

Registered number: 03382348

OUTDOOR AND CYCLE CONCEPTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



OUTDOOR AND CYCLE CONCEPTS LIMITED

COMPANY INFORMATION

Directors	M P Smith J R Finch Castro
Company secretary	M P Smith
Registered number	03382348
Registered office	Unit 11 Kemble Business Park Crudwell Malmesbury Wiltshire SN16 9SH
Independent auditor	Haines Watts Old Station House Station Approach Old Town Swindon SN1 3DU
Bankers	Barclays Bank 1 - 5 St. Davids Way Cardiff CF10 2DP
Solicitors	Osborne Clarke 2 Temple Back East Temple Quay Bristol BS1 6EG

OUTDOOR AND CYCLE CONCEPTS LIMITED

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OUTDOOR AND CYCLE CONCEPTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present the Strategic Report of Outdoor and Cycle Concepts Limited (the "Company") for the year ended 31 December 2021.

Principal activities

The principal activity of the Company during the year was the retailing of outdoor pursuits clothing and equipment through physical stores, online and via the call centre. The business comprises three fasciae, "Cotswold Outdoor", "Snow and Rock" and "Runners Need"

Results

The profit for the year and the Company's financial position at the end of the year are shown in the financial statements on pages 13 to 15.

Operating Review

2021 commenced with a Government enforced lockdown of non-essential retail due to an increase in COVID-19 cases in the UK, from mid-April 2021 stores in England started re-opening followed by the devolved nations shortly afterwards. As a result of this, the business continued to trade on its online platforms via eCommerce enabling the business to continue to deliver high quality products in a timely manner to support our customers in the exploration of the outdoors.

The demand for outdoor and running products increased following the reopening of non-essential retail from mid-April onwards, despite some challenges with new variants arising later in the year and some caution around travel. France and other European ski resorts opened their doors to the UK, which led to a strong period of sales activity and expect this to continue more with a positive impact into 2022.

The business used the support mechanisms put in place by the Government, which included: Furlough scheme, local authority grants and the continued business rate holiday. The business did not take any loans or other financial support from the Government, and was wholly self sufficient in managing its cashflow and working capital from its own resources. As can be seen in the Statement of Financial Position, the company ended the period with a high cash balance of £26.1m (2020: £22.8m) with trade creditors of £16.3m (2020: £14.7m), stock of £32.4m (2020: £31.3m), most notably a reduction in Taxation and social security creditors, due to deferred VAT from COVID-19 being fully settled and also deferred PAYE 2021: £2.9m (2020: £8.9m).

On the 26th April 2021, a financial restructure of the A.S.Adventure Group was completed and born from this was Yonderland, the new name for the A.S.Adventure Group, this resulted in 3rd party debt being removed and replaced with intragroup debt, and this value being reduced by £13m by way of a capital increase to £30.7m. In addition to this in December 2021 there was a further capital increase by way of a write off of intercompany debt of £9.1m.

The store portfolio was reviewed across all fasciae for stores which were within the terms of the CVA as well as those which had leases expiring. As a result of this portfolio review there were 8 store closures during the year.

The Directors are satisfied that the business is well placed to navigate any forthcoming challenges which may lay ahead and has demonstrated a strong ability to be both agile and resilient.

Financial key performance indicators

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). These measures are not defined by FRS 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102") and therefore may not be directly comparable with other companies' APMs, including those in similar industries. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, FRS 102 measurements. The Directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Company and are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes. APMs are also used to enhance the comparability of information between reporting periods and business channels, by adjusting for non-recurring or uncontrollable factors which affect FRS 102 measures, to aid users in understanding the Company's performance.

OUTDOOR AND CYCLE CONCEPTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued) Financial key performance indicators (continued)

The Company defined its key performance indicators as (all of which are contained on page 13):

- Revenue growth;
- Operating (loss) / profit; and
- Adjusted REBITDA (EBITDA before pre-opening costs and exceptional items. This is after adjusting for one-off costs and therefore it provides a measurement of recurring operating results).

Principal risks and uncertainties

COVID-19

Whilst COVID-19 is still prevalent in the United Kingdom, the affects of it are vastly reduced and all of the UK nations have lifted restrictions. With a strong vaccination programme in place and further announcements targeting specific demographical groups for further vaccination in Autumn 2022, the business is optimistic that it should not see restrictions as previously seen.

General

Acknowledging the dynamic nature of our business environment, the Company intends to mitigate the relevant risks. However, circumstances can be unpredictable in which risks can materialise, having an impact on the Company's results. For strategic, operational, compliance and financial risks, the risk appetite is low and comparable to last year. The Company adapts its risk management in a pragmatic and workable manner. The risks are managed by our strategy, control environment, budgeting / forecasting and policies. Cost control and tight monitoring between incoming and outgoing cash flows are key focus areas.

