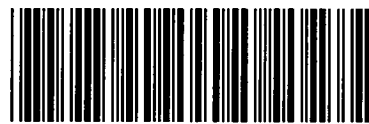


Musto Midco Limited
Annual report and financial statements
For the year ended 31 December 2022

Registered number: 06295514

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Musto Midco Limited

Annual report and financial statements

For the year ended 31 December 2022

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Musto Midco Limited

Company information

Directors

P Barnes
JP Arcand
J Brook

Auditor

Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD

Bankers

DNB Bank ASA
8th Floor, The Walbrook Building
25 Walbrook
London
EC4N 8AF

Registered Office

International House
St Katharine Docks
St Katherines Way
London
E1W 1UN
United Kingdom

Musto Midco Limited

Strategic report

For the year ended 31 December 2022

The directors present their strategic report for Musto Midco Limited (the “company”) for the year ended 31 December 2022. The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Principal activity

Throughout the year the company has acted as a non-trading, intermediate parent undertaking. It holds investments in its subsidiary companies and debt from its parent company.

The company operates as an integral part of the Helly Hansen group (the “group”), whose parent entity is Helly Hansen Holdings AS.

Review of business

The loss for the year after taxation amounted to £nil (2021 – £13,000,000). The loss in the prior year was due to an impairment of the investment in the subsidiary company Musto Bidco Limited. The company continues to hold investments in Musto Bidco Limited and there have been no movements in the investment levels during the year.

As at 31 December 2022 the directors have re-evaluated the recoverability and disclosure of amounts receivable from other group entities. Following review of the nature of these receivables and confirmation that the loans are used to meet the ongoing capital requirements of the borrower with no intention to recall these balances in the foreseeable future, the directors agreed that these loans should be disclosed as fixed assets in the current year. In order to reflect the current year disclosures, the loans have been reclassified from debtors within current assets to fixed assets in the prior year comparatives.

Key performance indicators (KPI's)

Due to the company acting as a non-trading, intermediate parent undertaking, the directors do not consider it necessary to measure KPI's.

Principal risks and uncertainties

The company is an investment holding company and therefore the carrying value of the investment is dependent on the performance of the subsidiary trading entity. The results of the trading entity, which support the carrying value of the investment are subject to the following risks and uncertainties.

The key business risks and uncertainties affecting the company relate to increased competition, uncertainty in the retail sector and economic instability. From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Helly Hansen Holdings AS, which include those of the company, are discussed in the group's annual report which does not form part of this report.

During the winter of 2021, geopolitical tensions increased around Russia, Ukraine and other countries. In February 2022, Russian armed forces invaded Ukraine, and the international response has been to drastically expand sanctions against Russia. One of the effects of this situation is increased uncertainty for the global business environment, the group no longer operate in Russia and have closed down its operations. Helly Hansen management continues to assess possible short, medium and long term impacts on the business and ways to mitigate any short term cost increases caused by inflation.

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks and the company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company.

The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Musto Midco Limited

Strategic report

For the year ended 31 December 2022 (continued)

Financial risk management objectives and policies (continued)

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management. The policies set by the directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Credit risk

Given the company's receivables are owed by group undertakings, the directors do not believe that there are significant exposures arising from credit risk as this risk arises in the ultimate trading company, Musto Limited.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The liquidity risk within the overall Musto Group is managed by the parent company, Helly Hansen Holdings AS and there is financial support in place in terms of funding should the company need to call upon it.

Future Development

The company does not expect any changes in the investment level or operations of the ultimate trading entity, Musto Limited, therefore the carrying value of investments in the company is unlikely to change in 2023.

Approved by the board and signed on its behalf by:



Piers Barnes

Director

Date: 15th December 2023

Registered office

International House
St Katharine Docks
St Katherine's Way
London
E1W 1UN
United Kingdom

Musto Midco Limited

Directors' report

For the year ended 31 December 2022

Registered No. 06295514

The directors present their annual report on the affairs of Musto Midco Limited, together with the financial statements and auditor report, for the financial year ended 31 December 2022.

Matters covered in the Strategic report:

The company has chosen, in accordance with Companies Act 2006, S414C(11,) to set out in the company's strategic report information on certain matters which are required to be disclosed in the directors' report. These matters relate to principal risk and uncertainties, future developments and business review.

Directors

The directors, who served throughout the year except as noted, were as follows:

P Barnes

J Brook (appointed 28 January 2022)

JP Arcand (appointed 28 January 2022)

Dividends

The directors do not recommend the payment of a dividend (2021: £nil).

