Registered number: 03382348

OUTDOOR AND CYCLE CONCEPTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

CONTENTS

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present the Strategic Report of Outdoor and Cycle Concepts Limited (the "Company") for the year ended 31 December 2022.

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 loss 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.

Review of the business

2022 is the first year in which the company has prepared financial statements under IFRS accounting policies (FRS101 (including the adoption of IFRS 16, whereby all store leases are now reported on the balance sheet) see transition notes on Page 17 to 20.

2022 has been the first financial year in two years where the financial year has commenced and not been restricted by Government enforced lockdown as a result of COVID-19. As a result of this the company has been able to trade fully on all channels enabling the business to continue to deliver high quality products in a timely manner to support our customers in the exploration of the outdoors, in particular with ski resorts opening in mid-January to UK tourists this drove significantly strong performance across Snowsports categories in terms of both Revenue and Gross Margin.

The first half of 2022 saw a strong business performance, however, the wider macro-economic and geopolitical environments were starting to change rapidly, impacted significantly by the Russian invasion of Ukraine in February 2022, causing significant uncertainty in the global economy and commencing a period of increasing inflation driven mainly by increasing energy costs as a result of the Russian invasion of Ukraine. We entered the second half of the year with unseasonably high temperatures which saw a negative impact to business trading performance. The remainder of the year saw a mixed period of trade, ultimately ending with December having a strong period of trading. As the year has progressed inflation has continued to increase placing cost of living increases on individuals and families, we have seen this starting to ease as we have entered 2023, however interest rates are still increasing, and inflation is anticipated to slow down, but not as fast as initially anticipated.

The business has continued to manage cash and working capital very tightly. As can be seen in the Statement of Financial Position, the company ended the period with a combined cash and cash deposits balance of £25.4m (2021: £26.1m) with trade creditors of £13.8m (2021: £15.8m), stock of £33.4m (2021: £33.5m), Other creditors and accruals (excluding intragroup) of £12.2m (2021: £11.6m)

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 101: *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* ("FRS 101") 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 101 measurements. The Directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Company and is 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 101 measures, to aid users in understanding the Company's performance.

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

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.

Covid-19

Covid-19 had a significant impact during 2020/2021 on store operations, forcing the business to trade for significant periods of time through eCommerce channels only. 2022 had a very limited impact by Covid in the early stages of the year, however the business has demonstrated its resilience and adaptability to variability in demand, and as such, the business does not foresee any significant risk to the financial performance or liquidity positions moving forwards.

Inflation / macroeconomic uncertainty

Levels of inflation have been increasing since the end of 2021 at a much higher rate than in recent years, predominately as a result of supply chain disruption post Covid-19, which subsequently has been impacted by the Russia/Ukraine conflict driving the cost of energy supplies to all time high prices. Inflation continues to be "sticky", whilst we are seeing a reduction in the cost of energy, inflation remains high and is not reducing as sharply as it was initially expected, driven primarily by food inflation. As a result of this, the Bank of England have applied a series of interest rates, and it is anticipated there will be further rate increases should inflation not reduce in line with expectations.

Competition

Like every other commercial business, the business is subject to competition. Over the last years we have seen competition increasing on three fronts: the generalist pure players now also offering a representative outdoor range, next to this the channel shift has also supported the development of specialist outdoor eCommerce platforms. We also notice a trend that our outdoor brands have started to include DTC ("direct to consumer") in their strategy. The company remains of the opinion that the specialist omni-channel retailer is a future proof concept which is demonstrated by the strong performance of our omni-channel metrics in 2022.

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 2022 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 employs 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 business both commercially and financially. During "Newsday", information is provided to employees around product ranges, marketing campaigns and employee welfare schemes.

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 CO_2 footprint, by installing LED lighting.

   f. The Company has published its second 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:

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)
Section 172(1) Statement (continued)

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 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

2023 has started the year with a number of challenges in terms of Macro-economic uncertainty, driven in particular by geo-political issues and global tensions driving inflation and a cost of living increase. The company feels that it is well placed to tackle these challenging conditions and as we start to see inflation ease through the first half of 2023, a rebound of consumer confidence is expected, as well as the continued desire of our customers to be enjoying the outdoors in a sustainable manner.

This report was approved by the board on 13 July 2023 and signed on its behalf by

M P Smith

M P Smith
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

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 (2021: £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, Brexit, , 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. 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 regulations 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. Recent changes in 2023 with regards to border controls between the UK and Northern Ireland are expected to ease the movement of goods between the two territories.

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.

Covid-19
Covid-19 had a significant impact during 2020/2021 on store operations, forcing the business to trade for significant periods of time through eCommerce channels only. 2022 had a very limited impact by Covid in the early stages of the year, however the business has demonstrated its resilience and adaptability to variability in demand, and as such, the business does not foresee any significant risk to the financial performance or liquidity positions moving forwards.

Employee engagement

Refer to Section 172(1) statement.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 of ensuring all employees are helped and encouraged to fulfil their potential.

Disabled persons
It is company policy to appoint staff on the basis of their abilities. Disabled applicants are considered on the same basis as other applications. If an employee becomes disabled whilst in service, the Company will make all reasonable efforts to retain and find suitable employment within the company. Disabled employees enjoy equal opportunities for training and development within the company.

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 second 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 2022 for all locations (Shops, Warehouses and Head Office). During the course of the year, the company has embarked on a program to install LED lighting across the store estate and the head office and warehouse facilities, resulting in 11 stores,the warehouse and head office being completed, with the program continuing in to 2023.