Consumer confidence

The impact of Covid has had an impact to consumer buying behaviour with a significant move towards internet shopping, however, heading in to 2022, there has been a level of rebalancing between channels, however, not reverting to prepandemic levels of Retail vs eCommerce revenues. The Company continues to be focused on enhancing both the online and in-store experience in order to provide the optimum service to our customers and to ensure that our customers enjoy the outdoors with equipment that is fit for purpose. There are a number of other significant factors currently impacting consumer confidence as well as inflation, thus reducing the disposable income levels of households primarily driven by geo-political uncertainty at levels not seen for many decades and the further impact of the disruption on the global supply chain following COVID-19.

Section 172(1) Statement

This statement sets out how the Directors have approached and met their responsibilities under section 172 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 having regard for stakeholders' interests. As such, the Board has considered (amongst other things):

a) The long-term impact of decision making :

- a. The company carefully considers the long-term impacts of decisions made. Having completed a CVA in December 2019, its impact was still relevant in 2021 and further forwards, primarily through store closures and the continued following of the turnaround plan. Decisions are taken collectively by the Leadership team and Board.

b) The interests of the Company's employees:

- a. The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company and impacts from COVID-19. Communication and employee engagement is a key area of focus, and throughout the pandemic, there was a shift to technology solutions to maintain the contact, via regular video-conferences and newsletters.
- b. During the year, the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas via the employee forum; this information is fed back to the leadership team and appropriate action taken where necessary to review further comments and suggestions made by employees. On a bi-weekly basis the business holds a "Newsday". "Newsday" provides performance information to the

OUTDOOR AND CYCLE CONCEPTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued) Section 172(1) Statement (continued)

business both commercially and financially. During "Newsday", information is provided to employees around product ranges, marketing campaigns and employee welfare schemes.

- c. On a quarterly basis, (in a non-COVID-19 year), the business holds an extended half-day business briefing, both in a formal and social environment, enabling an overall business update encouraging questions from the business and functional-led briefing sessions with each functional area providing an update as to what the priorities have been and what they will be in the future. These smaller groups encourage two-way engagement.
- c) The need to foster the Company's business relationships with suppliers, customers and others:**
 - a. The Company recognises the importance of strong supplier / brand relationships. On a bi-annual basis the Company holds business update meetings with its larger suppliers; these meetings cover Company performance, product range performance, order commitments and review of supplier performance. The intended outcome of this is to optimise performance of the products and have two-way dialogue to enhance the performance of both businesses.
 - b. The Company recognises the need to foster Customer engagement. Customer engagement is key to understanding the proposition and service levels of the business. The Company conducts customer surveys which cover product ranges, pricing, availability, brand awareness, customer services, and customer requirements. The Company will then use this information to highlight areas of focus. With multiple fascia within the Company it is key to conduct these surveys to enable the Company to best service the customers within each fascia and create customer personas to sit within each fascia, enabling the Company to target strategically the most appropriate products to the customer requirements.
- d) The impact of the Company's operations on the community and the environment:**
 - a. The Company recognises its responsibilities towards the management of the impact of the business on the environment as such we adopt a proactive stance to the sustainability of the environment for all outdoor users.
 - b. As part of the buying strategy, the Company actively promotes a range of "sustainable" outdoor brands, and is working closely with all brands to understand how they are shifting the balance to sustainable products to provide feedback to customers.
 - c. The Board continues to review all the major areas where positive action can be taken to reduce the impact of the Company's activities on the environment. The review includes the actions required to reduce the carbon footprint of the Company and the plans for achieving that aim. Included in the review are energy, transport, waste and packaging. We aim to continue to make substantial progress over the course of the year.
 - d. Paper and other waste recycling is already undertaken at our stores and head office. Our staff are encouraged to participate in recycling and to provide ideas where the Company could reduce any potential impacts on the environment.
 - e. The Company is reviewing opportunities through the capital expenditure program in order to reduce CO2 footprint, by installing LED lighting.
 - f. The Company has published the first sustainability report, as part of Yonderland, and made it public to all stakeholders.
- e) The desirability of the Company maintaining a reputation for high standards of business conduct:**
 - a. The Company operates with strict Corporate Governance and ensures to the best of its ability that related parties comply with its Social Responsibility Policy which refers to:
 - b. Working conditions, where there shall be freedom of choice of employment with no slavery or human trafficking involved in the supply chain, workers have rights to bargain collectively, safe and hygienic working environments, no child labour, and must earn a living wage with no discrimination and no harsh or inhumane treatment
 - c. Strict environmental standards which affect waste management where undue and unnecessary use of materials shall be avoided, and recycled materials used when appropriate. Processes and activities shall be monitored and modified as necessary, to ensure the conservation of scarce resources, including water, flora and fauna and productive land in certain situations. No tropical

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)
Section 172(1) Statement (continued)

hardwoods or any endangered species of plant or animal shall be used. Manufacturing must be in accordance with the Montreal protocol. Products and services shall comply with all relevant codes of practice and statutory requirements or those relevant to their manufacture or materials used.

f) The need to act fairly as between members of the Company:

- a. The UK Managing Director attends on a quarterly basis the board meetings of Yonderland B.V. which is the ultimate parent undertaking.

