Company Registration No. 01063450

REGATTA LTD

Annual Report and Financial Statements

For the year ended 31 January 2022

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Black
K J Black
D Holt
M Khan
G J Rickard

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D Holt

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AUDITOR

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Statutory Auditor
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STRATEGIC REPORT

The directors present their strategic report on the affairs of the Group and company, together with the directors' report and audited financial statements for the year ended 31 January 2022. In preparing this strategic report the directors have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The Group and company are engaged in the import and distribution of outdoor and leisure clothing, footwear and related accessories. The Regatta Group's brands are Regatta Great Outdoors, Dare2B, Regatta Professional, and Tactical Threads. There have been no changes in the principal activities in the year under review and there are none anticipated in the forthcoming year.

REVIEW OF BUSINESS AND FUTURE OUTLOOK

The Group delivered continued growth in sales during the financial year. Turnover increased by 24.7% to £271.0m. COVID-19 continued to challenge the group during the year, with ongoing lockdowns, however overall there were less retail closures which resulted in growth in both the retail and wholesale divisions and online trading continued its growth trajectory. During the year, no claim for UK furlough scheme was made despite store closures.

The Group offers a broad range of outdoor clothing, footwear and camping goods. Through its subsidiary companies the Group trades across markets in the UK, Europe and worldwide. The clothing ranges are designed to perform as active outdoor products. The design teams continually work on combining style with function to ensure that each new range performs and appeals to both active and leisure consumers. The broad appeal of the brands underpins growth in markets in the UK, Europe and worldwide.

The importance of responsible sourcing is regarded by the directors as key to sustainable growth of the Group. The Asian sourcing office is instrumental in ensuring that high standards are maintained throughout the supply chain. The Group works closely with its suppliers with the assistance of specialist independent technical auditors to ensure compliance with its standards.

The directors are also considering the ongoing impact of COVID-19. Further details can be found in the COVID-19 section of this report.

ENVIRONMENT

The most significant climate change risk presented to the group is considered to be changing consumer habits. Within the group we pride ourselves on our use of recycled materials and producing sustainable clothing, and many of our products are marketed as such. Below is outlined a number of the actions that we have taken to mitigate this risk. A further climate change risk would be extreme weather events, such as flooding, which could cause damage to our stores or warehouses. This risk is mitigated through holding adequate insurance and our warehouses are not situated in flood risk areas. As a result of the above, the actions outlined below, and the fact that the Group's manufacturing is outsourced, its UK activities are considered to be low risk. Nonetheless, it strives to minimise the environmental impact of these activities and to operate within recognised and accepted standards. For the purposes of environmental reporting and this section of the report, the Group is considered to jointly be the Regatta Limited group and Craghoppers Limited group.

The Group has a corporate and social responsibility (CSR) business plan devised by the CSR committee comprising of a Director/Shareholder and the team of Sourcing Directors. The aim is to align with the absolute reduction of greenhouse gas (GHG) targets by 50% by 2050. The group reports annually using the CDP questionnaire in which for 2021 we were awarded a grade C. We have set targets against our baseline of 2019 for scope 1 and 2 and 2021 For scope 3.

The Group remains up to date with industry standards on sustainability and the chemical testing of product via our partnership with the European Outdoor Group (EOG), attending webinars, monthly updates and information exchanges at the Outdoor trade shows.

Higg Index

The Group joined the Sustainable Apparel Coalition (SAC) in 2021 after using the Higgs suite since 2019 to measure and benchmark the environmental impact of its products. The Group completes self-assessment in accordance with the Higg Index for the Brand module and for 2021 scored 83% social and 77% environmental. This self-assessment standard is unique to the apparel and footwear industry and is used to assess environmental and social sustainability.

Since 2020 we have enrolled our suppliers on the The Higg Facility Environmental Modules (Higg FEM) to measure their energy, GHG and water usage, sets targets and adopt a baseline in alignment with our GHG reduction strategy. In 2021, 26% of supplier data was verified to help report our indirect product emissions for Scope 3.

STRATEGIC REPORT (continued)

ENVIRONMENT (CONTINUED)

Chemical Testing

Global attitudes to chemicals have intensified in the past decade. We have seen the introduction of the EU REACH programme's restricted substance list that began evaluating and regulating chemicals being produced before entering specific countries. Many countries have now begun similar programmes in order to review and restrict harmful chemicals. Each season we evaluate the ranges with a rigorous testing programme in place. The Group reviews all its regulations against global directives to ensure that we are compliant. Already PFOS and PFOA free, Regatta has also now been PFC free since 2020.

Recycling

The Group has recycling schemes at its Head Office and warehouse sites which have recorded 0% office waste in landfill from June 2016 onwards. In 2021, 841 tonnes of paper and 5.5 tonnes of plastic were recycled.

All returns from our warehouse are sent to the Newlife charity, whom we have been in partnership with since 2017. They repurpose our returns, by either mending, or stripping them down into components which can then be sold to provide for disabled children. This has saved 37 tonnes of CO_2e when compared to disposal via landfill.

RISKS AND UNCERTAINTIES

Sales are dependent upon the Group delivering successful product ranges and having sufficient stock to satisfy demand. By the nature of the business, the weather is an uncertainty which can significantly affect demand but the Group aims to mitigate its impact with a broad product offering.

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors. The company does not use derivative financial instruments for speculative purposes.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments after taking into account the current situation with COVID-19, the Group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk and going concern can be found in note 1 to the financial statements and in the COVID-19 section of this report.

Cash flow risk

Through both its overseas sourcing and its export sales, the Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group uses foreign exchange forward contracts to hedge these exposures.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit–ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group credit insures trade debtors to further minimise any risk in regard to these assets.

Interest rate risk

Fluctuating interest rates could have an impact on cashflows and profit. The existing Revolving credit facility provides the Group with flexibility and an advantage in controlling the withdrawal amount which is charged for interest expenses.

Cyber security risk

Risks relating to cyber-crime and other cyber security are increasing across all markets. A cyber-attach or data breach may result in an impact on customer confidence and could damage the Group's reputation. The Group continues to invest in cyber security software to mitigate these risks. Furthermore, the Group recognises the importance of maintaining cyber security policies, procedures, and technical controls.

STRATEGIC REPORT (continued)

COVID-19

On 11 March 2020, the World Health Organisation ('WHO') declared COVID-19 as a pandemic, affecting multiple countries including the UK. The Board continues to monitor the impact of this event on future operating performance of the Group and will take the necessary measures to safeguard the Group's assets during this uncertain period.

During this challenging period the safety of our teams and our customers has remained the main priority of the Group. The business operating activities have been constantly reviewed to ensure they are kept in line with government and WHO advice to keep everyone as safe as possible.

Subject to local lockdown rules, the Group continued to operate our retail stores, online business and wholesale channel throughout the financial year. Safe working conditions are well maintained within our warehouses. No UK furlough benefit was taken during the year despite the closure of retail stores in the UK at the start of the financial year.

The supply chain is reviewed on a regular basis and where necessary measures are put in place to ensure the Group retains the ability to meet the demand for product.

Further consideration of the impact on the group can be found in the Directors' report and in note 1.

SECTION 172(1) STATEMENT

The directors of the Group act in good faith to promote the success of the company for the benefit of its members as a whole.

The Group is a family run business which has operated for over 40 years, and favours long-term strategies. The owners are focused on shareholder value in terms of long-term investment return (the value of the business).