Energy Consumption used to calculate emissions(kwh)

Total Energy Consumption(kWh)	**2022**	**2021**
Energy consumption breakdown (kWh):		
Natural Gas	144,830	285,582
Electricity	7,736,598	7,835,447
Diesel	389,494	84,513
Petrol	87,673	81,099
Kerosene	0	26,548
LPG	114,374	141,443

Scope 1 emissions in metric tonnes CO2e	**2022**	**2021**
Natural Gas	26.44	52.31
Diesel	98.33	21.39
Petrol	21.35	19.74
Kerosene	0.00	6.54
LPG	25.29	31.55

Scope 2 emissions in metric tonnes CO2e	**2022**	**2021**
Purchase of electricity	120.97	125.25

Intensity Metric – gross internal area (tCO2e/m2)	0.00510	0.00422

Emission factors for 2022 are based on Government published 2022 GHG conversion factors.

SECR Methodology statement 2022

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

CO_2 emissions have been calculated using the 2022 UK Government Conversion Factors for Company Reporting.

During the course of the year, the company has embarked on a program to install LED lighting across the store estate and the head office and warehouse facilities, during the year 11 stores and the warehouse and head office have been completed, with further program continuing in to 2023.

Emissions have been calculated for the year ended 31 December 2022

Environment

Refer to Section 172(1) statement.

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 in the wider group policy for Directors' and Officers' liability insurance in respect of itself and the wider group.

Going concern

Throughout and post 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 combined cash and cash deposits of £25.4m (2021 : £26.1m).

2023 has started the year with a number of challenges in terms of Macro-economic uncertainty, driven in particular by geo-political issues and global tensions which have caused inflationary pressures on the UK economy and driving up the cost of living significantly. The Bank of England has intervened with a series of increases to the base rate of interest with a view to stemming the pressure on inflation, this however does also place pressure on personal / household finances as the cost of mortgages and borrowing increases. In addition to this, weather conditions in May and June have seen temperatures increase, with June 2023 being the warmest June on record in the UK. In order to adapt to this climate change the business is evolving and introducing a new range of "Hot summer" in order to diversify over the summer period which is performing very well. These factors combined have placed a challenge on the outdoor sector as a whole.

As we head in to the second half of 2023 the outlook from management is cautious, with weather conditions having changed to more unsettled conditions in July with the most significant trading period of quarter 4 ahead. Forecasts indicate that inflation will be reducing as we head into the end of 2023 and 2024, albeit with a future risk of interest rate increases.

With the new financing structure in place for the Group as of April 2021, the Company received a 30% reduction in debt (£13.4m) to £30.7m from £44.1m. The group also assumed all 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 at 31 December 2022

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

with a repayment date of the 5th 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 £18.6m 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.

As a result of these trading conditions, management have carried out scenario analysis against the baseline budget to ensure that the business has sufficient cash and working capital in order to meet its obligations as they fall due throughout the 12 months review period. Management are satisfied that with a combination of controlling variable costs, and managing working capital effectively and the confirmation from Yonderland Finco BV as stated above, the business will be able to meet all of its planned commitments. Considering these factors, the Board is satisfied that the Company has adequate resources to continue its operations at all times in line with scenarios assessed. Therefore it is appropriate to adopt the going concern basis in preparing the consolidated financial statements for the year ending on 31 December 2022.

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).

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

- 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 13 July 2023 and signed on its behalf by

M P Smith

M P Smith

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

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 101"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.

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 2022 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 101 '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 2022;
- 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.

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 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 con-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.

M.W. Lloyd

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

13 July 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Turnover	4		160,536		148,300
Cost of sales			(91,020)		(85,418)
Gross profit			**69,516**		**62,882**
Distribution costs			(49,543)		(46,407)
Exceptional administrative income/(expense)	13	(32)		(1,700)	
Other administrative expenses		(20,359)		(16,094)	
Total administrative expenses			(20,391)		(17,794)
Other operating income	5		534		4,975
Operating profit / (loss)			**116**		**3,656**
Other interest receivable and similar income	10		60		-
Interest payable and similar charges	11		(4,159)		(3,950)
Profit / (loss) before taxation			**(3,983)**		**(294)**
Tax on (Profit) / loss	12		27		(562)
Profit / (loss) for the financial year			**(3,956)**		**(856)**
Other comprehensive income for the year			-		-
Total comprehensive Profit / (loss) for the year			**(3,956)**		**(856)**

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.

The notes on pages 16 to 42 form part of these financial statements.

ALTERNATIVE PERFORMANCE MEASURES	Note	2022 £000	2021 £000
Profit / (loss) before taxation		**(3,983)**	**(294)**
Add back:			
Exceptional (income) / costs	13	32	1,700
Net interest		4,099	3,950
Finance costs		812	(823)
Depreciation and amortization Tangible & Intangible Assets		3,615	3,326
Depreciation and Impairment – Right of use asset (ROUA)		10,452	10,723
Preopening expenses		-	65
Adjusted REBITDA		**15,027**	**18,647**

Revenue growth was 8.9% (2021:17.7%) despite being impacted by COVID 19 and the closure of a number of stores.

