pentland Brands Limited.

All wages and salary costs were incurred by Pentland Brands Limited. In exchange for services received from Pentland Brands Limited, the company receives a management re-charge ("service fee"). In determining the service fee, Pentland Brands Limited takes into account the payroll and non-payroll related costs incurred to provide the services to the company.

The remaining recharged wages and salaries costs are not split out within the wages and salaries disclosure, as it is impracticable to determine the amount of management charge that relates to employee services provided to the company.

#### Directors' emoluments

The directors' emoluments were as follows:

	2022 £m	2021 £m
Aggregate emoluments	0.2	0.4
Aggregate pension contributions	-	-
	0.2	0.4

	2022 No.	2021 No.
Directors receiving contributions under the money purchase scheme	2	2

#### Highest paid director

The highest paid director's emoluments were as follows:

	2022 £m	2021 £m
Emoluments	0.1	0.2
Pension contributions	-	-
	0.1	0.2

The remuneration of all directors is borne by other entities, either within the group itself or within the related group headed by Pentland Capital Holdings Limited. No remuneration has been recharged to the company and the amounts disclosed above represent the apportioned share of the total emoluments in respect of qualifying services provided to the company.

# BERGHAUS LIMITED

## Notes to the financial statements (continued)

### 8 Tax credit on loss

	2022 £m	2021 £m
<b>Current tax</b>		
UK - current corporation tax	-	(0.1)
Adjustment in respect of prior years	(1.1)	-
<b>Total current tax credit</b>	<b>(1.1)</b>	<b>(0.1)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(0.5)	(1.0)
Adjustment in respect of prior years	1.1	0.1
Effect of changes in tax rates	(0.3)	-
<b>Total deferred tax charge/(credit)</b>	<b>0.3</b>	<b>(0.9)</b>
<b>Tax credit on loss</b>	<b>(0.8)</b>	<b>(1.0)</b>

### Reconciliation of tax charge

The tax credit assessed for the year is lower than (2021: equal to) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £m	2021 £m
<b>Loss before taxation</b>	<b>(3.0)</b>	<b>(5.4)</b>
Loss multiplied by the standard rate in the UK of 19% (2021: 19%)	(0.6)	(1.0)
Effects of:		
Tax rate changes	(0.2)	-
<b>Total tax credit for the year</b>	<b>(0.8)</b>	<b>(1.0)</b>

The main rate of corporation tax in the UK increased from 19% to 25% with effect from 1 April 2023. Accordingly, the company has re-measured its deferred tax balances which are expected to reverse on or after 1 April 2023 at the 25% rate. Deferred tax balances which are expected to reverse before 1 April 2023 continue to be recognised at the corporation tax rate of 19%.



# BERGHAUS LIMITED

## Notes to the financial statements (continued)

### 9 Tangible assets

	Plant equipment and vehicles £m	Fixtures and fittings £m	Leasehold improvements £m	Total £m
<b>Cost</b>				
At 1 January 2022	0.2	0.5	1.7	2.4
Additions	0.1	-	-	0.1
<b>As at 31 December 2022</b>	<b>0.3</b>	<b>0.5</b>	<b>1.7</b>	<b>2.5</b>
<b>Accumulated Depreciation</b>				
At 1 January 2022	(0.1)	(0.5)	(1.1)	(1.7)
Depreciation	-	-	(0.2)	(0.2)
<b>As at 31 December 2022</b>	<b>(0.1)</b>	<b>(0.5)</b>	<b>(1.3)</b>	<b>(1.9)</b>
<b>Net Book Value</b>				
At 31 December 2021	0.1	-	0.6	0.7
<b>Net Book Value</b>				
<b>At 31 December 2022</b>	<b>0.2</b>	<b>-</b>	<b>0.4</b>	<b>0.6</b>

### 10 Inventories

	2022 £m	2021 £m
Finished goods and goods held for resale	35.9	11.1

There is no significant difference between the replacement cost of inventory and its carrying amount.

Inventories are stated after provisions for impairment of £1.6m (2021: £0.8m).

Finished goods and goods held for resale recognised as cost of sales in the year amounted to £45.7m (2021: £42.4m).

# BERGHAUS LIMITED

## Notes to the financial statements (continued)

### 11 Deferred tax asset

The deferred tax asset is as follows:

	2022 £m	2021 £m
Depreciation in excess of capital allowances	0.1	0.1
Losses	0.8	1.1
	0.9	1.2

The directors consider that there is sufficient certainty that there will be taxable profits within the Pentland Group Holdings Limited tax group in the foreseeable future. The asset has therefore been recognised in these financial statements.

### 12 Debtors

	2022 £m	2021 £m
Trade debtors	4.0	3.6
Amounts owed by group undertakings	9.3	3.7
Other debtors	0.8	1.4
Prepayments and accrued income	1.1	0.9
	15.2	9.6

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provision for impairment of £1.7m (2021: £1.3m).

### 13 Creditors: amounts falling due within one year

	2022 £m	2021 £m
Trade creditors	9.2	3.8
Amounts owed to group undertakings	41.3	18.5
Taxation and social security	5.1	3.9
Accruals and deferred income	2.5	5.2
	58.1	31.4

Amounts owed to group undertakings are unsecured, interest free, are repayable on demand and have no fixed date of repayment.

# BERGHAUS LIMITED

## Notes to the financial statements (continued)

### 14 Called up share capital

	2022 £m	2021 £m
<b>Allotted, issued and fully paid</b>		
26,024,000 ordinary shares of 5p each	1.3	1.3

### 15 Capital redemption reserve

The capital redemption reserve is a statutory, non-distributable reserve, into which amounts are transferred following the redemption or purchase of the company's own shares out of distributable profits.

### 16 Commitments and contingencies

At 31 December 2022 (and 2021) the company had no capital commitments.

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 £m	2021 £m
<b>Payments due</b>		
Not later than one year	0.1	0.2
Later than one year and not later than five years	0.2	0.3
	0.3	0.5

Bank overdrafts are reported gross. The company is party to a pooling arrangement with its clearing banks whereby sterling, US dollar and euro current account cleared credit balances are set off against the respective currency cleared debit balances of the company and fellow UK group undertakings. There is no aggregate net overdraft limit for these arrangements.

The company had no other off-balance sheet arrangements.

## BERGHAUS LIMITED

### Notes to the financial statements (continued)

#### 17 Related party transactions

Transactions with non-wholly owned subsidiaries of the group:

a) Sale of goods and royalty income

	2022 £m	2021 £m
Sale of goods to JD Sports Fashion plc and its subsidiaries	36.9	31.4
Royalty income from JD Sports Fashion plc and its subsidiaries	1.6	1.5
	38.5	32.9

b) Year end balances arising from sales of goods

	2022 £m	2021 £m
Receivables from JD Sports Fashion plc and its subsidiaries	7.8	3.1

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group as per FRS 102.

#### 18 Controlling parties

The immediate parent undertaking is Pentland Group Limited (formerly known as Pentland Group (Trading) Limited), a company registered in England and Wales. The ultimate parent undertaking is Pentland Group Holdings Limited, a company registered in Jersey. R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group Holdings Limited.

Consolidated financial statements are prepared by Pentland Group Holdings Limited, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the year ended 31 December 2022. The consolidated financial statements of Pentland Group Holdings Limited may be obtained from Pentland Group Secretariat, 8 Manchester Square, London, W1U 3PH.