Aside from the owners the directors consider the other key stakeholders of the company to be: our customers, team members, suppliers and landlords, and the communities we operate within.

The directors continuously evaluate new business opportunities and as part of this process consider the likely long-term consequences of any decision on all stakeholder groups.

Suppliers

Maintaining strong business relationships is a critical focus of the Group. The Group strives to ensure that they maintain a strong reputation within the market it operates with regards to how it conducts its business operations. Customer feedback is important to ensuring the brand develops in line with the market requirements and the directors ensure that the structure within the sales force allows there to be strong communication channels. With regards to supplier relationships, our teams regularly meet with suppliers both in the UK and overseas to ensure that if any issues arise these can be resolved promptly.

Employees

The directors recognise the value of the Group's employees and work hard to ensure that everyone is treated fairly with dignity, honour and respect. The Group is committed to ensuring a diverse culture and pledges to embrace diversity and not discriminate against employees or potential employees on the grounds of race, colour, religion, nationality, sexual orientation, gender, age, ethnic origin, political opinion or disability. The group endeavours to ensure that we are an equal opportunity employer and help people get into employment who might otherwise struggle.

The Directors have invested in an Employee Assistance Program to holistically support employees both in and out of the workplace. Staff development is a key priority for the group and management ensure that appropriate training schemes are offered to benefit both the employee, and the wider business needs. Further details on employee engagement can be found in the Directors' Report on page 6.

The directors deeply believe that honesty, courtesy and respect are critical in all decisions that are made, wherever that may be, with customers, colleagues and other key stakeholders including the workers in the factories we engage with. The Honesty Project focuses on creating a fantastic product which has been thoughtfully engineered for the great outdoors and in doing so will hopefully enhance the lives of those touched by our business in all communities. It has been a priority for our business for many years that we ensure workers in our partner factories are treated fairly, with good working conditions.

Social Impact Programmes

The Regatta Health Education Programme (RHEP) educates female workers in Bangladesh on health, hygiene, nutrition and finance. The programme has been completed in 9 factories in Bangladesh. This has reached 15,500 workers, who in turn have taught their neighbours and friends. This programme has helped in:

STRATEGIC REPORT (continued)

SECTION 172(1) STATEMENT (CONTINUED)

1. Reduction in sick leave and absenteeism
2. Lower worker turnover
3. Improved productivity
4. Developing a happier, healthier and more motivated workforce

The second social impact programme is the Regatta Group Savar primary school in Dhaka, Bangladesh. This school, which we have been funding for over 12 years, is located in our garment factory area.

It offers life-changing education for children in a safe and exciting place to learn and grow. This enables children to reach their fullest potential becoming confident and well prepared for life. There are currently 262 students between the age of 4-14, including 58 children with learning and physical disabilities.

As well as providing a balanced meal to all pupils, 6 days a week, we ensure that the curriculum taught is at a high standard. We have an ex-pupil employed as a librarian of a fully stocked library and we are running a full teacher training programme to ensure the very best education possible.

Since 2012, The Regatta Group has been a member of the Ethical Trading Initiative (ETI) where we joined as a foundation member. All corporate members of ETI agree to adopt the ETI Base Code of labour practice, which is based on the standards of the International Labour Organisation (ILO). 68,000 workers from our factories are covered by the ETI base code and we have reached over 14,000 workers with our H&S workshops. Further information about the Honesty Project and The Ethical Trading Initiative are available on the company website.

The Group also promotes the need to take care of the environment, both with regards to our products, and to how we manage our own behaviour towards waste product in our offices throughout the world.

Through regular board meetings, the directors ensure that the owners are fully appraised of all developments with regards to matters impacting key stakeholders.

KEY PERFORMANCE INDICATORS

Management consider the following financial KPIs to be relevant to their monitoring of the Group and review these on a regular basis against forecast:

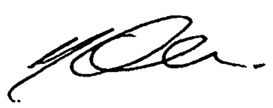
	2022 £'000	2021 £'000
Turnover	271,030	217,303
Operating Profit	20,842	10,342
Stock at year end	86,490	48,691
Tangible fixed assets at year end	24,053	18,713

The directors are satisfied with the results for the year, given the challenging trading environment noted above.

RESULTS

The Group operating profit for the year was £20,842,000 (2021: £10,342,000). Profit after tax of £22,571,000 was transferred to reserves (2021: £7,012,000).

Approved by the Board and signed on its behalf by:



M Khan
Director

12 August 2022

DIRECTORS' REPORT

The directors' present their annual report and audited financial statements on the affairs of the Group and company for the year ended 31 January 2022.

MATTERS INCLUDED WITHIN STRATEGIC REPORT

In accordance with s414C (11) of the Companies Act 2006, included in the Strategic Report is information relating to the events occurring in the period and future developments which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulation 2008' to be contained in a director's Report.

DIRECTORS

The directors who served during the year and to the date of this report are disclosed on page 1.

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

BRANCHES OUTSIDE THE UK

The Group operates branches in Bangladesh, Czech Republic and Slovakia in addition to its overseas subsidiaries.

DONATIONS

The Group made charitable donations of £34,000 during the year (2021: £3,126,000).

The Group made political donations during the year of £25,000 to UK Conservative Party (2021: £25,000), £20,000 to Conservative Friends of Israel (2021: £nil), £5,000 to the Labour Friends of Israel (2021: £nil), £100 to British Israel TRA (2021: £10,000), £12,000 to We Believe in Israel. (2021: £9,500).

DIVIDENDS

Interim dividends of £6,600,000 (£36.87 per ordinary share) were paid during the financial year (2021: £nil). No final dividends have been declared in relation to the year ended 31 January 2022 (2021: £nil).

FINANCIAL INSTRUMENTS

Details of financial instruments are provided in note 24.

GOING CONCERN

The directors are required to consider the availability of resources to meet the Group's and the company's liabilities for a period of at least twelve months from the date of approval of these financial statements. The directors have considered the going concern position of the Group, taking into account the uncertainty surrounding the current COVID-19 pandemic.

The Group has net current assets of £61.1 million and net assets of £95.4 million as of 31 January 2022. The Group has cash at bank and in hand of £3.0 million and unutilised borrowing facilities, that are jointly shared within the Group and with Risol Imports Limited, Craghoppers Limited and their subsidiary companies, of £24.7 million.

As part of this going concern review, the directors have analysed cashflow forecasts covering up to 31 October 2023 across a range of scenarios. These scenarios cover a range of downside sensitivities including a reverse stress test, which demonstrates that, in any plausible scenario, the Group will continue to have sufficient headroom on existing facilities despite the ongoing uncertainty even before any mitigating actions are taken. The only mitigating action implemented in our downside assessment is to reduce the dividend forecasted in proportion to the fall in operating profit, which the directors consider to be fully discretionary. The directors have therefore prepared the financial statements on a going concern basis.

Factors considered in reaching this conclusion include:

- Post year end trading conditions - The Group has been trading in line with the forecasts to date.
- COVID-19 and future impacts – Based on performance in the aftermath of waves of lockdown periods during the financial year, the directors believe the Group has a degree of resilience and would withstand any future lockdown waves as a result of the omni-channel structure. If retail stores were forced to close the Group can compensate with online sales. Procedures at the Group's warehouse locations mean that these online orders can be fulfilled even at increased levels of demand and the Group would not be reliant on government support.
- Demand - Expected continued demand for our products given the restrictions on overseas travel and an increasing number of people taking part in UK outdoor activities.
- Product availability – The supply chain is being managed to ensure product availability remains at current levels.
- Government support – The group has taken advantage of retail grants and rate free periods post year end and continues to assess all schemes available and will participate where appropriate.