Future developments:

2022 has seen the business start the year with a strong performance, however, there are a number of challenges which lie ahead in terms of Macro-economic uncertainty, driven in particular by geo-political issues and global tensions driving inflation and a cost of living increase. Whilst this is going to place pressure on household incomes, the company feels in a strong position to navigate through these challenges as it has done so with COVID-19.

This report was approved by the board on 9th September 2022 and signed on its behalf by



M P Smith
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their annual report and the audited financial statements of Outdoor and Cycle Concepts Limited (the "Company") for the year ended 31 December 2021.

Matters covered in the strategic report

Principal activities are discussed in the strategic report on page 1.
Future developments are discussed in the strategic report on page 4.

Results for the year

The results for the year are shown within the statement of comprehensive income on page 13.

Dividends

The directors do not propose the payment of a dividend (2020: £nil).

Financial risk management

The Company uses various financial instruments which include third-party bank loans, inter-group loan facilities plus cash that arises directly from its operations to finance the Company's operations.

The main risks arising from the Company's financial instruments are currency risk, cash flow interest rate risk, credit risk and liquidity risk. No transactions of a speculative nature are undertaken. The Directors review and agree policies for minimising each of these risks and they are summarised below.

Currency risk

The Company has a low level of exposure to translation and transaction foreign exchange risk. Transactions with the parent company are denominated in sterling. Foreign exchange differences on retranslation of foreign currency assets and liabilities are taken to the Statement of Comprehensive Income. In order to mitigate foreign currency risks, the Company will enter into foreign currency cash flow hedge arrangements; however, at the year-end no such arrangements were in place.

Brexit

As of 1 January 2021 Brexit negotiations formally commenced, this has resulted in trading between both the UK and Republic of Ireland and Northern Ireland becoming less "frictionless" with a number of other regulatory requirements and the incursion of duties and taxes when shipping product both direct to our eCommerce customers and Shops in the Republic of Ireland.

Credit risk

The Company's financial assets include trade debtors. In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Liquidity risk

The Company manages its financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Employee engagement

Refer to Section 172(1) statement.

OUTDOOR AND CYCLE CONCEPTS LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

Equality, Diversity and Inclusion

The Company is committed to encouraging diversity and promoting a diverse culture where everyone is treated with respect and valued for their individual contribution. It is also the policy of the company to ensure equal opportunities through recruitment, selection and promotion with a key objective to ensure all employees are helped and encouraged to fulfil their potential.

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, this is the Company's first time adoption of disclosures on energy and carbon. The table below represents Company's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel for the year ended 31 December 2021 for all locations (Shops, Warehouses and Head Office)

Energy Consumption used to calculate emissions(kwh)

Total Energy Consumption(kWh)	
<i>Energy consumption breakdown (kWh):</i>	
Natural Gas	285,582
Electricity	7,835,447
Transport	201,411
LPG	141,443
Scope 1 emissions in metric tonnes CO2e	
Natural Gas	52.31
LPG	30.28
Company owned / leased vehicles	47.00
Scope 2 emissions in metric tonnes CO2e	
Purchase of electricity	125.25
Intensity Metric – gross internal area (tCO2e/m2)	0.00422

Emission factors are based on Government published 2021 GHG conversion factors

SECR Methodology statement 2021

The SECR reporting has been compiled using the 2019 HM Government Environmental Reporting Guidelines.

Emissions have been group according to the GHG Protocol Corporate Standard.

We have used the following data sources for the report:

- Energy and Fuel Data – Energy billing data

CO2 emissions have been calculated using the 2021 UK Government Conversion Factors for Company Reporting

Emissions have been calculated for the year ended 31 December 2021

Environment

Refer to Section 172(1) statement.

OUTDOOR AND CYCLE CONCEPTS LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

Engagement with suppliers, customers and other

Refer to Section 172(1) statement.

Directors

The Directors who served during the year and up to the date of approval of these financial statements, unless otherwise stated, were:

M P Smith
J R Finch Castro

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company is also included on the wider group policy for Directors' and Officers' liability insurance in respect of itself and the wider group.

