Company Registered Number: NI058521

HOTLINES EUROPE LIMITED

Annual Report and Financial Statements

for the 52 weeks ended 26 September 2021

Contents

Officers and Professional Advisers

Directors

A Bruce
A Clemmow (resigned 24 March 2021)
H Crwys-Williams (appointed 10 March 2021)

Registered office

5 Trench Road
Mallusk
Newtonabbey
Northern Ireland, BT36 4TY

Banker

HSBC Bank plc
165 High Street
Southampton, SO14 2NZ

Solicitor

Travers Smith LLP
10 Snow Hill
London, EC1A 2AL

Directors' Report

The directors present their report and the financial statements for the 52 weeks ended 26 September 2021 *(2020: 39 weeks ended 27 September 2020)*.

Hotlines Europe Limited is a direct subsidiary of Mapil Bidco Limited. Hotlines Europe Limited is indirectly owned by Mapil Topco Limited.

Principal Activity
The principal activity of the Company throughout the period and for the foreseeable future is that of a wholesaler, selling to cycling and outdoor retailers both in the UK and Internationally. Hotlines has over 1000 active retail partners. The company specialises in premium cycling equipment covering all the main cycling disciplines. It offers products from several premium brands covering bikes, accessories and clothing. Its activity covers sales, brand marketing, logistics and technical support to its customer base.

Change in Financial Period
During the prior period, the Group changed its financial reporting period end from 27 December 2020, to 27 September 2020. This change was made in order to align the period end with that of Signa Sports United GmbH ("SSU") as part of the acquisition of the company's ultimate *parent Mapil Topco Limited by SSU. See below for further details of this transction.*

As a result, comparative figures in this report are not directly comparable. The prior financial period is for a shortened 39 week period from 30 December 2019 to 27 September 2020 whilst the current figures are for a 52 week period from 28 September 2020 to 26 September 2021 unless otherwise specified.

Business Review
During the 52 week period to 26 September 2021, revenue was £12,240,000 *(39 weeks to 27 September 2020: £6,064,000)*. The profit before tax is £1,602,000 *(2020: £408,000)*. This is in line with expectations and the directors are satisfied with the performance and position of the company.

The Company has net assets of £3,083,000 *(2020: £1,477,000)*.

Results and Dividend
The results for the period are shown on page 4. No dividends have been paid during the year *(2020: £nil)* and the directors do not recommend the payment of a dividend *(2020: £nil)*.

Acquisition of WiggleCRC by Signa Sports United GmbH
On the 11th June 2021 it was announced that the agreement had been reached by Bridgepoint to sell the WiggleCR business to Signa Sports United (SSU). The deal has been finalised following a successful listing of the SSU business on the New York Stock Exchange on 14th December 2021.

Going Concern
The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Mapil Topco Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Mapil Topco Limited and all other subsidiaries within the Group not seeking repayment of the amounts currently due to them, which at 26 September 2021 amounted to £232,000, and providing additional financial support during that period. Mapil Topco Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due to Mapil Topco Limited and all other subsidiaries within the Group at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

With regard to the Group's going concern assessment, as discussed in the Group's consolidated accounts for Mapil Topco Limited, in adopting the going concern basis for preparing the financial statements, the directors have considered the principal activities of the Group, the business risks and uncertainties and the financial performance for the period ended 26 September 2021 and up to the date of signing these accounts. The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, and the funding available to the company as detailed below, that the company will have sufficient funds to meet its liabilities as they fall due for that period. Group closing cash at the 26 September 2021 was £46.9m.

In making their assessment of the going concern assessment period, the directors have considered the impact of the acquisition of the Group by SIGNA Sports United GmbH, the Group's funding arrangements and the Group's performance and cashflow projections.

Acquisition and Funding
The Group was acquired on 14 December 2021. As a result of this acquisition the Group's external shareholder debt of £246.8m, bank debt of £66.1m and any accrued interest was settled by SIGNA Sports United GmbH. The repayment of the bank debt removes all financial covenants and any new shareholder debt issued by SIGNA Sports United GmbH will not have any financial covenants attached to it.