DIRECTORS' REPORT (continued)

GOING CONCERN (continued)

- Refinancing – The Group has completed a refinancing of the Revolving credit facility which previously ran to 31 October 2024. Following the financial year end, the business has secured lender approval to extend the facility agreement for a further 12 months to October 2025. In addition to this, the overall facility limit was increased to £85.0 million.
- Mitigating actions – a number of options are available to management to mitigate the impact of any downturn which include adjustments to capex, stock purchases and certain discretionary overhead payments.

As a result of these forecasts performed and actions taken to mitigate the underlying risks as well as the further mitigating actions available, the directors have a reasonable expectation that the Group and the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these consolidated financial statements.

POST BALANCE SHEET EVENTS

Extending existing revolving credit facility (RCF)

The current revolving credit facility (RCF) is due to expire on 31 October 2024, and the business has secured lender approval to extend the facility agreement for a further 12 months to October 2025. The overall facility limit increases to £85m for the Group, which for bank financing purposes also includes the Craghoppers group.

Acquisition of Irish warehouse

Regatta Great Outdoors Ireland Limited (the Group's subsidiary) has completed the acquisition of an Irish warehouse in Cork, Ireland on 29 June 2022. A Credit agreement is in place to finance the warehouse acquisition, and the credit facility was completed on 14 June 2022 between Regatta Ltd (the Group's subsidiary) and HSBC. An internal junior loan agreement has been finalised between Regatta Ltd and Regatta Great Outdoors Ireland Limited in May 2022.

Liquidation of Dare2B Retail Limited

Following the latest Group structure review, Dare2b Retail Limited (the Group's subsidiary) was dissolved on 19 April 2022.

DISABLED EMPLOYEES

It is the Group policy that applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. Training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The Group 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 Group. This is achieved through formal and informal meetings, briefings and listening groups. Financial information concerning the performance of the business is provided on a regular basis. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

DIRECTORS' REPORT (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

UK Greenhouse gas emissions and energy use data for the period 1 February 2021 to 31 January 2022	**2022**	**2021**
Energy consumption used to calculate emissions (kWh)	4,192,355	2,339,747
Scope 1 emissions in Tonnes CO2e		
Owned transport	16	12
Gas	189	155
Scope 2 emissions in Tonnes CO2e		
Electricity purchased	603	338
Scope 3 emissions in Tonnes CO2e		
Business travels (excludes company cars)	17	4
Total net emissions in Tonnes CO2e	825	509
Intensity ratio Tonnes CO2e per £m turnover	3	2

The year-on-year increase in energy consumption and emissions is driven by two main factors. The first is the impact of the store transfers which transferred from related parties Hawkshead Outdoor Limited and The Countryside Trading Co Limited to Regatta Limited during the year. Further details regarding these transactions can be found within Note 11 of the Notes to the Financial Statements. The second factor is that enforced closure of stores due to COVID-19 occurred for a longer period in the year to January 2021 than in the year to January 2022.

Quantification and reporting methodology

We have followed the HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas (GHG) Reporting Protocol - Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in Tonnes CO2e per £m of revenue.

Measures taken to improve energy efficiency

The Group is committed to reduce the Environmental impact of our operations. We have continued to implement actions for energy reductions with the following actions:

- Installation solar panels at Risol House, and also have commissioned a solar panel system at Pioneer Point;
- Additional electric car charging points at Risol House;
- Promoting employee energy saving awareness across the Group by setting employee personal sustainability goals as part of personal objectives.

DIRECTORS' REPORT (continued)

AUDITOR

The independent auditors, Ernst & Young LLP, were re-appointed by the board of directors during the financial year.

Each person 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 is 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 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.

Re-appointment of auditors

In accordance with s485 of the Companies Act 2006, a resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Approved by the Board and signed on its behalf by:

M Khan
Director

12 August 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the Group and company financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Group and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 REGATTA LTD

Opinion

We have audited the financial statements of Regatta Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 January 2022 which comprise the Group Profit and Loss Account, the Group Statement of Other Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Cash Flow Statement and the related notes 1 to 28, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 January 2022 and of the group's profit for the year then ended;
- 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 group and parent company's ability to continue as a going concern for a period to 31 October 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGATTA LTD (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10 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 group's and the parent 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 group or the parent 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.

Explanation as to what extent 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006 and the relevant direct tax compliance regulation in the United Kingdom. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, being anti-bribery regulations, GDPR, and employment law and regulations.
- We understood how the group and the parent company is complying with those frameworks by making enquiries with management to understand how the Company maintains and communicates its policies and procedures in these areas and we corroborated this by reviewing supporting documentation.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, through internal team conversations and inquiry of management and those charged with governance. We considered there to be a fraud risk around revenue, particularly in respect of the manual topside journals to revenue, which is specifically linked to the risk of management override.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGATTA LTD (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items. For both direct and other laws and regulations, our procedures involved; making enquiries with those charged with governance and senior management for their awareness of non-compliance with laws and regulations, inquiring about policies that have been established to prevent non-compliance with laws and regulations by officers and employees and how the company monitors this. We considered the risk of management override by sampling from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, and investigated these to gain an understanding and then agree them to source documentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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.

Ernst & Young LLP

Elizabeth Jones (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Liverpool
Date: 12 August 2022

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 January 2022

	Note	2022 £'000	2021 £'000
TURNOVER	2	271,030	217,303
Cost of sales		(202,801)	(169,088)
GROSS PROFIT		68,229	48,215
Administrative expenses		(48,142)	(39,677)
		20,087	8,538
Other operating income	4	755	1,804
OPERATING PROFIT		20,842	10,342
Interest receivable and similar income	5	19	10
Interest payable and similar charges	5	(179)	(64)
PROFIT FROM OPERATING ACTIVITIES		20,682	10,288
Net fair value movement on unrealised forward currency contracts	24	7,163	(1,443)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	27,845	8,845
Tax on profit on ordinary activities	7	(5,274)	(1,833)
PROFIT FOR THE FINANCIAL YEAR		22,571	7,012

All activities arose from continuing operations.

GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 31 January 2022

	2022 £'000	2021 £'000
Profit for the financial year	22,571	7,012
Currency translation difference on foreign currency net investments	(910)	-
Property revaluation gain	3,077	-
Other comprehensive income	2,167	-
Total comprehensive income for the year	24,738	7,012

GROUP BALANCE SHEET

As at 31 January 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Intangible fixed assets	9	12,223	7,896
Tangible assets	10	24,053	18,713
		36,276	26,609
CURRENT ASSETS			
Stocks	13	86,490	48,691
Debtors			
- due within one year	14	47,825	34,614
- due after one year	14	581	952
Cash at bank and in hand		2,999	20,605
		137,895	104,862
CREDITORS			
Amounts falling due within one year	15	(76,607)	(53,460)
Provisions falling due within one year	18	(212)	(149)
NET CURRENT ASSETS		61,076	51,253
TOTAL ASSETS LESS CURRENT LIABILITIES		97,352	77,862
CREDITORS			
Amounts falling due after more than one year	16	(1,167)	(245)
Provisions falling due after more than one year	19	(740)	(310)
NET ASSETS		95,445	77,307
CAPITAL AND RESERVES			
Called-up share capital	20	179	179
Revaluation reserve		3,827	750
Currency translation reserve		(797)	113
Profit and loss account		92,236	76,265
SHAREHOLDERS' FUNDS		95,445	77,307

The notes on pages 21 to 43 form an integral part of these consolidated financial statements.