Going concern

Throughout the Covid-19 pandemic, the Company has been monitoring the situation very closely and implemented measures to protect its staff and customers, to limit the impact of the virus on its profitability and to preserve its financial sustainability, throughout an extremely challenging period of time which has changed the retail landscape, the actions taken have resulted in the business being in a stable position, with significant cash holdings of £26.1m (2020 : £22.8m)

With the new financing structure in place for the Group as of April 2021, the Company has received a 30% reduction in debt (£13.4m) to £30.7m from £44.1m. The group also assumed all of the debt in Yonderland FINCO BV and the element which historically sat with the company has been replaced with Intra-Group loan with Yonderland FINCO BV. In addition to this in December 2021, there was a further capital increase by way of writing off intercompany balances of £9.1m. The intra-group loan agreement totals £30.7m with a repayment date of the 8th anniversary of 26th April 2021. The company has received confirmation from Yonderland Finco BV that it has no current knowledge or intent of seeking early repayment of the loan. Additionally, there were £13.8m of intra-group liabilities which are repayable on demand. The company has received confirmation from Yonderland Finco BV that there is no current knowledge or intent of seeking early repayment of any of this amount within 12 months of the date of this report. Whilst this confirmation is not legally binding the directors have no indication that early repayment would be sought and accordingly have prepared the accounts on a going concern basis.

Based on our current best estimates, the Company has developed a scenario analysis and projected the related cashflows. The progress of the vaccination programs in the UK and improving levels of infection, hospitalisation and mortality numbers strengthens the Company's assessment that we can gradually evolve towards a more normal market again, whilst taking into account that an occasional outburst is still a possibility, however unlikely. More likely to be an impact is consumer confidence, and the rising rate of inflation and cost of living which has been factored in to the sensitivity analysis.

Yonderland B.V. (the parent) has funding facilities in place with a maturity date in 2026, with no covenants that impact the availability of outstanding facilities (except for the minimum cash covenant of 5m EUR).

The directors have considered the business activities including the Company's principal risks and uncertainties. The Board also considered the Company's current cash position, and the resilience of its 12-month cash flow forecasts. Considering these factors the Board is satisfied that the Company has adequate resources to continue its operations at all times and therefore it is appropriate to adopt the going concern basis in preparing the consolidated financial statements for the year ending on 31 December 2021.

Each of the persons who are Directors at the date of approval of this report has confirmed that:

OUTDOOR AND CYCLE CONCEPTS LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report was approved by the board on 9th September and signed on its behalf by



M P Smith

OUTDOOR AND CYCLE CONCEPTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

OUTDOOR AND CYCLE CONCEPTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OUTDOOR AND CYCLE CONCEPTS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Outdoor and Cycle Concepts Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Notes to the Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in note 1 to the financial statements.

OUTDOOR AND CYCLE CONCEPTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OUTDOOR AND CYCLE CONCEPTS LIMITED (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OUTDOOR AND CYCLE CONCEPTS LIMITED
(continued)**

the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identify that the principle risks of non-compliance with laws and regulations related to employment legislation and UK taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of non-standard journals that revenue, cost of sales and operating expenses or manipulating accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- Enquiries of management;
- Review of board minutes;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Testing non-standard journal entries; and
- Testing of accounting estimates which could be subject to management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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

 FCCA

Michael Lloyd FCCA (Senior statutory auditor)

for and on behalf of Haines Watts
Chartered Accountants & Statutory Auditors
Old Station House
Station Approach
Newport Street
Swindon
Wiltshire
SN1 3DU

9th September 2022

OUTDOOR AND CYCLE CONCEPTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Turnover	4		147,710		125,463
Cost of sales			(82,405)		(73,936)
Gross profit			65,305		51,527
Distribution costs			(48,751)		(39,269)
<i>Exceptional administrative income/(expense)</i>	13	(2,032)		(11,589)	
<i>Other administrative expenses</i>		(16,094)		(23,528)	
Total administrative expenses			(18,126)		(35,117)
Other operating income	5		5,214		5,821
Operating profit / (loss)			3,642		(17,038)
Other interest receivable and similar income	10		-		2
Interest payable and similar charges	11		(2,229)		(3,025)
Profit / (loss) before taxation			1,413		(20,061)
Tax on Profit / (loss)	12		443		2,584
Profit / (loss) for the financial year			1,856		(17,477)
Other comprehensive income for the year			-		-
Total comprehensive Profit / (loss) for the year			1,856		(17,477)

All of the amounts included in the above statement of comprehensive income are derived from continuing operations. 100% of the profit for the year is attributable to the equity shareholders of the Company. Revenue growth was 17.7% in 2021 despite being impacted by COVID 19 and the closure of a number of stores.

The notes on pages 16 to 31 form part of these financial statements.