Directors' indemnities

The company maintains liability insurance for its directors and officers. Following shareholder approval, the company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The qualifying indemnity was in force during the financial year and also at the date of approval of the financial statements.

Going concern

As at 31 December 2022 the company is reporting net current liabilities £32.5m (2021: £32.5m). As a result, the company is reliant on an intermediate parent undertaking, Helly Hansen Holdings AS, to provide working capital support to settle its liabilities when they fall due and support the long-term operations of the company.

The directors have received written assurance from the immediate parent undertaking, Helly Hansen AS., that it will continue to support the company and provide adequate funds so that the company and its subsidiaries can meet their liabilities for a period of at least twelve months from the date of approval of the financial statements.

The Directors, having considered the above and on the basis of their assessment of the company's and the Helly Hansen Holdings AS group's financing arrangements, the Helly Hansen group's cash flow forecasts, the letter of support provided by Helly Hansen Holdings AS, and the reasonable expectations that both the Helly Hansen group and the Canadian Tire Corporation group will continue as a going concern, the directors have concluded that the company will be able to continue in operational existence for at least twelve months from the date of approval of the financial statements. Consequently, the directors have concluded that it is appropriate to prepare these financial statements on a going concern basis.

Musto Midco Limited

Directors' report

For the year ended 31 December 2022 (continued)

Events after the statement of financial position date

There were no subsequent events after the statement of financial position date.

Auditor

Deloitte LLP were appointed as the company's auditor during the year.

Each of the persons who is a director at the date of approval of this report confirms that:

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

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

In accordance with section 485 of the Companies act 2006 a resolution to reappoint Deloitte UK LLP as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the board and signed on its behalf by:



Piers Barnes

Director

Date: 15th December 2023

Registered office

International House
St Katharine Docks
St Katherines Way
London
E1W 1UN
United Kingdom

Musto Midco Limited

Statement of directors' responsibilities

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK 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 Musto Midco Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Musto Midco Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and ;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 14.

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

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.

Independent auditor's report to the members of Musto Midco Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 in the financial statements themselves. 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 this regard.

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

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

Independent auditor's report to the members of Musto Midco Limited (continued)

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of Musto Midco Limited (continued)

Matters on which we are required to report by exception

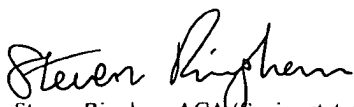
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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.



Steven Ringham ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

Date: 18 December 2023

Musto Midco Limited

Statement of comprehensive income For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Impairment of investment in subsidiary undertaking	6	-	(13,000)
Operating loss	3	-	(13,000)
Interest payable and similar expenses		-	-
Loss before taxation		-	(13,000)
Tax on loss	5	-	-
Loss for the financial year		-	(13,000)
Other comprehensive income for the year			-
Total comprehensive loss for the year		-	(13,000)

All items dealt with in arriving at the loss before taxation relate to continuing activities. 100% of the results for the year are attributable to the shareholders of the company.

The notes on pages 14 to 22 form part of these financial statements.

Musto Midco Limited

Statement of financial position

As at 31 December 2022

		2022	Re-stated 2021
	Note	£'000	£'000
Fixed assets			
Investments	6	9,000	9,000
Loan to group undertakings	7	34,505	34,505
		43,505	43,505
Current assets			
Debtors	8	-	-
Creditors: amounts falling due within one year	9	(32,517)	(32,517)
Net current liabilities		(32,517)	(32,517)
Total assets less current liabilities		10,988	10,988
Net assets		10,988	10,988
Capital and reserves			
Called up share capital	10	7,065	7,065
Share premium account		35,515	35,515
Retained earnings		(31,592)	(31,592)
Total shareholders equity		10,988	10,988

The financial statements of Musto Midco Limited (Registered number: 06295514) were approved by the board of directors and authorised for issue on 15 December 2023. They were signed on its behalf by:



Piers Barnes

Director

The notes on pages 14 to 22 form part of these financial statements.

Musto Midco Limited

Statement of changes in equity For the year ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total shareholders equity £'000
As at 1 January 2021	7,065	35,515	(18,592)	23,988
Loss for the year	-	-	(13,000)	(13,000)
Total comprehensive loss for the year	-	-	(13,000)	(13,000)
At 1 January 2022	7,065	35,515	(31,592)	10,988
Loss for the year	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
At 31 December 2022	7,065	35,515	(31,592)	10,988

The notes on pages 14 to 22 form part of these financial statements.

Musto Midco Limited

Notes to the financial statements **For the year ended 31 December 2022**

1 Accounting policies

General information

Musto Midco Limited (the “company”) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The address of the company’s registered office is shown on page 1.