The consolidated financial statements of Regatta Ltd, registered number 01063450, were approved by the Board of Directors and authorised for issue on 12 August 2022.

M Khan
Director

COMPANY BALANCE SHEET

As at 31 January 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Intangible fixed assets	9	11,394	6,907
Tangible fixed assets	10	20,636	15,694
Investments	12	1,518	1,505
		33,548	24,106
CURRENT ASSETS			
Stocks	13	80,871	44,551
Debtors			
- due within one year	14	43,258	30,892
- due after one year	14	7,211	8,311
Cash at bank and in hand		195	18,795
		131,535	102,549
CREDITORS			
Amounts falling due within one year	15	(74,324)	(52,919)
Provisions falling due within one year	18	(212)	(60)
NET CURRENT ASSETS		56,999	49,570
TOTAL ASSETS LESS CURRENT LIABILITIES		90,547	73,676
CREDITORS			
Amounts falling due after more than one year	16	(1,167)	(245)
Provisions falling due after more than one year	19	(740)	(294)
NET ASSETS		88,640	73,137
CAPITAL AND RESERVES			
Called-up share capital	20	179	179
Revaluation reserve		3,827	750
Profit and loss account		84,634	72,208
SHAREHOLDER'S FUNDS		88,640	73,137

The notes on pages 21 to 43 form an integral part of these financial statements.

The profit of the company for the financial year is £19,026,000 (2021: £5,574,000)

The financial statements of Regatta Ltd, registered number 01063450, were approved by the Board of Directors and authorised for issue on 12 August 2022.

M Khan
Director

GROUP STATEMENT OF CHANGES IN EQUITY
For the year ended 31 January 2022

	Called-up share capital £'000	Revaluation reserve £'000	Currency translation reserve £'000	Profit and loss account £'000	Total £'000
At 1 February 2020	179	750	113	69,253	70,295
Profit for the financial year	-	-	-	7,012	7,012
Total comprehensive income	-	-	-	7,012	7,012
Dividends (note 8)	-	-	-	-	-
At 31 January 2021	179	750	113	76,265	77,307
Profit for the financial year	-	-	-	22,571	22,571
Currency translation	-	-	(910)	-	(910)
Property revaluation	-	3,077	-	-	3,077
Total comprehensive income	-	3,077	(910)	22,571	24,738
Dividends (note 8)	-	-	-	(6,600)	(6,600)
At 31 January 2022	179	3,827	(797)	92,236	95,445

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 January 2022

	Called-up share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 February 2020	179	750	66,578	67,507
Profit for the financial year	-	-	5,574	5,574
Total comprehensive income	-	-	5,574	5,574
Dividends (note 8)	-	-	56	56
At 31 January 2021	179	750	72,208	73,137
Profit for the financial year	-	-	19,026	19,026
Property revaluation	-	3,077	-	3,077
Total comprehensive income	-	3,077	19,026	22,103
Dividends (note 8)	-	-	(6,600)	(6,600)
At 31 January 2022	179	3,827	84,634	88,640

GROUP CASH FLOW STATEMENT
For the year ended 31 January 2022

	Note	2022 £'000	2021 £'000
Net cash from operating activities	21	(10,885)	43,352
Taxation paid		(1,541)	(5,575)
Net cash generated from operating activities		(12,426)	37,777
Net cash generated from investing activities			
Proceeds from sale of tangible assets		349	69
Purchase of intangible assets		(5,042)	(4,726)
Purchase of tangible assets		(6,748)	(1,807)
Interest paid		-	-
Net cash used in investing activities		(11,441)	(6,464)
Cash flows from financing activities			
Dividends paid		(6,600)	-
Interest received		19	10
Interest paid		(148)	(64)
Directors loan paid		(500)	(109)
Directors loan received		500	-
Net cash used in financing activities		(6,729)	(163)
Net (decrease)/ increase in cash and cash equivalents		(30,596)	31,150
Cash and cash equivalents at beginning of year		20,589	(10,561)
Cash and cash equivalents at end of year		(10,007)	20,589

Reconciliation to cash at bank and in hand:

	At 1 February 2021 £'000	Cash flows £'000	At 31 January 2022 £'000
Cash at bank and in hand	20,605	(17,606)	2,999
Cash equivalents e.g. bank overdraft	(16)	(12,990)	(13,006)
Cash and cash equivalents	20,589	(30,596)	(10,007)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 January 2022

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the preceding year.

General information and basis of accounting

Regatta Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies Act, and registered in England and Wales. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 2.

The Group and individual financial statements of Regatta Ltd were authorised for issue by the Board of Directors on 12 August 2022. The Group and parent company financial statements have been prepared under the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value.

The Group and parent company financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. The Group and parent company have applied FRS 102 issued in March 2018, which reflects the amendments made as part of the Triennial Review 2017. The Triennial Review amendments have had no material impact on the financial statements of the Group or the parent company.

The functional currency of Regatta Ltd is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. All amounts included within these financial statements are presented in pounds sterling and rounded to the nearest £'000 unless otherwise stated.

The Group has taken advantage of the exemption afforded by FRS 102.33.1A not to disclose transactions between wholly owned members of the group.

The parent company has taken advantage of the section 408 exemption not to present its individual profit and loss account as it has prepared group accounts.

The parent company is a qualifying entity as defined by FRS 102 and has taken advantage of the following exemptions available to qualifying entities which are relevant to its financial statements:
- the requirement to prepare a cash flow statement;
- the requirement to disclose information about key management personnel compensation; and
- the disclosure requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) in respect of financial instruments of the parent (as equivalent disclosures are included in respect of the consolidated financial statements).

Going concern

The directors are required to consider the availability of resources to meet the Group's and the company's liabilities for a period of at least twelve months from the date of approval of these financial statements. The directors have considered the going concern position of the Group, taking into account the uncertainty surrounding the current COVID-19 pandemic.

The Group has net current assets of £61.1 million and net assets of £95.4 million as of 31 January 2022. The Group has cash at bank and in hand of £3.0 million and unutilised borrowing facilities, that are jointly shared within the Group and with Risol Imports Limited, Craghoppers Limited and their subsidiary companies, of £24.7 million.

As part of this going concern review, the directors have analysed cashflow forecasts covering up to 31 October 2023 across a range of scenarios. These scenarios cover a range of downside sensitivities including a reverse stress test, which demonstrates that, in any plausible scenario, the Group will continue to have sufficient headroom on existing facilities despite the ongoing uncertainty even before any mitigating actions are taken. The only mitigating action implemented in our downside assessment is to reduce the dividend forecasted in proportion to the fall in operating profit, which the directors consider to be fully discretionary. The directors have therefore prepared the financial statements on a going concern basis.