ALTERNATIVE PERFORMANCE MEASURES	Note	2021 £000	2020 £000
Profit / (loss) before taxation		1,413	(20,061)
Add back:			
Exceptional (income) / costs	13	2,032	11,589
Net interest		2,229	3,023
Finance costs		(817)	437
Depreciation and amortisation		3,559	4,514
Preopening expenses		65	43
Adjusted REBITDA		8,481	(455)

Alternative performance measures are disclosed and referenced within the Strategic report on page 1 / 2.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	5,919	6,589
Tangible assets	15	11,673	10,187
Investments	16	63	247
		<u>17,655</u>	<u>17,023</u>
Current assets			
Stocks	17	32,375	31,266
Debtors: amounts falling due within one year	18	7,611	7,198
Cash at bank and in hand	19	26,119	22,761
		<u>66,105</u>	<u>61,225</u>
Creditors: amounts falling due within one year	20	(45,274)	(54,397)
Net current assets / (liabilities)		<u>20,831</u>	<u>6,828</u>
Total assets less current liabilities		<u>38,486</u>	<u>23,581</u>
Creditors: amounts falling due after more than one year	21	(30,753)	(40,281)
Provisions for liabilities	22	(1,745)	(1,745)
Net assets / (liabilities)		<u>5,988</u>	<u>(18,175)</u>
Capital and reserves			
Called-up share capital	23	3,626	3,626
Capital contribution		66,162	43,855
Profit and loss account		(63,800)	(65,656)
		<u>5,988</u>	<u>(18,175)</u>

The financial statements of Outdoor and Cycle Concepts Limited, registration number 03382348, were approved and authorised for issue by the board on 9th September 2022 and were signed on its behalf by

M P Smith

M P Smith
Director

The notes on pages 16 to 31 form part of these financial statements.

OUTDOOR AND CYCLE CONCEPTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called-up share capital £000	Capital contribution £000	Profit and loss account £000	Total £000
At 1 January 2020	3,626	43,855	(48,179)	(698)
Loss for the financial year	-	-	(17,477)	(17,477)
Capital Contribution	-	-	-	-
Total comprehensive loss	-	-	(17,477)	(17,477)
At 31 December 2020	3,626	43,855	(65,656)	(18,175)
Profit for the financial year	-	-	1,856	1,856
Capital Contribution	-	22,307	-	22,307
Total comprehensive profit / (loss)	-	22,307	1,856	24,163
At 31 December 2021	3,626	66,162	(63,800)	5,988

During the year there were two events giving rise to capital contribution. In April 2021, as a result of the reorganisation of the group, the external debt which was previously held by the Company was reduced by 30% and converted to Intragroup resulting in a Capital Contribution of £13.2m. Further to this in December 2021, Yonderland wrote off an amount of intercompany debt giving rise to a further capital contribution of £9.1m

The notes on pages 16 to 31 form part of these financial statements.

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information and basis of accounting

Outdoor and Cycle Concepts Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The Company's registered office is Unit 11, Kemble Business Park, Crudwell, Malmesbury, Wiltshire, England, SN16 9SH.

The principal activities of the Company and the nature of the Company's operations are set out in the Strategic report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. These financial statements have been prepared on the going concern basis in accordance with applicable UK accounting and financial reporting standards and the Companies Act 2006.

The Company's functional and presentational currency is GBP. The financial statements are presented in GBP and rounded to the nearest thousand unless otherwise stated.

The Company has taken advantage of the exemption permitted by section 400 of the Companies Act 2006 and not produced consolidated financial statements. As at 31 December 2021, the Company was itself a wholly-owned subsidiary of Retail Concepts N.V. and its ultimate parent company Yonderland B.V.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The information required in relation to the above sections is included in the consolidated financial statements of Yonderland B.V. as at 31 December 2021.

Going concern

Throughout the Covid-19 pandemic, the Company has been monitoring the situation very closely and implemented measures to protect its staff and customers, to limit the impact of the virus on its profitability and to preserve its financial sustainability, throughout an extremely challenging period of time which has changed the retail landscape, the actions taken have resulted in the business being in a stable position, with significant cash holdings of £26.1m (2020 : £22.8m)

Based on our current best estimates the Company has developed a scenario analysis and projected the related cashflows. The progress of the vaccination programs in the UK and improving levels of infection, hospitalisation and mortality numbers strengthens the Company's assessment that we can gradually evolve towards a more normal market again, whilst taking into account that an occasional outburst is still a possibility, however unlikely. More likely to be an impact is consumer confidence, and the rising rate of inflation and cost of living which has been factored in to the sensitivity analysis.

Yonderland has funding facilities in place with a maturity date in 2026, with no covenants that impact the availability of outstanding facilities (except for the minimum cash covenant of 5m EUR).

With the new financing structure in place for the Group as of April 2021, the Company has received a 30% reduction in debt (£13.4m) to £30.7m from £44.1m. The group also assumed all of the debt in Yonderland FINCO BV and the element which historically sat with the company has been replaced with Intra-Group loan with Yonderland FINCO BV. In addition to this in December 2021, there was a further capital increase by way of writing off intercompany balances of £9.1m. The intra-group loan agreement totals £30.7m with a repayment date of the 8th anniversary of 26th April 2021. The company has received confirmation from Yonderland Finco BV that it has no current knowledge or intent of seeking early repayment of the loan. Additionally, there were £13.8m of intra-group liabilities which are repayable on demand. The company has received confirmation from Yonderland Finco BV that there is no current

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

knowledge or intent of seeking early repayment of any of this amount within 12 months of the date of this report.