Given the proximity of the transaction to the signing of these financial statements the exact nature of any debt or equity instruments that will replace the settled debt is yet to be finalised and formalised. As a result, and in recognition of this fact SIGNA Sports United GmbH, acting as parents of Mapil Topco Limited, has provided a letter of support indicating that SIGNA Sports United GmbH will not be seeking repayment of the amounts currently due to the group, which at 26 September 2021 amounted to £nil, and providing additional financial support to the Group. As with any Group placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Directors' Report (continued)

Going concern (continued)
The plan for the Going Concern Assessment Period is to continue to acheive positive Adjusted EBITDA and to grow the business by delivering on the Group's key strategic objectives. Underpinning this plan is a projection to generate cash from operations through profitable trade and to re-invest some of this cash into the business as part of the capital investment plan in the Going Concern Assessment Period.

Cash flow Projections
Detailed cash flow projections have been prepared which demonstrates the Group's funding requirement for the Going Concern Assessment Period. Those projections include a year on year increase in revenue reflecting the normalisation of international demand as international cost headwinds abate, the benefits of the new technology platforms due to go-live in 2022, and the ongoing growth of the Group's successful house brand portfolio.

Gross margin rates across the going concern period are projected to reduce slightly as supply chain conditions ease, resulting in greater availability and competition across the market.

These projections have been sensitised against a set of severe but plausible downside assumptions, being a drop in revenue against the plan of 20% and a reduction in gross margin of 1.5%, mitigated through some modest overhead and capital cost reductions, which are within the control of the directors.

In the downside scenario additional funding of £15m would be required from SIGNA Sports United GmbH. A letter of support has been received from SIGNA Sports United GmbH, demonstrating their intention to fund the cash requirements presented in the downside projection.

On the basis of their assessment of the Group's financial position and the support in place from SIGNA Sports United GmbH the Group's directors are confident that the Group and company will have sufficient funds to continue to meet its liabilities as they fall due for the Going Concern Assessment Period and therefore have prepared the financial statements on a going concern basis.

Directors
The directors who held office during the period and to the date of this report were as follows:
A Bruce
A Clemmow (resigned 24 March 2021)
H Crwys-Williams (appointed 10 March 2021)

The directors who held office at the end of the period had no disclosable interest in the shares of the Company.
The Group provides directors' and officers' insurance protection for all of the directors of the Companies in the Group.

People and colleagues
Equal opportunities
The Group values diversity and aims to ensure the effective use of colleagues in the best interest of both the Group and its people. It is the policy of the Group to provide employment and development opportunities to persons regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

Employee engagement and participation
Employees are encouraged to participate actively in the business and with its strategy. Regular updates are held to inform employees about the business performance and the main factors that deliver success, including financial and economic factors affecting the Group. These include regular updates and conferences, where the Group communicates and engages with all employees on its key priorities, business plans and the ongoing development of its brands. Employees are invited to participate in regular employee surveys to facilitate and aid decision making on areas that affect their interests and concerns as employees.

Health and Safety
The safety of our operations is of great importance to us. There is a comprehensive structure of processes and procedures to mitigate the health and safety risk, including risk assessment, accident reporting, nominated health and safety representatives across the business and monthly reporting to the board.

Charitable and Political Contributions
The Company made no political or charitable contributions during the period *(2020: £nil)*.

The Directors' Report was approved by the board on 15 June 2022

By order of the board:

A Bruce
Director

5 Trench Road
Mallusk
Newtonabbey
Northern Ireland, BT36 4TY

Profit and loss account and other comprehensive income

For the 52 weeks ended 26 September 2021

(2020: For the 39 weeks ended 27 September 2020)

	Note	52 weeks ending 26 September 2021 £'000	39 weeks ending 27 September 2020 £'000
Revenue	3	12,240	6,064
Cost of sales		(9,167)	(4,822)
Gross Profit		3,073	1,242
Administrative expenses	4	(1,305)	(942)
Operating profit		1,768	300
Exchange (loss) / gain on bank debt and other foreign currency balances	6	(156)	113
Interest payable and similar charges	6	(8)	(5)
Profit before tax		1,604	408
Taxation	7	2	-
Profit for the period		1,606	408

All items within the income statement were derived from continuing operations.

There are no other comprehensive gains or losses for the current or preceding financial period.

The notes on pages 7 to 17 are an integral part of these financial statements.