Factors considered in reaching this conclusion include:

- Post year end trading conditions - The Group has been trading in line with the forecasts to date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

- COVID-19 and future impacts – Based on performance in the aftermath of waves of lockdown periods during the financial year, the directors believe the Group has a degree of resilience and would withstand any future lockdown waves as a result of the omni-channel structure. If retail stores were forced to close

  the Group can compensate with online sales. Procedures at the Group's warehouse locations mean that these online orders can be fulfilled even at increased levels of demand and the Group would not be reliant on government support.
- Demand - Expected continued demand for our products given the restrictions on overseas travel and an increasing number of people taking part in UK outdoor activities.
- Product availability – The supply chain is being managed to ensure product availability remains at current levels.
- Government support – The group has taken advantage of retail grants and rate free periods post year end and continues to assess all schemes available and will participate where appropriate.
- Refinancing – The Group has completed a refinancing of the Revolving credit facility which previously ran to 31 October 2024. Following the financial year end, the business has secured lender approval to extend the facility agreement for a further 12 months to October 2025. In addition to this, the overall facility limit was increased to £85.0 million.
- Mitigating actions – a number of options are available to management to mitigate the impact of any downturn which include adjustments to capex, stock purchases and certain discretionary overhead payments.

As a result of these forecasts performed and actions taken to mitigate the underlying risks as well as the further mitigating actions available, the directors have a reasonable expectation that the Group and the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these consolidated financial statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of Regatta Ltd and its subsidiary undertakings, drawn up to 31 January each year. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the parent company financial statements investments in subsidiaries are accounted for at costs less impairment.

Intangible fixed assets

Goodwill

Goodwill arising on acquisitions of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities, is capitalised and written off on a straight line basis over its useful economic life. The directors have always regarded 10 years as a reasonable estimate for the useful life of goodwill.

Software

Software assets are stated at cost, net of depreciation and provision for impairment. Amortisation is not charged on assets under construction. At the point that the software asset is brought into use amortisation will be provided at rates calculated to write off the cost of each asset over its expected useful life.

The assets are reviewed for impairment on an annual basis.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

1. ACCOUNTING POLICIES (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows. Depreciation is recognised within administrative expenses.

Freehold buildings	50 years
Computer equipment	20% to 33% per annum straight line
Plant and machinery	10% to 50% per annum straight line
Motor vehicles	25% to 45% per annum on written down value

The freehold land and buildings are revalued every three years. The resulting gain or loss on revaluation is taken to reserves.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the price of goods, duty, shipping and other expenditure associated with transporting goods to the company premises. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Cost is calculated on a weighted average cost basis and provision is made for obsolete, slow-moving or defective items where appropriate.

Foreign currencies

Company
Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Group
Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date.

Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessment in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

1. **ACCOUNTING POLICIES (continued)**

2. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation (continued)

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Government grants

The Group accounts for government grants, including the Coronavirus Job Retention Scheme (CJRS), are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submissions of a valid claim for payment. Revenue-based grants that are receivables as compensation are recognised in other income within the period in which they are receivable.

Cost of sales

Selling costs are an integral part of the Group's business and are therefore included in cost of sales.

Financial instruments

Financial assets and financial liabilities are recognised when the Group 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 Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

1. ACCOUNTING POLICIES (continued)

Financial assets and liabilities (continued)

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
(d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

In the company balance sheet, investments (including investments in associates) are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

1. ACCOUNTING POLICIES (continued)

Dividends

Dividend income is recognised when the Group's right to receive payment is established.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Business Combinations

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 January each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the directors are required to make judgements, 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.

The critical judgements made in the process of applying the Group's accounting policies are detailed below:

Recognition of deferred tax assets

Assumptions have been made in relation to the recognition of deferred tax assets.

Provision against product guarantees

Products within the group are sold with a product guarantee that cover periods varying from 12-36 months. The directors have applied judgements in considering whether provision for such guarantees is required.

Provision against returns

Products within the Group are sold with a return policy that cover periods from 14-28 days from the day of sale, which is in line with the Store Owner's return policy. The return provision is determined based on past historical experience.

Provision against slow-moving, obsolete or irrecoverable stock

Stock is reviewed on an ongoing basis and a provision made where the directors are of the opinion that raw materials may be irrecoverable. As at the year end the directors have no material concerns over the recoverability of the Group's stock. There are both specific and general stock provisions in place across the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

2. SEGMENT INFORMATION

The analysis of turnover by geographical market, operating segment and category required by paragraph 68 of Schedule 1 to the Large and Medium-sized Companies and Groups (Financial statements and Reports) Regulations which accompany the Companies Act 2006 have not been provided as, in the opinion of the directors, such disclosure would be prejudicial to the interests of the Group.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

Group	**2022 £'000**	**2021 £'000**
Operating lease rentals – land and buildings	8,444	5,809
Operating lease rentals – other	441	491
Auditor's remuneration		
- fees payable to the company's auditor for the audit of the company's annual financial statements	58	33
- fees payable to the company's auditor for the audit of the parent company's annual financial statements	62	35
- fees payable for the audit of foreign subsidiaries	44	26
Loss / (Profit) on disposal of fixed assets	40	(25)
Depreciation – owned assets	3,923	2,855
Amortisation of goodwill	160	54
Impairment of intangible assets	555	962
Forex gain	(406)	(187)
Fair value (gain) / loss on unrealised forward currency contracts	(7,163)	1,443

4. OTHER OPERATING INCOME

Other income comprises:

	Group		**Company**	
	2022 £'000	**2021 £'000**	**2022 £'000**	**2021 £'000**
Receipt of government grants under the Coronavirus Job Retention Scheme (CJRS)	565	1,753	-	1,376
Government grants	190	51	-	51
	755	1,804	-	1,427

The £565,000 receipt of CJRS relates to the foreign government supports provided to our foreign subsidiaries (2021: £377,000). No claim for UK CJRS was made for subsequent lockdowns despite store closures (2021: £1,376,000). Government grants relate to other grants received.

5. INTEREST PAYABLE AND SIMILAR CHARGES

Group

	2022 £'000	**2021 £'000**
Interest receivable and similar income	19	10
Interest payable and similar charges	(179)	(64)
Net finance cost	(160)	(54)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

6. STAFF NUMBERS AND COSTS

Staff costs, including directors, comprise:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Wages and salaries	38,353	31,226	26,933	20,700
Social security costs	4,063	3,459	2,202	1,833
Other pension costs	1,611	1,422	1,446	1,329
	44,027	36,107	30,581	23,862

The average monthly number of employees (including directors) was:

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Office, management and sales	1,265	948	638	403
Warehouse	267	267	267	267
	1,532	1,215	905	671

Directors' remuneration

Group and Company

Remuneration was paid in respect of directors as follows:

	2022	2021
	£'000	£'000
Aggregate remuneration in respect of qualifying services	1,469	1,238
Company contributions to money purchase pension schemes	12	18
	1,481	1,256

During the year the Group paid £11,666 (2021: £18,077) into a self-administered pension scheme for the benefit of one directors (2021: two).

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2022	2021
	£'000	£'000
Aggregate remuneration in respect of qualifying services	434	389
Company contributions to money purchase pension schemes	-	10
	434	399

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

Group

The tax charge comprises:

	2022 £'000	2021 £'000
UK Corporation tax		
Current period	3,341	1,516
Adjustments in respect of prior years	(92)	(51)
Double taxation relief	(8)	-
Withholding tax	22	-
	3,263	1,465
Foreign tax		
Current period	503	496
	3,767	1,961
Deferred tax		
Origination and reversal of timing differences	1,377	(166)
Adjustment in respect of prior periods	148	54
Impact of change in tax rates	(50)	(15)
Tax in foreign jurisdictions	33	(1)
Total deferred tax (credit) / charge (note 17)	1,508	(128)
Total tax on profit on ordinary activities	5,274	1,833

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	27,845	8,845
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2021: 19%)	5,291	1,681
Effects of:		
Expenses not deductible for tax purposes	64	91
Fixed asset timing differences	(91)	-
Other tax adjustments, reliefs and transfers	(101)	-
Effect of tax rates in foreign jurisdictions	(225)	73
Adjustment in respect of previous periods	(92)	(51)
Adjustment in respect of previous periods (deferred tax)	148	54
Adjustment in respect of change in opening and closing tax rates	280	(15)
Total tax charge for year	5,274	1,833

The UK budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25% which is due to be effective from 1 April 2023.