The directors have considered the business activities including the Company's principal risks and uncertainties. The Board also considered the Company's current cash position, and the resilience of its 12-month cash flow forecasts. Whilst this confirmation is not legally binding, the directors have no indication that the group support would not continue. Considering these factors the Board is satisfied that the Company has adequate resources to continue its operations at all times and therefore it is appropriate to adopt the going concern basis in preparing the consolidated financial statements for the year ending on 31 December 2021.

2. Accounting policies

2.1 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable net of discounts and rebates. Value added tax and other sales taxes are excluded. Turnover is recognised on delivery of finished goods to the end customer. Other income – Government grants are recognised in other income and not set off the related expenditure in the period to which they relate

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- i. the Company has transferred the significant risks and rewards of ownership to the buyer;
- ii. the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. the amount of turnover can be measured reliably;
- iv. it is probable that the Company will receive the consideration due under the transaction; and
- v. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.2 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life which is considered to be 20 years, and included within the administrative expenses line on the Statement of Comprehensive Income.

The brand name intangible has been recognised at fair value to the extent it is probable that the expected future economic benefits attributable to the asset will flow to the Company and that its cost can be measured reliably. The intangible has been valued based on discounted future net cash flows. The cost of the asset is amortised through the Statement of Comprehensive Income on a straight-line basis over its estimated economic life of 15 years, and included within the administrative expenses line on the Statement of Comprehensive Income.

Provisions are made for impairment of intangible assets and goodwill where the carrying value of the asset is not supported by the expected future benefits expected to be generated from the Cash Generating Unit (CGU) to which the asset is allocated

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- Over the term of the lease
Fixtures and fittings	- 2 to 5 years
Computer equipment	- 3 years
Assets in the course of construction	- Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

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

2.7 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and 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 Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease term.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard of 1 January 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.1 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.2 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.3 Rental and incentive income

Rental incomes are recognised in the Statement of Comprehensive Income in the year in which they are received.

Incentive income for leases is recognised in the Statement of Comprehensive Income and spread over the term of the lease.

2.4 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- i. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- ii. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Exceptional costs

Exceptional costs are transactions that fall within the ordinary activities of the Company but are presented separately due to them not being of an ongoing nature.

2.7 Non-statutory reporting measures – EBITDA and adjusted REBITDA

The Directors monitor the performance of the Company utilising both statutory and non-statutory performance measures. The main non-statutory performance measures are EBITDA (earnings before interest, tax, depreciation and amortisation) and adjusted REBITDA (EBITDA before pre-opening costs and exceptional items). This is calculated utilising operating loss, and adding back depreciation, amortisation, exceptional items and certain one-off costs (pre-opening costs and finance costs (bank charges, foreign exchange revaluation gains/losses and similar charges)) which the Directors have determined do not represent ongoing operating costs of the business. The REBITDA non-statutory performance measure is designed to provide an indication of the "trading" performance of the Company and therefore this has been disclosed along with the Statement of Comprehensive Income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Exceptional items

Judgements are required as to whether items that are material in size, unusual or infrequent in nature should be disclosed as exceptional. Reversals of previous exceptional items are assessed based on the same criteria. Analysis of the exceptional items included in the income statement is disclosed in Note 13.

Key sources of estimation uncertainty

The following are the critical estimates that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment review

Impairment reviews are carried out against individual store locations and an assessment is made as to the future profitability of these stores and reviewing future cash flows against the net book value of the fixed assets; an impairment is deemed necessary when the future cash flows do not cover the net book value of the fixed assets. Impaired value was £0.03m (2020: £1.2m)

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

The whole of the turnover is attributable to the Company's principal activity.

Analysis of turnover by region of destination:

	2021 £000	2020 £000
United Kingdom	143,780	121,396
Rest of Europe	3,275	3,080
Rest of World	655	987
	<u>147,710</u>	<u>125,463</u>

5. Other operating income

	2021 £000	2020 £000
Rental income and incentives	388	350
HM Covid Grants - Rates	2,100	288
Coronavirus Job Retention Scheme	2,377	5,002
Other operating income	350	181
	<u>5,214</u>	<u>5,821</u>

Other operating income represents amounts received in relation to contributions from suppliers to support in-store product placement, recycling revenues and amounts recognised from lapsed customer gift cards.