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	14		5,249		5,919
Property, plant and equipment	15		13,397		11,157
Right-of-use assets	16		42,890		48,661
Investments	17		-		63
			61,536		65,800
Current assets					
Inventories	18	33,370		33,530	
Trade and other receivables	19	6,097		7,042	
Cash and cash equivalents	20	10,101		26,119	
Other investments and deposits	21	15,274		-	
		64,842		66,691	
Creditors: amounts falling due within one year	22	(52,969)		(51,626)	
Net current assets / (liabilities)			11,873		15,065
Total assets less current liabilities			73,409		80,865
Creditors: amounts falling due after more than one year	23		(66,566)		(70,012)
Provisions for liabilities	24		(1,747)		(1,801)
Net assets			5,096		9,052
Equity					
Called-up share capital	25		3,626		3,626
Capital contribution			66,162		66,162
Profit and loss account			(64,692)		(60,736)
			5,096		9,052

The financial statements of Outdoor and Cycle Concepts Limited, registration number 03382348, were approved and authorised for issue by the board on 13 July 2023 and were signed on its behalf by

M P Smith

M P Smith
Director

The notes on pages 16 to 42 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Called-up share capital £000	Capital contribution £000	Profit and loss account £000	Total £000
At 1 January 2021	3,626	43,855	(59,880)	(12,399)
Gain for the financial year	-	-	(856)	(856)
Capital Contribution	-	22,307	-	22,307
At 31 December 2021	3,626	66,162	(60,736)	9,052
(Loss) for the financial year	-	-	(3,956)	(3,956)
Capital Contribution	-	-	-	-
At 31 December 2022	3,626	66,162	(64,692)	5,096

During 2021 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 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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, Company Reg no. 03382348. 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 in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

On 1st January 2021, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the Company Financial statements transitioned to UK-adopted international accounting standards (as described above) on 1 January 2021. The impact of this is detailed in the Transition note.

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 2022, the Company was itself a wholly-owned subsidiary of Retail Concepts N.V. and its ultimate parent company Yonderland B.V.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' - comparative information requirements in respect of:
  - Paragraph 79 (a) (iv) of IAS 1;
  - Paragraph 73 (e) of IAS 16, 'Property, plant and equipment'; and
  - Paragraph 118 (e) of IAS 38, intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10 (d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134 – 136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered in to between two or more members of a group.

The information required in relation to the above sections is included in the consolidated financial statements of Yonderland B.V. as at 31 December 2022.

Explanation of transition to FRS101

These are the Company's first financial statements prepared in accordance with FRS 101.
In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its previous basis of accounting (FRS102). An explanation of how the transition from FRS102 to FRS 101 has affected the Company's financial position and financial performance is set out in the following table and the accompanying notes:

	Note	FRS102 1 Jan 2021 £000	Effect of Transition £000	FRS 101 1 Jan 2021 £000	FRS102 31 Dec 2021 £000	Effect of Transition £000	FRS 101 31 Dec 2021 £000
Fixed assets							
Intangible assets		6,589	-	6,589	5,919	-	5,919
Property, plant and equipment	(i)	10,187	(508)	9,679	11,673	(516)	11,157
Right-of-use assets	(ii)	-	52,815	52,815	-	48,661	48,661
Investments		247	-	247	63	-	63
		17,023	52,307	69,330	17,655	48,145	65,800
Current assets							
Inventories	(iii)	31,266	1,885	33,151	32,375	1,155	33,530
Trade and other receivables	(iv)	7,198	(1,369)	5,829	7,611	(569)	7,042
Cash and cash equivalents		22,761	-	22,761	26,119	-	26,119
		61,225	516	61,741	66,105	586	66,691
Creditors: amounts falling due within one year	(v)	(54,397)	(9,066)	(63,463)	(45,274)	(6,352)	(51,626)
Net current assets / (liabilities)		6,828	(8,550)	(1,722)	20,831	(5,766)	15,065
Total assets less current liabilities		23,851	43,757	67,608	38,486	42,379	80,865
Creditors: amounts falling due after more than one year	(vi)	(40,281)	(38,653)	(78,934)	(30,753)	(39,260)	(70,013)
Provisions for liabilities	(vii)	(1,745)	(102)	(1,847)	(1,745)	(55)	(1,800)
Net assets		(18,175)	5,003	(13,172)	5,988	3,064	9,052
Called-up share		3,626	-	3,626	3,626	-	3,626
Capital contribution		43,855	-	43,855	66,162	-	66,162
Profit and loss account	(viii)	(65,656)	5,003	(60,653)	(63,800)	3,064	(60,736)
Equity		(18,175)	5,003	(13,172)	5,988	3,064	9,052

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Explanation of transition to FRS101(continued)

(i) A groupwide review of the useful life of fixed assets was undertaken as part of the Yonderland acquisition of A. S. Adventure. This has been treated in a change in accounting estimate on transition to FRS 101 and has resulted in additional depreciation of property, plant and equipment of £508k as at 1st January 2021 (£516k as at 31st December 2021).

(ii) Leasehold property commitments have been capitalised in accordance with the requirements of IFRS 16 which has resulted in the recognition of right-of-use assets to the value of £52,312k as at 1st January 2021 (£48,661k as at 31st December 2021).

(iii) Trading stock increased by £996k as at 1st January 2021 (£617k at 31st December 2021) due to the inclusion of certain stock handling costs in inventory, not previously recognised under FRS 102.

A further increase to inventory values of £889k as at 1st January 2021 (£538k at 31st December 2021) arose due to recognition of a right-of-return of goods asset for customer returns in accordance with IFRS 15.