Balance sheet

At 26 September 2021

(2020: At 27 September 2020)

	Note	26 September 2021 £'000	27 September 2020 £'000
Non-current assets			
Intangible assets	8	9	75
Tangible assets	9	217	202
Deferred tax asset	7	4	-
Trade and other receivables	10	-	2
Total non-current assets		230	279
Current assets			
Trade and other receivables	10	3,291	1,765
Cash at bank and in hand		303	153
Total current assets		3,594	1,918
Current liabilities			
Creditors: amounts falling due within one year	11	(626)	(521)
Total current liabiltiies		(626)	(521)
Net current assets		2,968	1,397
Total assets less current liabilities		3,198	1,676
Non-current liabilities			
Creditors: amounts falling due after more than one year	12	(115)	(199)
Total non-current liabiltiies		(115)	(199)
Net assets		3,083	1,477
Capital and reserves			
Share capital	13	-	-
Profit and loss		3,083	1,477
Shareholders' funds		3,083	1,477

The notes on pages 7 to 17 are an integral part of these financial statements.

For the financial year in question the company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements were approved by the board of directors on 15 June 2022.

Signed on behalf of the board of directors

A Bruce

Director

Statement of changes in equity

At 26 September 2021

	Share Capital £'000	Retained Earnings £'000	Total Equity £'000
At 29 December 2019	-	1,069	1,069
Profit for the period	-	408	408
At 27 September 2020	-	1,477	1,477
Profit for the period	-	1,606	1,606
At 26 September 2021	-	3,083	3,083

The notes on pages 7 to 17 are an integral part of these financial statements.

Notes to the financial statements

1. General information

Hotlines Europe Limited ("Company") is a private company incorporated in Northern Ireland on 20 March 2006 with company number NI058521. The registered address of the Company is 5 Trench Road, Mallusk, Newtonabbey, Northern Ireland, BT36 4TY.

Summary of significant accounting policies

A summary of the significant accounting policies is set out below; these have been applied consistently in the financial period.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 (FRS101) issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to companies reporting under FRS101.

Change in Financial Period

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Basis of preparation

The Company's ultimate parent undertaking, Mapil Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Mapil Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ.

In these financial statements, the company has applied the exemptions available under FRS101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, property, plant and equipment and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Mapil Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Estimates and assumptions made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the Group consolidated financial statements.

These financial statements are prepared on a going concern basis under the historical cost convention as modified by financial instruments at fair value through the profit and loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarity to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Going concern

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Those forecasts are dependent on Mapil Topco Limited and all other subsidiaries within the Group not seeking repayment of the amounts currently due to them, which at 26 September 2021 amounted to £232,000, and providing additional financial support during that period. Mapil Topco Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due to Mapil Topco Limited and all other subsidiaries within the Group at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes to the financial statements (continued)

2. **Summary of significant accounting policies** (continued)

Going concern (continued)

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

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Revenue

Revenue arising from sales represents the invoiced amounts of goods and services provided during the period, stated net of value added tax and after any concession fees.

Notes to the financial statements (continued)

2. **Summary of significant accounting policies** (continued)

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors. Dividends are paid at the discretion of the Board of Directors.

Pensions

The Group operate a defined contribution scheme and pays contributions to publicly or privately administered pension plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Net finance costs

Net finance costs comprises interest payable, finance charges on finance leases, interest receivable on funds invested and foreign exchange gains and losses, that are recognised in the income statement. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Current taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Income tax relating to items recognised in comprehensive income or directly in equity is recognised in comprehensive income or equity and not in the income statement.

Intangible assets

Acquired intangible assets are capitalised at costs incurred to acquire and to bring into use. These costs are amortised over their estimated useful lives as follows:

Asset Class	**Amortisation Policy**
Goodwill	Annual impairment review
Software and licenses	3 years

Certain costs incurred in connection with the development of software to be used internally or for providing services to customers are capitalised once a project has progressed beyond a conceptual, preliminary stage to that of application development. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- *it can be demonstrated how the software product will generate probable future economic benefits;*
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Depreciation is provided to write off the cost, less the estimated residual value, of tangible fixed assets over their estimated useful economic lives as follows:

Asset Class	**Depreciation Policy**
Leasehold land and buildings	5 to 50 years
Equipment and fixtures	
Computer and communications equipment	2 to 4 years
Fixtures, fittings and furniture	5 to 7 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes to the financial statements (continued)

2. **Summary of significant accounting policies** (continued)

Financial instruments (continued)

Impairment of non-financial assets
Assets that are subject to amortisation are reviewed 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 to sell and value in use. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. For tangibles and intangibles the allocation is made to those CGUs that are expected to benefit from the asset.