6. Operating profit / (loss)

The operating profit / (loss) is stated after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets	2,859	3,116
Impairment of tangible fixed assets (included in admin expenses)	30	1,205
Amortisation of goodwill	-	82
Impairment of goodwill (included in admin expenses)	-	1,160
Amortisation of brand name	670	1,316
Impairment of brand name (included in admin expenses)	-	6,358
Impairment of investment	-	-
Exchange differences	(874)	370
Other operating lease rentals	9,300	12,129
Charge/(credit) to debtor provision	12	39
Inventory usage included in cost of sales	<u>81,439</u>	<u>73,087</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Auditor remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	145	85
Fee payable to the Company's auditor for corporate finance services	-	-
	<u>145</u>	<u>85</u>

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	22,722	21,359
Social security costs	1,517	1,465
Other pension costs	401	474
	<u>24,640</u>	<u>23,298</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
Selling and distribution	545	564
Administration	132	158
	<u>677</u>	<u>722</u>

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	417	444
Compensation for loss of office	-	-
Company contribution to defined contribution pension schemes	8	8
	<u>425</u>	<u>452</u>

During the year retirement benefits were accruing to 1 Director (2020: 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £264,062 (2020: £294,256).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £8,194 (2020: £8,120).

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Other interest receivable and similar income

	2021 £000	2020 £000
Other interest receivable	-	2

11. Interest payable and similar charges

	2021 £000	2020 £000
Bank interest payable	179	2,697
Other loan interest payable	200	141
Loans from group undertakings	1,851	187
	<u>2,229</u>	<u>3,025</u>

12. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on loss for the year	-	-
Adjustment in respect of prior periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Current period (credit) debit	299	(3,281)
Tax rate change	(676)	127
Adjustment in respect of prior periods	(66)	570
Total deferred tax	<u>(443)</u>	<u>(2,584)</u>
Tax on loss	<u>(443)</u>	<u>(2,584)</u>

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2020 lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Profit (Loss) before tax	<u>1,413</u>	<u>(20,061)</u>
Profit (Loss) multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	268	(3,812)
Effects of:		
Adjustments to tax charge in respect of prior periods	(66)	570
Non-deductible expenses	31	531
Deferred tax recognition	(676)	127
Total tax credit for the year	<u>(443)</u>	<u>(2,584)</u>

Factors that may affect future tax charges

On 24th May 2021, the Finance Bill was 'substantively enacted' which stated that deferred tax rates used must be the future expected rate. The deferred tax rate will change to 25% on 6th April 2023.

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Exceptional (income)/costs

	2021 £000	2020 £000
Refinancing costs	747	-
Impairment Fixed Assets	30	1,205
Impairment Intangible Assets	-	7,518
Reorganisation expenses	85	1,635
Covid 19 PPE	-	232
Cycle Surgery Closure	-	736
Closure Dormant entities	313	-
Store Closure Costs	180	-
CVA (income)/expenses	677	263
	<u>2,032</u>	<u>11,589</u>

14. Intangible assets

	Goodwill £000	Brand name £000	Total £000
Cost			
At 1 January 2021	55,271	19,749	75,020
At 31 December 2021	55,271	19,749	75,020
Accumulated amortisation and impairment			
At 1 January 2021	55,271	13,160	68,431
Charge for the year	-	670	670
Impairment	-	-	-
At 31 December 2021	55,271	13,830	69,101
Net book value			
At 31 December 2021	-	5,919	5,919
At 31 December 2020	-	6,589	6,589

OUTDOOR AND CYCLE CONCEPTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Assets in the course of construction £000	Total £000
Cost					
At 1 January 2021	35,378	19,446	6,677	70	61,571
Additions	22	3,732	265	355	4,374
Disposals	(3,260)	(776)	(122)	-	(4,158)
At 31 December 2021	32,140	22,402	6,820	425	61,787
Depreciation & Impairment					
At 1 January 2021	28,218	16,601	6,565	-	51,384
Charge for the year	1,402	1,181	276	-	2,859
Disposals	(2,636)	(655)	(106)	-	(3,397)
Impairment	(624)	(98)	(10)	-	(732)
At 31 December 2021	23,360	17,029	6,725	-	50,114
Net book value					
At 31 December 2021	5,780	5,373	95	425	11,673
At 31 December 2020	7,160	2,845	112	70	10,187

As at 31 December 2021, the Company has reviewed the carrying value of store assets in comparison to forecasted future cash flows for the store portfolio. Where the present value of expected future cash flows does not exceed the carrying value of the assets associated with a store, an impairment has been recognised and the value of the impairment is included within administrative expenses.

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. Investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2020	247
Disposal	(184)
At 31 December 2021	<u>63</u>

Disposals represent the dissolution of dormant entities within the financial year and can be seen in the table below.

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Cotswold Camping Limited	England	Ordinary	100%	Dissolved
AS Adventure (UK) Limited	England	Ordinary	100%	Dormant
Snow + Rock Group Holdings Limited	England	Ordinary	100%	Dissolved
Snow + Rock Group Limited	England	Ordinary	100%	Dissolved
Snow & Rock Sports Limited	England	Ordinary	100%	Dormant
Snow & Rock Limited	England	Ordinary	100%	Dissolved
Runners Need Limited	England	Ordinary	100%	Dissolved
Cycle Surgery Limited	England	Ordinary	100%	Dissolved

The registered address of the above companies is Unit 11 Kemble Business Park, Crudwell, Malmesbury, Wiltshire, SN16 9SH.