Deferred tax adjustments comprised:	1 Jan 2021 £'000	31 Dec 2021 £'000
Impact of leasehold properties capitalised under IFRS 16	(976)	(445)
Inclusion of warehouse handling costs in inventory	(189)	(117)
Adjustment to gift card liabilities under IFRS 15	(113)	(115)
Increase to Property, plant and equipment carrying amount following useful life review	96	98
Recognition of customer returns provisions under IFRS 15	10	10
	(1,172)	(569)

The re-measurement of leases under IFRS 16 has resulted in deferred rent and rent accruals being incorporated into the current and non-current lease liabilities. Impact was to increase creditors due within 1 year by (£197k) at 1 January 2021 (£0k at 31 December 2021)

(iv) The re-measurement of leases under IFRS 16 has resulted in deferred rent and rent accruals being incorporated into the current and non-current lease liabilities. Impact was to increase creditors due after 1 year by £6,112k at 1 January 2021 (£3,192k at 31 December 202).

Due to the recognition of a right of return refund liability for customer returns in accordance with IFRS 15, an additional refund of liability £(942k) was recognised as at 1st January 2021 ((£239k) as at 31st December 2021).

The liability for unredeemed gift cards has been revised in accordance with IFRS 15 to reflect amounts recognised in revenue, in addition to recognising gift card expiry in line with contractual terms. This resulted in an increase to the gift card liability of £595k as at 1st January 2021 (£604k; 31st December 2021).

The current portion of lease liabilities as a result of the capitalisation of leasehold property commitments under FRS 16 is (14,831k) as at 1st January 2021 and (£9,909k) as at 31st December 2021.

(v) Leasehold property commitments have been capitalised under IFRS 16 which has resulted in Lease Liabilities to the value of (£38,653) on the 1st January 2021 and (£39,260) as at 31st December 2021.

(vi) The recognition of dismantling provisions has been re-assessed to provide for restoration costs

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Explanation of transition to FRS101(continued)

(vii) across all stores, whereas lease commitments and restoration costs under FRS 102 were recognised on loss making stores. This has resulted in additional provisions of £102k as at 1st of January 2021 (£56k as at 31st December 2021).

(viii) Retained earnings have been adjusted as follows under IFRS:

	1 January 2021	31 December 2021
	£000	£000
Leasehold properties capitalised under IFRS 16	3,400	960
Recognition of dismantling provisions across all stores	1,745	1,745
Adjustment to gift card liabilities under IFRS 15	595	604
Customer returns provision under IFRS 15	(53)	240
Inclusion of warehouse handling costs in inventory	996	617
Property, plant and equipment useful life review	(508)	(516)
Deferred Tax (see note (iv))	(1,172)	(586)
	5,003	3,064

The transition of the Statement of Comprehensive income for the year ended 31st December 2021 from FRS102 to FRS 101 is as follows:

	Note	2021 FRS 102	Effect of FRS Transition	2021 FRS 101
		£000	£000	£000
Turnover	(ix)	147,710	590	148,300
Cost of sales	(x)	(82,405)	(3,013)	(85,418)
Gross profit		**65,305**	**(2,423)**	**62,882**
Distribution costs	(xi)	(48,751)	2,344	(46,407)
Exceptional administrative income/(expense)	(xii)	(2,032)	332	(1,700)
Other administrative expenses		(16,094)	-	(16,094)
Total administrative expenses		(18,126)	332	(17,794)
Other operating income	(xiii)	5,214	(239)	4,975
Operating profit / (loss)		**3,642**	**14**	**3,656**
Other interest receivable and similar income		-	-	-
Interest payable and similar charges	(xiv)	(2,229)	(1,721)	(3,950)
Profit / (loss) before taxation		**1,413**	**(1,707)**	**(294)**
Tax on Profit / (loss)	(xv)	443	(1,005)	(562)
Profit / (loss) for the financial year		**1,856**	**(2,712)**	**(856)**
Other comprehensive income for the year		-	-	-
Total comprehensive Profit / (loss) for the year		**1,856**	**(2,712)**	**(856)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Explanation of transition to FRS101(continued)

(ix) Revenue of £884k has been deferred for customer returns in line with the requirements of IFRS 14. Revenue decreased by £294k following the reclassification of cost of goods sold on consignment stock from cost of sales to revenue in line with the requirements of IFRS 15.

(x) In alignment with groupwide accounting policies, warehouse costs have been reallocated to cost of sales to account for handling costs of stock and have been recognised in line with IAS 2 (£2,776k);

The recognition of a right of return refund liability for customer returns resulted in a reduction of revenue of (£479k) and;

£242k of cost of goods sold on consignment stock has been reclassified from cost of sales to revenue in line with the IFRS 15 revenue recognition policy for consignment sales.

(xi) In alignment with groupwide accounting policies, warehouse costs have been reallocated to cost of sales to account for handling costs of stock and have been recognised in line with IAS 2 £2,776k;

Under IFRS 16 operating leases have been capitalised, resulting in operating lease expenses, and increase in Right of Use asset depreciation recognised within Distribution Costs of £(432k).

(xii) Under IFRS 16 operating leases have been capitalised, resulting in a decrease of operating lease expenses of £332k .

(xiii) Other operating income reduced due to the capitalisation of operating leases under IFRS 15 (£151k) and reduced by (£88k) due to changes made to the recognition policy on gift cards in accordance with IFRS 15.

(xiv) The increase in interest payable and similar charges arose due to the unwinding of discount rate (£101k) and Lease expense interest portion (£1,620k) in relation to capitalised leases under IFRS 16.

(xv) Deferred tax adjustments in relation to capitalised leases under IFRS16 (£729k) and reassessment of provisions under IFRS15 (£276k)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 combined cash and cash deposits of £25.4m (2021 : £26.1m).