The nature of the company’s operations and its principal activities are set out in the strategic report on pages 2 to 3.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the company operates.

These financial statements contain information about Musto Midco Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as its results and the results of its subsidiary undertakings are included in full in the consolidated financial statements of its ultimate parent undertaking, Canadian Tire Corporation. The consolidated financial statements of Canadian Tire Corporation are available to the public and can be obtained as set out in note 12.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Basis of preparation

The company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (c) The requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraph 12.26; and
- (d) Section 33 Related Party Disclosures paragraph 33.7.

Going concern

As at 31 December 2022 the company is reporting net current liabilities £32.5m (2021: £32.5m). As a result, the company is reliant on an intermediate parent undertaking, Helly Hansen Holdings AS, to provide working capital support to settle its liabilities when they fall due and support the long-term operations of the company.

The directors have received written assurance from the immediate parent undertaking, Helly Hansen AS., that it will continue to support the company and provide adequate funds so that the company and its subsidiaries can meet their liabilities for a period of at least twelve months from the date of approval of the financial statements.

Musto Midco Limited

Notes to the financial statements For the year ended 31 December 2022

1 Accounting policies (continued)

Going concern (continued)

The Directors, having considered the above and on the basis of their assessment of the company's and the Helly Hansen Holdings AS group's financing arrangements, the Helly Hansen group's cash flow forecasts, the letter of support provided by Helly Hansen Holdings AS, and the reasonable expectations that both the Helly Hansen group and the Canadian Tire Corporation group will continue as a going concern, the directors have concluded that the company will be able to continue in operational existence for at least twelve months from the date of approval of the financial statements. Consequently, the directors have concluded that it is appropriate to prepare these financial statements on a going concern basis.

Fixed asset investments

Investments in subsidiaries are stated at cost less any provision for impairment. The company's policy on impairment is to amend the value of its investment to the net asset value of the applicable investment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the statement of financial position date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Musto Midco Limited

Notes to the financial statements For the year ended 31 December 2022

1 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans with related parties.

Interest bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

2 Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the company's accounting policies

In the course of preparing the company's financial statements, no judgements have been made in the process of applying the company's accounting policies which could have a significant effect on amounts recognised in the financial statements.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of carrying value of investments

The company reviews the carrying amounts of its investments to determine whether there is any indication that the value of those assets is impaired as set out below. This requires an estimation of the fair value less cost of disposal and value in use, which includes the estimation of future cash flows and the application of a suitable discount rate. The directors are required to make an estimate of the recoverability of the investments held.

3 Operating loss

The audit expenses of the company have been met by Musto Limited, a subsidiary undertaking, in the current and prior year. The fee receivable by the auditor for the audit of the company's financial statements (borne by Musto Limited) was £5,000 (2021 – £3,500).

No non-audit services were provided by the company's auditor during the year.

Musto Midco Limited

Notes to the financial statements

For the year ended 31 December 2022

4 Directors' remuneration

Due to its limited activities, the company has no employees other than the directors, who did not receive any remuneration with respect to any services provided to the company (2021 – £nil).

5 Tax on loss

There is no current tax payable (2021 - £nil).

The charge for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	2022	2021
	£'000	£'000
Loss for the period	-	(13,000)
Tax on loss at standard UK tax rate of 19% (2021: 19%)	-	(2,470)
Loss carried forward not utilised	-	2,470
Tax charge for the period	-	-

	2022	2021
	£'000	£'000
Deferred tax not recognised		
Losses	2	2
	2	2

The asset will be recognised and recovered when there are sufficient taxable profits in the company to utilise the losses carried forward.

Factors that may affect future tax charges

On 24 May 2021, the Finance Bill 2021 was substantively enacted so that from 1 April 2023 the headline corporation tax rate will increase to 25% from 19%. The deferred tax has therefore been provided at 25%.

Musto Midco Limited

Notes to the financial statements

For the year ended 31 December 2022

6 Investments

	Subsidiary undertakings
	£'000
Cost	
At 1 January 2021	32,698
Impairment	
At 1 January 2021	(10,698)
Impairment in the year	(13,000)
At 31 December 2021	(23,698)
Carrying amount	
At 1 January 2021	22,000
At 31 December 2021	9,000
Cost	
At 1 January 2022	32,698
Impairment	
At 1 January 2022	(23,698)
Impairment in the year	-
Carrying amount	
At 31 December 2022	9,000

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Country of incorporation or registration</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Musto Bidco Limited	England	Ordinary shares	99.99%	Parent undertaking
Musto Limited*	England	Ordinary shares	99.99%	Retailer of clothing and accessories to marine and country wear markets

* held by Musto Bidco Limited (registered address is the same as Musto Midco Limited)

Musto Midco Limited

Notes to the financial statements For the year ended 31 December 2022

7 Loan to group undertakings

	2022	Re-stated 2021
	£'000	£'000
Amounts due from subsidiary undertakings	34,505	34,505

Amounts due from subsidiary undertakings were reclassified as a prior year restatement. Details of this are set out in note 11.