There is no expiry date on timing differences, unused tax losses or tax credits.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Deferred taxes on the balance sheet have been measured at 25% which represent the future corporation tax rate that was enacted at the balance sheet date.

8. DIVIDENDS

Group and company	2022 £'000	2021 £'000
Interim dividends for the year ended 31 January 2022 of £36.87 per ordinary and deferred ordinary share (2021: £ nil)	6,600	-
Proposed final dividend for the year ended 31 January 2022 of £nil per ordinary and deferred ordinary share (2021: £nil)	-	-
Total dividend paid	6,600	-

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £'000	Software Assets Under Construction £'000	Total £'000
Cost	1,549	7,869	9,418
At 1 February 2021			
Transfers in	-	-	-
Additions	-	5,042	5,042
At 31 January 2022	1,549	12,911	14,460
Amortisation			
At 1 February 2021	560	962	1,522
Charge for the year	160	-	160
Impairment	-	555	555
At 31 January 2022	720	1,517	2,237
Net book value			
At 31 January 2022	829	11,394	12,223
At 31 January 2021	989	6,907	7,896

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

9. INTANGIBLE FIXED ASSETS (continued)

Company	**Software Assets Under Construction £'000**
Cost	
At 1 February 2021	6,907
Transfers in	-
Additions	5,042
Impairment	(555)
At 31 January 2022	11,394
Net book value	
At 31 January 2022	11,394
At 31 January 2021	6,907

The impairment for software assets under construction relates to the development costs that are directly attributable to software designs.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

10. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Computer equipment £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 February 2021	11,667	6,181	24,947	1,258	44,053
Exchange adjustments	(8)	(41)	(412)	(57)	(518)
Transfer out	-	-	-	-	-
Additions	251	565	5,144	788	6,748
Revaluation	2,686	-	-	-	2,686
Disposals	-	(9)	(550)	(672)	(1,231)
At 31 January 2022	14,596	6,696	29,129	1,317	51,738
Depreciation					
At 1 February 2021	198	5,643	18,613	886	25,340
Exchange adjustments	-	(32)	(275)	(38)	(345)
Charge for the year	193	375	2,674	681	3,923
Revaluation	(391)	-	-	-	(391)
Disposals	-	(8)	(256)	(578)	(842)
At 31 January 2022	-	5,978	20,756	951	27,685
Net book value					
At 31 January 2022	14,596	718	8,373	366	24,053
At 31 January 2021	11,469	538	6,334	372	18,713

Company	Freehold land and buildings £'000	Computer equipment £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 February 2021	11,552	5,450	17,787	336	35,125
Transfer out	-	-	-	-	-
Additions	192	461	3,360	113	4,126
Revaluation	2,686	-	-	-	2,686
Disposals	-	(7)	(219)	(34)	(260)
At 31 January 2022	14,430	5,904	20,928	415	41,677
Depreciation					
At 1 February 2021	198	5,053	13,915	265	19,431
Charge for the year	193	282	1,487	168	2,130
Revaluation	(391)	-	-	-	(391)
Disposals	-	(7)	(93)	(29)	(129)
At 31 January 2022	-	5,328	15,309	404	21,041
Net book value					
At 31 January 2022	14,430	576	5,619	11	20,636
At 31 January 2021	11,354	397	3,872	71	15,694

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

10. TANGIBLE FIXED ASSETS (CONTINUED)

The revaluation gains of £2,686,000 illustrated above reflects the results of the Groups tri-annual revaluation exercise as disclosed in Note 1. As the result of the valuation a revaluation gain of £2,686,000 (2020: £nil) has been recognised in the revaluation reserve.

The Directors estimated the fair value of the Group's land and buildings based on a valuation performed on 6th January 2022 by Colliers International Valuation UK LLP on their behalf. The valuation methodology produced a fair value based on the market value of an arm's length transaction.

The carrying valuc as at 31 January 2022, and the realised revaluation gain taken to revaluation reserve in the current financial year reflects the final revaluation, which remained appropriate at the balance sheet date. The carrying value of property that would have been included in the financial statements had the assets been carried at historical cost less accumulated depreciation is £9,174,000.

11. BUSINESS COMBINATIONS DURING THE YEAR

During the year, Regatta Limited has purchased the retail store assets and assumed the liabilities from a number of the retail stores which were previously owned by Hawkshead Outdoor Limited and The Countryside Trading Co Limited.

The primary objectives of the retail stores are identical to the existing retail stores operated by Regatta Ltd. No properties have been transferred in ownership as part of the transfer, as these are all under lease agreements. The lease agreements have all been transferred in ownership in line with the stores by assignment of the lease or the signing of a new lease. The transfers happened on a number of dates from 8 March 2021 to 26 July 2021.

Countryside Trading Co Ltd and Hawkshead Outdoor Limited are not in the Regatta Group but are under common ownership and control. As such the business combinations have been accounted for as common control transactions using book values rather than fair value accounting, as permitted under FRS 102. Accordingly no goodwill has been recognised.

Consideration transferred

	Hawkshead Outdoor Limited	The Countryside Trading Co Limited
	£'000	£'000
Settled by intercompany	1,717	1,240

Assets acquired and liabilities recognised at the date of store transfer

	Hawkshead Outdoor Limited	The Countryside Trading Co Limited	Total
	£'000	£'000	£'000
(i) Property, Plant and Equipment	392	204	596
(ii) Inventory	1,443	1,171	2,614
(iii) Petty cash and till floats	5	4	9
(iv) Dilapidations provisions	(123)	(139)	(262)
Total	**1,717**	**1,240**	**2,957**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

11. BUSINESS COMBINATIONS DURING THE YEAR (CONTINUED)

Notes:

(i) Comprising of equipment and store fits, transferred at book value
(ii) Inventory in the store at the date of transfer (no physical movement of stock took place), transferred at book value
(iii) Store petty cash and till floats, transferred at book value
(iv) Provision for dilapidations associated with the store lease, transferred at book value

12. FIXED ASSET INVESTMENTS

Company

	£'000
At 1 February 2021	1,505
Increase during the year	
Additions	13
At 31 January 2022	1,518

During the year the company has made investments in Regatta Lithuania UAB, Regatta France Eurl, Regatta Italia Srl, and Regatta Israel Limited.