2023 has started the year with a number of challenges in terms of Macro-economic uncertainty, driven in particular by geo-political issues and global tensions which have caused inflationary pressures on the UK economy and driving up the cost of living significantly. The Bank of England has intervened with a series of increases to the base rate of interest with a view to stemming the pressure on inflation, this however does also place pressure on personal / household finances as the cost of mortgages and borrowing increases. In addition to this, weather conditions in May and June have seen temperatures increase, with June 2023 being the warmest June on record in the UK. In order to adapt to this climate change the business is evolving and introducing a new range of "Hot summer" in order to diversify over the summer period which is performing very well. These factors combined have placed a challenge on the outdoor sector as a whole.

As we head in to the second half of 2023 the outlook from management is cautious, with weather conditions having changed to more unsettled conditions in July with the most significant trading period of quarter 4 ahead. Forecasts indicate that inflation will be reducing as we head into the end of 2023 and 2024, albeit with a future risk of interest rate increases.

With the new financing structure in place for the Group as of April 2021, the Company received a 30% reduction in debt (£13.4m) to £30.7m from £44.1m. The group also assumed all 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 at 31 December 2022 with a repayment date of the 5th 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 £18.6m 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.

As a result of these trading conditions, management have carried out scenario analysis against the baseline budget to ensure that the business has sufficient cash and working capital in order to meet its obligations as they fall due throughout the 12 month review period. Management are satisfied that with a combination of controlling variable costs, and managing working capital effectively and the confirmation from Yonderland Finco BV as stated above, the business will be able to meet all of its planned commitments. Considering these factors, the Board is satisfied that the Company has adequate resources to continue its operations at all times in line with scenarios assessed. Therefore it is appropriate to adopt the going concern basis in preparing the consolidated financial statements for the year ending on 31 December 2022.

2. Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

2.1 Revenue

Revenue is recognised based on a five-step model that is included in IFRS 15.

Revenue from the supply of goods or services is recognised in an amount that reflects the consideration to which the Company expects to be entitled.

The Company supplies different outdoor products through different sales channels (mainly sales in retail stores, online sales, business to business sales, etc.)

Revenue from the sale of retail goods

The Company generates and recognises net sales to retail customers as it satisfies its performance obligation at the point of sale in its stores or upon delivery of goods through its online channel.

2. Accounting policies (continued)

Generally, net sales and cost of sales are recorded based on the gross amount received from the customer for products sold and the amount paid to the vendor for products purchased, excluding sales taxes and value-added taxes.

Net sales also reflect the value of products sold to customers for which the Company anticipates returns from customers, when such returns are considered to be material. Currently, customer returns are considered material with regards to the Company's sales in retail stores and online sales. Past customer return practices provide the basis for determining the anticipated returns that the Company is exposed to at the balance sheet date. The right to return assets and the refund liabilities are separately disclosed in the statement of financial position.

Revenue from the sale of gift cards and gift certificates is recognised when the gift card or gift certificate is redeemed by the retail customer. When the Company expects that gift cards will not be redeemed, the breakage that is able to be estimated is recognised proportionately as revenue at the time that the Company's performance obligations are satisfied (e.g., as customers purchase goods using gift cards or vouchers).

The Company's sales activities do not result in the Company having a material amount of unperformed obligations and, therefore, no contract assets are recognised separately from receivables.

The Company does not have a loyalty program with its customers.

Revenue from services rendered

The Group generates revenue from maintenance and rental activities it performs (example maintenance of ski equipment, rental of outdoor equipment).

Revenue from services rendered is assessed on a contractual basis to decide whether the performance obligations are performed over time or at a specific moment in time.

Rental Income

Rental income generated by operating subleases in retail store locations are recognised in 'Other operating income' on a straight-line basis over the term of the lease.

2.2 Cost of sales

Cost of sales includes the purchase price of the products sold and other costs incurred in bringing the inventories to the location and condition ready for sale. These costs include costs of purchasing, salaries and transporting products to the extent that it relates to bringing the inventories to the location and condition ready for sale. These costs do not include costs for storage, rent, depreciation of property, plant and equipment or right-of-use assets.

The Company receives various types of vendor allowances. The most common allowances vendors offer are:

- volume allowances, which are off-invoice or amounts billed back to vendors based on the quantity of products sold to customers or purchased from the vendor and
- promotional allowances, which relate to cooperative advertising and market development efforts.

Volume allowances are recognised as a reduction of the cost of the related products as they are sold.

2. Accounting policies (continued)

Promotional allowances are recognized as a reduction of the cost of the related products when the Company has performed the activities specified in the contract with the vendor. If the contract does not specify any performance criteria, the allowance is recognised over the term of the contract. Vendor allowances are generally deducted from cost of sales, unless there is clear evidence that they should be classified as revenue resulting from the Company providing a distinct good or service to the vendor. The Company recognises vendor allowances only where there is evidence of a binding arrangement with the vendor, the amount can be estimated reliably and receipt is probable.

2.3 Employee benefits

Short-term obligations

The main employee benefits of the Company consist of short-term employee benefits for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service. These liabilities are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Pension benefits

The Company offers a number of defined contribution plans to its employees. The Company does not offer defined benefit plans to its staff.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.4 Amortisation of intangible fixed assets and depreciation of tangible fixed assets

Intangible assets, including goodwill, are amortised and tangible fixed assets are depreciated over their estimated useful lifes as from the moment they are ready for use. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

2.5 Finance costs

Finance costs relate to interest on loans, interest on repayments of lease liabilities, fair value adjustments of financial assets at fair value through profit or loss and adjustments for the time value of liabilities.