Any impairment charge is recognised in the income statement in the period in which it occurs. With the exception of goodwill; when an impairment loss subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount providing it doesn't exceed the original carrying amount before impairment. Any impairment loss related to goodwill is non reversible.

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through the profit or loss are recognised immediately in profit or loss.

Effective interest method
The effective interest method is a method of calculating amortised cost of a financial instrument and allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows related to the financial instrument over its expected life, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial Assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurements included in profit or loss.

Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurements included in profit or loss. Fair value is determined in the manner described in note 17 of the Group financial statements.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short term receivables when the effect of discounting is immaterial.

Financial liabilities
Financial liabilities (including borrowings and trade and other payables) are subsequently remeasured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities
The Company derecognises a financial liability when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and consideration paid or payable is recognised in profit or loss.

Notes to the financial statements (continued)

2. **Summary of significant accounting policies** (continued)

Impairment of financial assets

An assessment of whether there is objective evidence of impairment is carried out for all financial assets at the balance sheet date. A financial asset is considered to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For financial assets carried at amortised cost, the charge to the income statement reflects the movement in the level of provisions made, together with amounts written off net of recoveries in the period.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently remeasured at amortised cost using the effective interest rate method.

Leasing

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

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

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.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payment, including in-substance fixed payments.
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, leases 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 lease liability is measured at amortised cost using the effective interest method. 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 profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in "tangible assets" and lease liabilities in "creditors: amounts falling due within one year" or "creditors: amounts falling due after more than one year" in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Government grants

Government grants are included within deferred government grants in the balance sheet and credited to the profit and loss account on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. The company has elected to present grants related to income as a reduction to the related expense line. During the prior period, the company claimed Government grants in relation to the Coronavirus Job Retention Scheme totalling less than £8,000 but these grants were fully repaid to the scheme within the period.

Notes to the financial statements (continued)

2. **Summary of significant accounting policies** (continued)

Deferred taxation

Deferred income tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences reverse in the foreseeable future;
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under incentives if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3. **Revenue by geographic location**

	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
United Kingdom	8,643	4,171
Rest of Europe	2,012	1,166
Rest of World	1,585	727
	12,240	6,064

This analysis is based on the geographical location of customers. Rest of Europe represents sales to all countries within the Europe, in the prior year statements this was just countries in the EU. This is due to aligning to reporting within the business and is not a restatement.

4. **Expenses**

Included in the income statement for the period are the following:

Other charges:	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Depreciation of tangible assets	64	32
Amortisation of intangible assets	3	-
	67	32

Auditor's remuneration:	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Audit services	4	-

Notes to the financial statements (continued)

5. Staff numbers and costs

	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
The aggregate payroll costs during the period amounted to:		
Wages and salaries	874	573
Social security costs	78	61
Other pension Costs	32	20
	984	654

Average number of employees providing services to the Company, including directors employed by the group, during the period analysed by category, was as follows:

	52 weeks ending 26 Sep 2021 Number	39 weeks ending 27 Sep 2020 Number
Administration	20	17
Group directors	2	2
	22	19

Directors' Emoluments

Key management includes the directors as identified in the Directors' report. The compensation paid or payable to key management for employee services to Hotlines Europe Limited and other companies within the Group is shown below:

	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Short-term employee benefits	591	358
Long-term employee benefits	-	184
Highest paid director	393	310

There are zero *(2020: zero)* directors accruing benefits under a money purchase scheme.

At the period-end £1,067,590 *(2020: £375,667)* was owed to the directors in respect of short-term and long-term incentive plans.