The parent company and the Group have investments in the following subsidiary undertakings:

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

12. FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiary undertaking	Incorporation Address	% voting rights	Principal activity
Dare2b Retail Limited	Risol House, Mercury Way, Urmston, Manchester, UK, M41 7RR	100	Dormant
Regatta Concessions	Risol House, Mercury Way, Urmston, Manchester, UK, M41 7RR	100	Dormant
Regatta GmbH	Reichenberger Strasse 1,D-84130, Dingolfing, Germany	100	Outdoor clothing
Mountain Sports Outlet GmbH	Reichenberger Strasse 1,D-84130, Dingolfing, Germany	100	Outdoor clothing
Mountain Shop GmbH & Co KG*	Schattbucher St. 21, 88279, Amtzell, Germany	100	Outdoor clothing
Regatta France Eurl	47 Bis Rue des Vinaigriers, Paris, France, 75010	100	Outdoor clothing
Regatta Great Outdoors Spain S.L.	Carr. de Fuencarral, 44, 28108 Alcobendas, Madrid, Spain	100	Outdoor clothing
Regatta Israel Limited	10 Plaut St, Science Park, Rehovot 7670620, Israel	100	Outdoor clothing
Regatta Italia Srl	Via Bassanese, 61/1, Montebelluna (TV), Italy	100	Outdoor clothing
Regatta Great Outdoors LLC	Suite 219, 55 Main Street, New Market, New Hampshire, USA, 03857	100	Outdoor clothing
Regatta-Polska Sp. z.o.o.	ul. Częstochowska 5, 32-085 Modlnica, Poland	100	Outdoor clothing
Regatta Sweden AB	Djupdalsvägen 10 192 51 Sollentuna, Sweden	100	Dormant
Regatta Netherlands BV	Plesmanstraat 1, LEUSDEN 3833 LA, Netherlands	100	Outdoor clothing
Regatta Outdoors (Xiamen) Company Ltd	Zone A, 5th Floor, Xin Yu Building, No 17 East Jouju Road, Heshan Street, Xiamen, China	100	Outdoor clothing
Regatta Great Outdoors Ireland Limited	Unit 15, 24 & 25 Westside Centre, Model Farm Road, Cork, Ireland	100	Outdoor clothing
Regatta Latvia SIA	Riga, Dignajas iela 3C - 16A, LV-1004, Latvia	100	Outdoor clothing
Regatta Belgium BV	Baalhoek 50 Bus 1, 1853 Strombeek-Bever, Belgium	100	Outdoor clothing
Regatta Lithuania UAB	Kalvariju St. 99a, LT-08219, Vilnius, Lithuania	100	Outdoor clothing

**Investment held indirectly through Mountain Sports Outlet GmbH*

All subsidiary undertakings have been included in the consolidation with results up to 31 January 2022. The statutory year end for Mountain Shop GmbH, Mountain Sports Outlet GmbH, Regatta GmbH, Regatta Great Outdoors Spain S.L., Regatta Outdoors (Xiamen) Company Ltd is 31st December 2021.

Following Group structure review, Dare2b Retail Limited was dissolved on 19 April 2022. Please refer to Note 27 Events after the end of the reporting period for further details.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

13. STOCKS

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Finished goods and goods for resale	86,490	48,691	80,871	44,551

There is no material difference between the balance sheet value of stocks and their replacement cost.

14. DEBTORS

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade debtors	26,648	21,368	21,878	19,516
Amounts owed by group undertakings	938	1,086	4,525	2,582
Amounts owed by related parties	3,677	1,085	3,545	1,018
Other taxation and social security	1,803	383	1,462	-
Other debtors	571	1,629	231	1,621
Prepayments and accrued income	6,099	4,713	4,190	2,616
Corporation tax	2,255	4,350	1,593	3,539
Derivative financial assets (note 24)	5,834	-	5,834	-
	47,825	34,614	43,258	30,892
Amounts falling due after more than one year:				
Derivative financial assets (note 24)	153	183	153	183
Amounts owed by group undertakings	-	-	7,058	7,820
Deferred tax asset (note 17)	428	769	-	308
	581	952	7,211	8,311

Trading balances owed by related parties falling due within one year are interest free, unsecured and repayable on demand.

Loan balances owed by group undertakings are subject to interest between 0% and 12.5%, unsecured and repayable on fixed terms between 3 and 11 months following the financial year end.

Amounts owed by group undertakings falling due after more than one year are subject to interest at 5% and unsecured.

The deferred tax asset is treated as a non-current asset as directors consider the deferred tax asset to be recoverable over 1-5 years.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank overdraft	13,006	16	12,950	-
Trade creditors	21,746	19,018	21,127	16,670
Amounts owed to related parties	1,848	243	672	153
Amounts owed to group undertakings	258	761	7,697	8,910
Derivative financial liability (note 24)	-	1,360	-	1,360
Corporation tax	530	400	-	-
Other taxation and social security costs	4,920	4,097	4,195	3,587
Other creditors	4,886	1,427	3,951	759
Accruals and deferred income	29,413	26,138	23,732	21,480
	76,607	53,460	74,324	52,919

Amounts owed to related parties and group undertakings are interest free, unsecured and payable on demand.

Accruals and deferred income includes a balance of £Nil in respect of dividends payable to shareholders (2021: £Nil).

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred tax liability (note 17)	1,167	-	1,167	-
Amounts owed to related parties	-	245	-	245
	1,167	245	1,167	245

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Payables due within 2 to 5 years				
Deferred tax liability (note 17)	1,167	-	1,167	-
Amounts owed to related parties	-	245	-	245
	1,167	245	1,167	245

Other creditors are repayable within 5 years, unsecured and not subject to any interest.

Amounts owed to related parties are repayable within 5 years, unsecured and subject to interest at a rate of 3.25% per annum.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

17. DEFERRED TAXATION

	£'000
Group	
At 1 February 2021	769
Charge to profit and loss account (note 7)	(1,508)
At 31 January 2022 (note 14 and 17)	(739)

Deferred tax assets are provided as follows:

	2022 £'000	2021 £'000
Group		
Depreciation in excess of capital allowances	(601)	558
Other timing differences	(138)	211
	(739)	769

A deferred tax asset/liability has been recognised to the extent that the directors consider the balance to be recoverable through future taxable profits. The directors consider the deferred tax asset/liability to be recoverable over 1-5 years. The company and Group have no un-provided deferred tax assets or liabilities.

	£'000
Company	
At 1 February 2021	308
Charge to profit and loss account	(1,475)
At 31 January 2022 (note 14 and 17)	(1,167)

Deferred tax assets are provided as follows:

	2022 £'000	2021 £'000
Company		
Depreciation in excess of capital allowances	(601)	97
Other timing differences	(566)	211
	(1,167)	308

18. PROVISIONS FOR LIABILITIES FALLING DUE WITHIN ONE YEAR

	Group Provisions for dilapidations £'000	Company Provisions for dilapidations £'000
Group		
At 1 February 2021	149	60
Amounts utilised in the period	-	-
Amounts charged in the period	63	152
At 31 January 2022	212	212

Provisions are provided for the dilapidations liabilities during the life of retail leases.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

19. PROVISIONS FOR LIABILITIES FALLING AFTER MORE THAN ONE YEAR

	Group Provisions for dilapidations £'000	Company Provisions for dilapidations £'000
Group		
At 1 February 2021	310	294
Amounts utilised in the period	(12)	(12)
Amounts charged in the period	442	458
At 31 January 2022	740	740

Provisions are provided for the dilapidations liabilities due more than one year towards to the expiry of retail leases.

20. CALLED-UP SHARE CAPITAL AND RESERVES

Company and Group	2022 £'000	2021 £'000
Allotted, called-up and fully paid		
179,010 ordinary shares of £1 each	179	179

The rights of the shares are as documented in the Articles of Association that can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments. The currency revaluation reserve illustrates the impact of translating the Group's foreign subsidiaries into Sterling. The revaluation reserve is a non-distributable reserve arising due to the revaluation of the land and buildings within the Group to market value.

21. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2022 £'000	2021 £'000
Profit for the financial year	22,571	7,012
Adjustments for:		
Tax on profit on ordinary activities	5,274	1,833
Net interest expense	160	54
FX Contracts movement	(7,163)	1,443
Operating profit	20,842	10,342
Loss / (profit) on sale of fixed assets	40	(25)
Depreciation	3,923	2,855
Amortisation of goodwill	160	54
Impairment of intangible assets	555	962
(Increase) / decrease in stocks	(37,799)	10,079
(Increase) / decrease in debtors	(9,472)	3,596
Increase in creditors	11,776	15,489
Effects of foreign exchange rate changes	(910)	-
Cash flow from operating activities	(10,885)	43,352

22. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account. The result for the financial year dealt with in the financial statements of the company is a profit of £19,026,000 (2021: £5,574,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

23. FINANCIAL COMMITMENTS

Lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

Group	**2022 Land and buildings £'000**	**2021 Land and buildings £'000**	**2022 Other £'000**	**2021 Other £'000**
Operating leases which expire:				
- within one year	7,687	5,301	261	373
- within one to two years	7,003	5,241	109	233
- within two to five years	15,368	13,611	24	92
- in more than five years	4,781	5,292	-	-
	34,839	29,445	394	698

Company	**2022 Land and buildings £'000**	**2021 Land and buildings £'000**	**2022 Other £'000**	**2021 Other £'000**
Operating leases which expire:				
- within one year	4,586	2,714	261	373
- within one to two years	4,164	2,812	109	233
- within two to five years	9,513	7,892	24	92
- in more than five years	2,644	1,924	-	-
	20,907	15,342	394	698

Contingent liabilities

The company is party to bank facilities provided to the companies within the group and other related party companies. Post year end, the Group, together with the Risol group and Craghoppers group, has secured lender's approval to extend the facility agreement for a further 12 months to October 2025. The overall facility limit increases to £85m for the Group. There is an unlimited multilateral guarantee in place as security across these entities.

A Credit agreement is in place to finance the Irish warehouse acquisition, and the credit facility was completed on 14 June 2022 between Regatta Ltd (the Group's subsidiary) and HSBC.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

24. DERIVATIVE FINANCIAL INSTRUMENTS

Group and Company	Due within one year 2022 £'000	Due within one year 2021 £'000	Due after one year 2022 £'000	Due after one year 2021 £'000
Derivatives that are measured at fair value through profit or loss:				
Financial assets at fair value:				
Forward foreign currency contracts	5,834	(1,360)	153	183

Fair value profits on derivative financial assets and liabilities measured at fair value through profit and loss were £7,163,000 gains (2021: £1,443,000 losses).

Forward foreign currency contracts

The following table details the forward foreign currency contracts outstanding as at the year-end:

	Notional value		Fair value	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Buy				
Less than 3 months	30,648	29,551	1,431	(1,212)
Between 3 and 6 months	38,980	23,128	886	(815)
Greater than 6 months	48,325	35,582	1,236	(1,361)
	117,953	88,261	3,553	(3,388)
Sell				
Less than 3 months	17,562	18,465	1,018	255
Between 3 and 6 months	12,789	31,476	400	316
Greater than 6 months	37,866	78,018	1,015	1,640
	68,217	127,959	2,433	2,211
Total	**186,170**	**216,220**	**5,986**	**(1,177)**

The Group has entered into contracts to purchase goods from suppliers in Asia and to convert receipts from sales in Europe.

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

25. RETIREMENT BENEFIT SCHEMES

Defined contribution scheme

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The total cost charged to profit and loss £1,611,000 (2021: £1,422,000) represents contributions payable to the scheme by the company at rates specified in the rules of the plan. As at 31 January 2022, contributions £128,000 (2021: £31,998) due in respect of the current reporting period had not been paid over to the schemes.

26. RELATED PARTY TRANSACTIONS

During the year, no donations (2021: £438,000) were made to The Benson Black Memorial Charitable Trust, a charitable organisation related by way of common directors and trustees. The Benson Black Memorial Charitable Trust has repaid £3,500 to the Group for the donations made on its behalf (2021: £Nil).

During the year, no donation (2021: £2,369,500) was made to The Regatta Foundation, a charitable organisation related by way of common directors and trustees. Subsequent to the year end, a donation of £3,000,000 was made to The Regatta Foundation.

During the year, interest was incurred of £Nil (2021: £Nil) on a loan from Regatta FURBS, an entity connected by common ownership and control. The outstanding balance at the end of the year is £245,000 (2021: £245,000). Subsequent to year end, this outstanding loan has been fully repaid with interest to Regatta FURBS.

During the year, a loan of £500,000 was made to, and fully repaid by, K Black (shareholder). Interest income of £1,200 was recognised in respect of this loan.

The Group is related to a number of other companies by way of common ownership and control. Net transactions with these companies during the year were as shown below:

Group	Transaction	2022 £'000	2021 £'000
Craghoppers Limited	Sales, purchases and management fees	743	2,402
Craghoppers LLC	Management fee expenses	5	(388)
Hawkshead Outdoor Limited	Sales and management fees	921	2,640

Balances outstanding at year end in respect of related parties were as follows:

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Debtors				
Craghoppers Limited	3,585	1,085	3,514	1,294
Craghoppers LLC	30	-	31	-
Craghoppers Outdoor Ireland Limited	62	-	-	-
Creditors				
Craghoppers Limited	261	76	-	276
Hawkshead Outdoor Limited	427	153	427	153
Craghoppers LLC	914	14	-	-

The Group and the company have taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' not to disclose transactions with other wholly owned Group companies within the Group headed by Risol Imports Limited.

The directors consider these debtors to be recoverable and no provision has been made.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 January 2022

26. RELATED PARTY TRANSACTIONS (continued)

Directors' transactions

Directors' remuneration

The total Group remuneration for directors for the year totalled £1,481,000 (2021: £1,256,000), being remuneration disclosed in note 6.

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

Extending existing revolving credit facility (RCF)

The current revolving credit facility (RCF) is due to expire on 31 October 2024, and the business has secured lender's approval to extend the facility agreement for a further 12 months to October 2025. The overall facility limit increases to £85m for the Group, which for bank financing purposes also includes the Craghoppers group. The increase in facility limit is to support the planned future growth of the Group.

Acquisition of Irish warehouse

Regatta Great Outdoors Ireland Limited (the Group's subsidiary) has completed the acquisition of an Irish warehouse in Cork, Ireland on 29 June 2022. A Credit agreement is in place to finance the warehouse acquisition, and the credit facility was completed on 14 June 2022 between Regatta Ltd (the Group's subsidiary) and HSBC. An internal junior loan agreement has been finalised between Regatta Ltd and Regatta Great Outdoors Ireland Limited in May 2022.

Liquidation of Dare2B Retail Limited

Following the latest Group structure review, Dare2b Retail Limited (the Group's subsidiary) was dissolved on 19 April 2022.

28. ULTIMATE CONTROLLING PARTY

The directors regard Risol Imports Limited, a company incorporated in England and Wales, as the ultimate parent company. The ultimate controlling party of Risol Imports Limited is K J Black (director).

The largest and smallest group of which Regatta Limited is a member and for which group financial statements are drawn up is that headed by Risol Imports Limited, whose principal place of business is at Risol House, Mercury Way, Urmston, Manchester, M41 7RR.