Amounts due from subsidiary undertakings are due from Musto Bidco Limited, bear no interest and are payable on demand. The directors consider the funds advanced to Musto Bidco Ltd to represent long term funding and they do not expect the amounts to be returned within the next 12 months. Therefore, although the amounts are due on demand, the loan balance has been recorded as a long-term asset.

8 Debtors

	2022	Re-stated 2021
	£'000	£'000
Amounts falling due within one year		
Amounts due from subsidiary undertakings	-	-

Amounts due from subsidiary undertakings were reclassified as a prior year restatement. Details of this are set out in note 11.

9 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Amounts owed to parent undertakings	32,517	32,517
	32,517	32,517

Amounts due to parent undertakings are unsecured, interest free and are repayable on demand.
Amounts due to parent undertakings are due to Musto Topco Limited.

Musto Midco Limited

Notes to the financial statements

For the year ended 31 December 2022

10 Called up share capital

	2022	2021
	£'000	£'000
Allotted, called up and fully paid		
7,065,312 (2021: 7,065,312) ordinary shares of £1 each	7,065	7,065
11,000 (2021:11,000) Ordinary 'B' shares of 1p each	-	-
10 (2021:10) Ordinary 'Z' shares of £1 each	-	-
	7,065	7,065

Ordinary shares have equal voting rights on all matters other than the appointment or removal of directors, have rights to dividends after distribution as to an aggregate of 0.01% to the holders of 'B' ordinary shares and have rights to a repayment of capital after payment of the nominal value of 'Z' ordinary shares to the holders of 'Z' ordinary shares.

Ordinary 'B' shares have no voting rights, rights to a distribution of dividends as to an aggregate of 0.01% and no rights to a repayment of capital.

Ordinary 'Z' shares have equal voting rights on the appointment or removal of directors and equal rights to dividends and any repayments of capital.

11 Prior year restatement

Prior to 2021, all group receivable balances repayable on demand were recorded as current assets. Following review of the nature of these receivables and confirmation that the loans are used to meet the ongoing capital requirements of the borrower with no intention to recall these balances in the foreseeable future, directors agreed that these loans should have been classified as fixed asset in the prior year and therefore these loans have been reclassified from debtors within current assets to fixed assets. There is no impact of this prior year restatement on the audit report.

	2021
	£'000
Total fixed assets	
As previously reported	9,000
Changes due to prior period restatement	34,505
Total fixed assets as restated	43,505
Increase in total fixed assets	34,505

Musto Midco Limited

Notes to the financial statements For the year ended 31 December 2022

11 Prior year restatement (continued)

	2021
	2021
	£'000
Debtors (note 8)	
As previously reported	34,505
Changes due to prior period restatement	(34,505)
Debtors as restated	-
Net current assets	£'000
As previously reported	1,988
Changes due to prior period restatement	(34,505)
Net current liabilities as restated	(32,517)
(Decrease) in net assets	(34,505)
	2021
Net assets	£'000
As previously reported	10,988
Increase in total fixed assets due to prior period restatement	34,505
(Decrease) in net current assets due to prior period restatement	(34,505)
Change in net assets	-

12 Ultimate parent company and related party transactions

The company's immediate parent company is Musto Topco Limited. The company is a wholly owned subsidiary of Helly Hansen Holdings AS, a company incorporated in Norway.

Canadian Tire Corporation is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2022. Copies of the consolidated financial statements may be obtained from Canadian Tire Corporation is: 2180 Yonge Street, Toronto, Ontario, Canada M4P 2V8.

Details of transactions with group companies are not presented in these financial statements in accordance with exemptions contained within FRS102.

Musto Midco Limited

Notes to the financial statements For the year ended 31 December 2022

13 Ultimate controlling party

The directors consider Canadian Tire Corporation to be the ultimate controlling party. The address of the Canadian Tire Corporation is: 2180 Yonge Street, Toronto, Ontario, Canada M4P 2V8.

14 Events after the statement of financial position date

There were no subsequent events after the statement of financial position date.