Interest expenses are recognised when incurred and measured using the effective interest method.

2.6 Finance income

Interest income is recognised using the original effective interest rate.

2.7 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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's subsidiaries operate and generate taxable income.

Deferred balances are recognised on temporary differences where the carrying amount of an asset or liability differs from its tax base, except:

- 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;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries and the company can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 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. After 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.

2.9 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 to allocate the cost of assets less their residual value over their 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	- 7 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.

2.10 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.

2.11 Stocks

Stocks are stated at the lower of cost or net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Cost consists of all costs of purchase, cost of conversion and other costs (such as handling costs and transportation costs) incurred in bringing the inventories to their location and condition ready for sale, net of vendor allowances attributable to inventories.

Rebates, vendor allowances and incentives that the Company receives from its suppliers, mainly for promotions in stores, joint publicity, introductions of new products and volume incentives, are included in the inventory cost and are recognised in profit or loss as and when the product is sold, except when it relates to a repayment of specific, additional and identifiable costs which the Company incurred in order to sell the supplier's product. In that case the rebates and incentives are immediately recognised as a decrease of the respective costs incurred.

The estimation of such supplier rebates is predominantly based on real turnover figures of the related period, but in certain cases it requires the use of assumptions and estimations of specific purchasing or sales levels.

The cost of stock is determined using the weighted average cost method.

The net realisable value is the estimated selling price in the ordinary course of business, less the estimated marketing, distribution and selling expenses, to the extent that these are not reversed by markdown compensation received from the supplier.

2.12 Right of return asset and refund liabilities

A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Company updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Company's refund liabilities typically arise from customers' right of return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. The Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

2.13 Impairment of non-financial assets

Brand intangible asset is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). If the recoverable amount of an asset or of the cash-generating unit to which it belongs, is lower than the carrying amount, an impairment loss is recognised in profit or loss for the amount of the difference. Impairment losses relating to cash-generating units are first deducted from the carrying amount of any goodwill attributed to the cash-generating (or groups of) units and then deducted pro rata from the carrying amount of the other assets of the (groups of) cash-generating units.

A recognised impairment may be reversed if it ceases to exist. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Accounting policies (continued)

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.14 Financial Assets

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

Fair value through profit or loss
The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost
These assets arise principally from the provision of goods and services to customers (e.g. trade debtors).

The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

2.15 Financial liabilities

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.

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:

- Intra group borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

- Trade creditors and other short-term monetary liabilities, which are initially recognised at fairvalue and are subsequently carried at amortised cost using the effective interest method.

2.16 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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'.

2.17 Leases

Determination whether the contract contains a lease
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Contracts whereby the Company acts as a lessee
The lease portfolio of the company, whereby it acts as a lessee, mainly consists of the following type of leases:

- Real estate properties: retail stores, distribution centres, warehouses and offices; and
- Transport equipment: cars and vans

Practical expedients foreseen within IFRS 16 that are applied by the Company
The company applies the recognition exemptions for short-term leases (less than 12 months) for its leased transport equipment and leases of low-value items, defined by the Company to be below £5,000 per item (on acquisition). The payments for these exempted leases are recognized in the income statement on a straight-line basis over the lease terms.

Determination of the appropriate lease term
The Company applies judgment to determine the lease term for the lease contracts in which it is a lessee that include renewal and termination options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Refer to the accounting Estimates and Judgements section for more information.

Initial measurement
The Company recognises a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments, at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. See accounting estimates and judgements for more information.

The Company has elected not to separate lease and non-lease components included in lease payments for all leases. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, which are initially measured using the index or rate at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price of a purchase option that the Company is reasonably certain to exercise;
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred (for example, key money and lease contract commissions), plus the discounted expected cost for dismantling the leased property, less any incentives received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Variable lease payments to be made by the Company are recognised in the statement of profit and loss when such costs are incurred.

Subsequent measurement
The lease liability is measured at amortised cost using the effective interest rate method. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The company applies the optional practical expedient for rent concessions that have been received in relation to COVID-19. However, it has only applied this practical expedient when all of the following conditions were met:

- the change in lease payments resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affected only payments originally due on or before 30 June 2022; and
- there was no substantive change to other terms and conditions of the lease (change of break dates, significant change of the lease term etc.).

2.1 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.

2.1 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Deferred tax balances are recognised on temporary differences where the carrying amount of an asset or liability differs from its tax base , 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.

2.2 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.

2.3 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. Judgments 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.

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

For retail properties, the following factors have been considered by the Company:

- If any significant leasehold improvements have been made by the Company into the retail property that have a remaining useful life after the non-cancellable period, the Company is typically reasonably certain to extend (or not terminate the lease contract;
- If the overall performance of the retail property is so that Company management believes it will continue investing in this retail store, the Company is typically reasonably certain to extend (or not terminate the lease contract.
- If the overall performance of the retail property is so that Company management does not longer believe it will continue investing in this retail store, the Company is typically reasonably certain to terminate the contract after the non-cancellable period.

The Company included the option to extend the lease as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The option to extend the leases of retail estate properties with longer non-cancellable periods (i.e., ten to fifteen years) are not included as part of the lease term as these are not reasonably certain to be exercised.