17. Stocks

	2021 £000	2020 £000
Goods for resale	32,277	31,180
Non-trading stock	98	86
	<u>32,375</u>	<u>31,266</u>

18. Debtors: amounts falling due within one year

	2021 £000	2020 £000
Trade debtors	428	287
Other debtors	2,243	2,693
Amounts owed by group undertakings	-	239
Merchant services security	345	345
Deferred Tax	2,516	2,073
Prepayments and accrued income	2,079	1,561
	<u>7,611</u>	<u>7,198</u>

OUTDOOR AND CYCLE CONCEPTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

i) Deferred tax

	£000
At beginning of year	2,073
Debit to statement of comprehensive income	443
At end of year	<u>2,516</u>

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(1,654)	(926)
Intangible assets	1,480	1,252
Losses	(1,935)	(2,366)
Short-term timing difference	(385)	(18)
Other	(22)	(15)
	<u>(2,516)</u>	<u>(2,073)</u>

Deferred tax asset is being recognised in the accounts as forecasts used for impairment and going concern demonstrate the future recoverability of this asset.

19. Cash at bank and in hand

	2021 £000	2020 £000
Cash at bank and in hand	<u>26,119</u>	<u>22,761</u>

20. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	16,352	14,662
Amounts owed to group undertakings	13,806	15,064
Taxation and social security	2,921	8,900
Other creditors	2,755	3,376
Bank loans - Revolving Facility	-	4,344
Bank loans	-	-
Accruals and deferred income	9,440	8,051
	<u>45,274</u>	<u>54,397</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

Financial instruments included above are measured at amortised cost.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

21. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Bank loans	-	40,281
Amounts owed to group undertakings	30,753	-
	30,753	40,281

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

22. Provisions

	Deferred tax £000	Dilapidations £000	Onerous leases £000	Total £000
As at 1 January 2021	-	201	1,544	1,745
Credit to statement of comprehensive income	-	-	-	-
Provision utilised during the year	-	-	-	-
	-	201	1,544	1,745

i) Property provisions

Dilapidations

A dilapidation provision is an estimate of the future costs associated with obligations to reinstate and repair stores in accordance with contractual and other obligations. Provisions have been recorded in accordance with obligations within the property lease contracts and will be utilised at the termination of the related property leases.

Onerous leases

The onerous lease provision covers potential liabilities for lease contracts for stores that have unavoidable lease costs which are not recovered from the future cash flows from trading the store. The provision is based on the lower of the present value of future cash flows or exit costs relating to rents, rates and other property costs to the end of the lease terms net of expected sublet income.

23. Called-up share capital

	2021 £000	2020 £000
Shares classified as equity		
Allotted, called-up and fully paid		
362,569,578 (2020: 362,569,578) Ordinary shares of £0.01 each	3,626	3,626

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24. Reserves

Capital contribution

As part of the CVA that took place in 2021, support from the AS Adventure Group was also received by way of compromising intercompany balances to 1% of their value as at the date of the CVA; this has resulted in a capital contribution of £43.9m, further capital contributions during 2021 as a result of restructuring total £22.3m

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

25. Capital commitments

At 31 December 2021 and 31 December 2020 the Company had capital commitments as follows:

	2021 £000	2020 £000
Plant, property and equipment contracted for but not provided in these financial statements	58	86

26. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounts outstanding to the fund at the year end £88,600 (2020: £78,500).

27. Commitments under operating leases

At 31 December 2021 and 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than one year	11,391	9,912
Later than one year and not later than five years	27,938	31,977
Later than five years	16,144	19,151
	<u>55,473</u>	<u>61,040</u>

28. Key Management Personnel

	2021 £000	2020 £000
Key Management Personnel earnings	970	1,098

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

29. Post Statement of Financial Position events

Russia / Ukraine

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with Russia's invasion of Ukraine (needless to point out that our first thoughts are with the human toll this is causing). While at this moment we lack clarity on how military activity will proceed and how this will impact the broader world we are living in, we foresee no immediate impact on our trading channels and supplier base because of our geographical spread. From a macroeconomic point of view we were already confronted with increased inflation pressure post pandemic, which will now considerably increase in the short run because of the Ukraine conflict. It is currently unclear on how this inflation pressure will impact customer spend and our cost basis. We fully comply with the relevant EU sanctions and continue to monitor further restrictions.

30. Controlling party

The immediate parent undertaking is Retail Concepts N.V.

Yonderland B.V. is the ultimate parent undertaking.

The consolidated financial statements of Yonderland B.V. are available from Smalldlaan 9, Hoboken, 2660, Antwerp, Belgium.