6. Finance income and finance cost

	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Foreign currency (loss) / gain		
Exchange (loss) / gain on foreign currency balances	(156)	113
	(156)	113
Finance costs		
Interest on lease liability	8	5
	8	5

Notes to the financial statements (continued)

7. Taxation

Recognised in the profit and loss account	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Current tax		
UK corporation tax on profits for the periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	(2)	-
Adjustments in respect of prior periods	-	-
Total deferred tax	(2)	-
Tax credit in the income statement	(2)	-

Reconciliation of effective income tax (credit) / charge	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Profit before tax	1,604	408
Weighted average tax rate	19.00%	19.00%
At the weighted average income tax rate	305	78
Recognition of accelerated capital allowances	(2)	-
Group relief	(305)	(78)
Total tax (credit) /expense included in profit and loss	(2)	-

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset and liability at 26 September 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2020: 19%).

Management have made an assessment of the recognition of deferred tax assets in respect of accelerated capital allowances as at 26 September 2021 in light of recent financial performance and the projections for future financial performance.
Given the previous history of tax losses in the Group, it has been considered whether convincing other evidence exists in order to recognise a deferred tax asset at the period end. In the current period, the Group has moved to have significant taxable profits which results in the utilisation of significant tax losses brought forward and capital allowances for taxable profit amounts over and above the annual tax losses utilisation limits. In addition, financial projections for the next 5 years show ongoing taxable income throughout this projected period such that historic tax losses will be fully utilised along with a significant proportion of capital allowances. On this basis, the deferred tax asset has been recognised in full. The nature of the deferred tax assets and liabilities are detailed below. Tax losses do not expire under current legislation.

Deferred tax	Accelerated Capital allowances £'000	Total £'000
Asset at 27 September 2020	2	2
Movement in the year	2	2
Asset at 26 September 2021	4	4

Notes to the financial statements (continued)

8. Intangible assets

	Construction in progress	Goodwill	Intellectual property	Software and licenses	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 27 September 2020	75	274	17	-	366
Additions	-	-	-	6	6
Transfer on completion	(75)	-	-	6	(69)
At 26 September 2021	-	274	17	12	303
Depreciation					
At 27 September 2020	-	274	17	-	291
Amortisation	-	-	-	3	3
At 26 September 2021	-	274	17	3	294
Net book value					
At 26 September 2021	-	-	-	9	9
At 27 September 2020	75	-	-	-	75

9. Tangible assets

	Right of use asset	Leasehold land and buildings	Equipment and fixtures	Motor vehicles	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 27 September 2020	220	-	53	16	289
Additions	-	-	-	10	10
Transfer on completion	-	69	-	-	69
Disposals	(20)	-	-	-	(20)
At 26 September 2021	200	69	53	26	348
Depreciation					
At 27 September 2020	26	-	53	8	87
Depreciation	46	14	-	4	64
Disposals	(20)	-	-	-	(20)
At 26 September 2021	52	14	53	12	131
Net book value					
At 26 September 2021	148	55	-	14	217
At 27 September 2020	194	-	-	8	202

10. Trade and other receivables

	26 Sep 2021	27 Sep 2020
Non current	**£'000**	**£'000**
Deferred tax	-	2

	26 Sep 2021	27 Sep 2020
Current	**£'000**	**£'000**
Trade receivables	533	354
Amount due from group companies	2,735	1,321
Prepayments and accrued income	23	47
Other taxes and social security	-	43
	3,291	1,765

Notes to the financial statements (continued)

11. Creditors: Amounts falling due within one year

	26 Sep 2021 £'000	27 Sep 2020 £'000
Amount owed to group companies	232	199
Trade creditors	45	41
Other taxes and social security	19	18
Lease liability	41	54
Other creditors and accruals	289	209
	626	521

Amounts due to Group companies are unsecured, interest free and repayable on demand.

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

	26 Sep 2021 £'000	27 Sep 2020 £'000
Lease liability	115	147
Other	-	52
	115	199

13. Share capital

	26 Sep 2021 £	27 Sep 2020 £
Called up, allotted and fully paid		
3 Ordinary shares of £1 each	3	3

The Ordinary Shares have full voting and distribution rights.

14. Commitments, contingencies and leases

Cross Company Guarantees

The cross company guarantees are in relation to shareholder and bank loans. Guaranteed shareholder loans in Mapil Midco 2 Limited amount to £111,700,000 and bank loans in Mapil Bidco Limited amount to £66,112,000. No claims are expected in respect of these guarantees.