After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The renewal options for leases of transport equipment are not included as part of the lease term because the Company typically leases transport equipment for not more than four years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Turnover

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

Analysis of turnover by region of destination:

	2022 £000	2021 £000
United Kingdom	156,487	144,370
Rest of Europe	4,014	3,275
Rest of World	35	655
	160,536	148,300

5. Other operating income

	2022 £000	2021 £000
Rental income and incentives	246	237
HM Covid Grants - Rates	-	2,100
Coronavirus Job Retention Scheme	-	2,377
Gain/(Loss) on disposal /early termination of leases	124	-
Redemption of unused gift vouchers	197	(89)
Other operating income	(57)	350
	510	4,975

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):

	2022 £000	2021 £000
Depreciation of tangible fixed assets	2,945	2,656
Impairment of tangible fixed assets (included in admin expenses)	32	30
Depreciation of Right of use assets	9,802	11,265
Impairment of Right of use assets	650	-
(Gain)/Loss on disposal /early termination of leases	-	17
Amortisation of brand name	670	670
Other operating lease rentals	415	514
Exchange differences	731	(874)
Charge/(credit) to debtor provision	12	12
Inventory usage included in cost of sales	88,064	81,196

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Auditor remuneration

	2022 £000	2021 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	196	145
Fee payable to the Company's auditor for non-audit services	1	5
	197	150

8. Employees

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

	2022 £000	2021 £000
Wages and salaries	21,883	21,601
Social security costs	1,609	1,517
Other pension costs	457	401
	23,949	23,519

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

	2022 No.	2021 No.
Selling and distribution	547	545
Administration	141	132
	688	677

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	552	417
Compensation for loss of office	-	-
Company contribution to defined contribution pension schemes	12	8
	564	425

During the year retirement benefits were accruing to 1 Director (2021:1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £375,139 (2021: £264,062).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £11,850 (2021: £8,194).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Other interest receivable and similar income

	2022 £000	2021 £000
Other interest receivable	60	-

11. Interest payable and similar charges

	2022 £000	2021 £000
Bank interest payable	-	178
Other loan interest payable	-	200
Loans from group undertakings	2,400	1,851
Lease expense - premises (interest portion)	1,630	1,620
Lease expense - vehicles (interest portion)	3	-
Unwinding of discount rate	126	101
	4,159	3,950

12. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on loss for the year	-	-
Adjustment in respect of prior periods	-	-
Total current tax	-	-
Deferred tax		
Current period (credit) debit	(154)	122
Tax rate change	(201)	(676)
Adjustment in respect of prior periods	328	1,116
Total deferred tax	(27)	562
Tax on loss	(27)	562

Factors affecting tax credit for the year

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

	2022 £000	2021 £000
Profit (Loss) before tax	(3,983)	479
Profit (Loss) multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(757)	91
Effects of:		
Adjustments to tax charge in respect of prior periods	328	1,116
Non-deductible expenses	603	31
Deferred tax recognition	(201)	(676)
Total tax credit for the year	(27)	562

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Exceptional (income)/costs

	2022 £000	2021 £000
Impairment fixed assets	32	30
Finance Costs	-	748
Reorganisation expenses	-	85
Closure dormant entities	-	160
CVA (income) /expenses	-	677
	32	1,700

14. Intangible assets

	Goodwill £000	Brand name £000	Total £000
Cost			
At 1 January 2022	55,271	19,749	75,020
At 31 December 2022	55,271	19,749	75,020
Accumulated amortisation and impairment			
At 1 January 2022	55,271	13,830	69,101
Charge for the year	-	670	670
Impairment	-	-	-
At 31 December 2022	55,271	14,500	69,771
Net book value			
At 31 December 2022	-	5,249	5,249
At 31 December 2021	-	5,919	5,919

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets

	Leasehold improvements	Plant, Machinery and Equipment	Furniture and vehicles	Assets in the course of construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2022	32,040	29,222	-	425	61,687
Additions	653	3,861	176	666	5,356
Disposals	(1,952)	(601)	-	-	(2,553)
At 31 December 2022	30,741	32,482	176	1,091	64,490
Depreciation & Impairment					
At 1 January 2022	28,186	22,344	-	-	50,530
Charge for the year	1,118	1,797	30	-	2,945
Disposals	(1,474)	(770)	-	-	(2,244)
Impairment	(132)	(6)	-	-	(138)
At 31 December 2022	27,698	23,365	30	-	(51,093)
Net book value					
At 31 December 2022	3,043	9,117	146	1,091	13,397
At 31 December 2021	3,854	6,878	-	425	11,157

As at 31 December 2022, 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 to the value of £32k (Notes 6 and 13) has been recognised and the impairment is included within administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Right Of Use Assets

	Premises	Vehicles	Total
	£000	£000	£000
Cost			
At 1 January 2022	59,531	-	59,531
Additions	4,800	147	4,947
Remeasurement of leases	1,792	-	1,792
Disposals	(3,066)	-	(3,066)
At 31 December 2022	63,057	147	63,204
Depreciation & Impairment			
At 1 January 2022	10,870	-	10,870
Charge for the year	9,761	41	9,802
Disposals	(1,007)	-	(1,007)
Impairment	650	-	650
At 31 December 2022	20,274	41	20,315
Net book value			
At 31 December 2022	42,783	106	42,889
At 31 December 2021	48,661	-	48,661

Impairment loss on right of use assets was £650K and is included in distribution expenses in the income statement. It arose on assessment of future profitability of individual stores and the assets have been impaired to the recoverable value being the higher of their fair value less costs to sell and value in use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

17. Investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2021	63
Disposal	(63)
At 31 December 2022	-

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%	Dissolved
Snow + Rock Group Holdings Limited	England	Ordinary	100%	Dissolved
Snow + Rock Group Limited	England	Ordinary	100%	Dissolved
Snow & Rock Sports Limited	England	Ordinary	100%	Dissolved
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.

18. Stocks

	2022 £000	2021 £000
Goods for resale	32,648	32,894
Non-trading stock	33	98
Right to returned goods assets	679	538
	33,370	33,530

19. Debtors: amounts falling due within one year

	2022 £000	2021 £000
Trade debtors	428	428
Other debtors	2,243	2,243
Merchant services security	-	345
Deferred Tax	1,973	1,954
Prepayments and accrued income	2,079	2,079
	7,611	7,049

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

l) Deferred tax

	£000
At beginning of year	1,946
Debit to statement of comprehensive income	27
At end of year	1,973

The provision for deferred taxation is made up as follows:	2022 £000	2021 £000
Accelerated capital allowances	(1,322)	(1,255)
Intangible assets	1,312	1,480
Losses	(1.555)	(1,666)
Short-term timing difference	(385)	(385)
Other	(23)	(120)
	(1,973)	(1,946)

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

20. Cash at bank and in hand

	2022 £000	2021 £000
Cash at bank and in hand	10,101	26,119

Represents cash accessible with no notice/penalty and excludes £15m of term deposits with original maturities over 90 days which are presented within the Other Deposits and investments line on the balance sheet.

21. Other Deposits and investments

	2022 £000	2021 £000
Fixed term deposits	15,274	-

22. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	13,809	16,353
Amounts owed to group undertakings	18,554	13,806
Taxation and social security	3,598	2,921
Other creditors	2,613	2,389
Lease liabilities	8,430	9,909
Accruals and deferred income	5,965	6,248
	52,969	51,626

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

Financial instruments included above are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022 £000	2021 £000
Lease liabilities Premises	35,712	39,259
Lease liabilities Vehicles	101	-
Amounts owed to group undertakings	30,753	30,753
	66,566	70,012

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

23 (a). Leases

Company as a lessee

The Company has a large number of lease contracts in place for real estate properties and company cars. The properties mainly include the lease of stores, distribution centers, warehouses and offices. Other equipment leased mainly include IT equipment and small equipment.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases of properties generally have lease terms between 1 and 25 years, while company cars and other equipment generally have lease terms between 1 and 4 years.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of transport equipment for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Certain leases have lease terms of 12 months or less. The Company decided to apply the short-term lease exemption by class of underlying asset. Therefore, the Company applies the short-term lease exemption only for the lease of transport equipment and IT equipment and not for the real estate properties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Amounts recognised in the statement of financial position

The carrying amounts of right-of use assets recognised and the movements during the period are in note 16.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Leases

	Premises	Vehicles	Total
	£000	£000	£000
Balance at 1 January 2022	49,168	-	49,168
New leases	4,828	147	4,975
Ended leases	(2,207)	-	(2,207)
Remeasurement of leases	1,809	-	1,809
Accretion of lease interests	1,629	3	1,632
Payments of lease debt	(11,187)	(48)	(11,235)
Exchange rate revaluations	101	-	101
Balance at 31 December 2022	44,141	102	44,243

Amounts recognised in the statement of comprehensive income

The following are the amounts recognised in statement of comprehensive income:

	2022 £000	2021 £000
Depreciation and impairment of right-of-use assets	9,140	10,222
Interest expense on lease liabilities	1,632	1,620
Expenses relating to short term leases	207	1,613
Expenses relating to leases of low value assets	394	270
Expenses relating to variable lease payments	524	428
	11,897	14,153

COVID-19-related rent concessions

The Company has measured the lease liability at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired lease were a new lease at the acquisition date. The Company has measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms. The Company has used the practical expedient provided by the IASB in May 2020 and extended in March 2021 on Accounting for rent concessions by lessors and lessees for the retail estate properties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Variable lease payments

Some of the property leases in which the Company is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs. The breakdown of lease payments for these stores is as follows:

	2022 £000	2021 £000
Fixed payments	424	359
Variable payments	100	69
Total payments	524	428

Undiscounted lease payments

	2022 £000	2021 £000
Not later than one year	8,429	9,909
Later than one year and not later than five years	21,922	24,512
Later than five years	13,790	14,750
	44,141	49,171

24. Provisions

	Dismantling Provision £000
As at 1 January 2021	1,801
Credit to statement of comprehensive income	(54)
Provision utilised during the year	-
	1,747

A dilapidation provision is an estimate of the future costs associated with obligations to reinstate and repair properties in accordance with contractual and other obligations. Provisions have been recorded in accordance with obligations within the property lease contracts and will be utilized at the termination of the related property leases, the amount has been estimated based up an average cost per sq.m to reinstate.

25. Called-up share capital

	2022 £000	2021 £000
Shares classified as equity		
Allotted, called-up and fully paid		
362,569,578 (2021: 362,569,578) Ordinary shares of £0.01 each	3,626	3,626

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

26. 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.

27. Capital commitments

At 31 December 2022 and 31 December 2021 the Company had capital commitments as follows:

	2022 £000	2021 £000
Plant, property and equipment contracted for but not provided in these financial statements	50	58

28. 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 £93,900 (2021: £88,600).

29. Key Management Personnel

	2022 £000	2021 £000
Key Management Personnel earnings	966	970

30. Post Statement of Financial Position events

No significant events have been noted.

31. 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 Smallandlaan 9, Hoboken, 2660, Antwerp,Belgium.