The Company leases assets including land and buildings and motor vehicles. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets	Land and building £'000	Motor vehicles £'000	Total £'000
Balance at 27 September 2020	155	39	194
Disposals	(20)	-	(20)
Depreciation	(30)	(16)	(46)
Depreciation on disposals	20	-	20
Balance at 26 September 2021	125	23	148

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	26 Sep 2021 £'000	27 Sep 2020 £'000
Less than one year	48	65
One to five years	123	209
Total undiscounted lease liabilities	171	274

Notes to the financial statements (continued)

14. Commitments, contingencies and leases (continued)

Right-of-use assets (continued)

Lease liabilities included in the statement of financial position	**26 Sep 2021 £'000**	**27 Sep 2020 £'000**
Current	41	54
Non-current	115	147
	156	201

During the initial uncertainty brought about by Covid related lockdown measures in the spring of 2020 some minor rental concessions were agreed with landlords. In the prior period the practical expedient was applied in all cases as per the IFRS 16 COVID-19-Related Rent Concessions Amendment. The immaterial P&L impact will unwind over the remaining lease terms. There were no new rent concessions in the period to 26 September 2021.

Amounts recognised in profit and loss	**26 Sep 2021 £'000**	**27 Sep 2020 £'000**
Depreciation on lease assets	46	28
Interest on lease liabilities	8	5
	54	33

Amounts recognised in the Group statement of cashflow	**26 Sep 2021 £'000**	**27 Sep 2020 £'000**
Total cash outflow for leases	53	30

15. Ultimate and immediate parent undertaking and controlling party

The Company's immediate parent is Mapil Bidco Limited. The registered office of Mapil Bidco Limited is 1000 Lakeside, Suite 310, N E Wing, Third Floor, Portsmouth, PO6 3EN. The ultimate parent company is Mapil Topco Limited, a company incorporated in the UK and registered In England and Wales. Mapil Topco Limited and all its subsidiaries form the Mapil Topco Group of Companies ("the Group").

At 26 September 2021, the results of the Company are consolidated in Mapil Topco Limited. The consolidated financial statements of Mapil Topco Limited are available to the public from Companies House, Cardiff, CF14 3UZ. The registered office is 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN. The Group's controlling shareholder is Bridgepoint Europe IV (Nominees) Limited. The registered office of Bridgepoint Europe IV (Nominees) Limited is 95 Wigmore Street, London, W1U 1FB. Bridgepoint Europe IV (Nominees) Limited holds the shares as nominee for the partnerships which make up the Bridgepoint Europe IV Fund, which is managed by Bridgepoint Advisers Holdings a company regulated by the Financial Conduct Authority and incorporated in England and Wales. The registered office of Bridgepoint Advisers Holdings is 95 Wigmore Street, London, W1U 1FB. Please see note 17 below for details of subsequent changes in ownership.

16. Related party disclosures

As the Company is a wholly owned subsidiary of Mapil Topco Limited, the Company has taken advantage of the exemption contained in FRS101 and has not disclosed transactions or balances with wholly owned entities which form part of the Group.

17. Post balance sheet events

On the 11th June 2021 it was announced that the agreement had been reached by Bridgepoint to sell the WiggleCR business to SIGNA Sports United (SSU). The deal has been finalised following a successful listing of the SSU business on the New York Stock Exchange on 14th December 2021.

As a result of the sale of the business group debt including all non-current shareholder debt totalling £240,773,000, accrued interest held as current liabilities totalling £5,990,000, bank loan notes totalling £66,112,000, £161,000 of accrued interest, and Preference Shares and dividends due on these totalling £82,317,000 have all been repaid in full by SSU.

The equity and loan instruments which will be issued to SSU in consideration for the settlement of shareholder debt and bank loan notes have not been legally executed at the date of signing the accounts. Up to the date of signing, the Mapil Topco Group has received loans equivalent to €32,731,500 from SIGNA Sports United GMBH. The new debt or equity that replaces the previous debt discharged is expected to be of a similar quantum to that settled. Whilst all the terms have yet to be finalised, no new debt will be called in or require settlement within the next two years.

There are no other adjusting or non-adjusting post balance sheet events to be disclosed.