

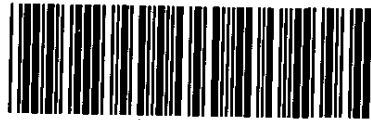
**Company Registered Number: 07862446**

**MAPIL TOPCO LIMITED**

**Annual Report and Financial Statements**

**for the year ended 30 September 2022**

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**Officers and Professional Advisers**

**Directors**

A Bruce  
H Crwys-Williams  
M Davy (resigned 15 December 2021)  
M Dunn (resigned 13 December 2021)  
C Watson (resigned 15 December 2021)

**Registered office**

1000 Lakeside, Suite 310  
Third Floor, N E Wing  
Portsmouth, PO6 3EN

**Banker**

HSBC Bank plc  
165 High Street  
Southampton, SO14 2NZ

**Solicitor**

Blake Morgan LLP  
New Kings Court, Tollgate  
Chandlers Ford  
Eastleigh  
Southampton, SO53 3LG

**Auditor**

KPMG LLP  
Gateway House  
Tollgate  
Chandler's Ford  
Southampton, SO53 3TG

## Strategic Report

The directors present their report and the audited financial statements for the year ended 30 September 2022 (2021: year ended 26 September 2021).

### Principal Activity

During the year the Group was acquired by Signa Sports United GMBH, a New York Stock Exchange listed specialist online sports retail company based in Berlin, Germany. Signa Sports United owns companies and brands in various sports including bike, tennis, outdoor and team sports, selling equipment and apparel via 100 own online stores, collaborating with 500+ independent brick and mortar shops, and partnering with over 1000 sports brands.

The Group itself, consists of two core trading brands, Wiggle and Chain Reaction which together are referred to as "WiggleCR". Both well established brands offer a unique customer proposition via their own dedicated online stores but with shared support functions and distribution infrastructure. WiggleCR is a leading, global, online cycling and multisport business. WiggleCR develops its own cycling and fitness products and brands, which are retailed online alongside a carefully selected range of the best third party brands to provide a comprehensive and competitive range of products and services. In addition to the online businesses the Group operates a retail store in Northern Ireland and wholesales cycling goods to retail outlets globally via the trading entity, Hotlines Europe Limited.

The business generated more than £252m in revenue in the year to 30 September 2022 with 38% of revenues coming from international territories, outside of the UK.

Core to WiggleCR's product range is a highly successful range of owned brands, designed and developed by expert in-house teams to serve the needs of a committed and passionate customer base. These owned brands include dnb – premium, performance clothing, footwear and protection for cycling, run and watersports; Nukeproof – a disruptive mountain biking brand encompassing bikes, bike components and clothing; Vitus – bikes for riders of all disciplines at exceptional prices and Föhn – premium outdoor clothing. Further own brand ranges offer cycling components and essentials to customers on the Wiggle and Chain Reaction websites including Brand X, Prime and Lifeline Tools. As well as retailing these to customers directly, and via Hotlines, these brands are being distributed across the wider Signa Sports United Group.

### Strategy and Business Review

The strategy of the Group is to profitably grow sales especially in the UK market over the longer term, maintain sales in international territories, increase the proportion of owned brand sales and drive owned brand sales across the wider Signa Sports United Group, leverage the synergistic benefits of being part of the larger Signa Sports United Group, improve customer propositions and increase efficiency.

UK sales have benefited from pandemic lockdowns, particularly through 2020 and 2021, and UK sales in the year to September 2022 are down by 32% due to the reduction in this benefit, although they are 7% higher than the year to September 2019. In addition the UK economy has, and is expected to continue to be, challenging – subduing consumer demand. International sales declined by 26% driven mainly by the full year impact of Brexit reducing sales into EU where higher duty and fulfilment costs has necessitated higher pricing.

The proportion of own brand sales has increased from 26% to 30% during the year. In addition own brand sales of Nukeproof, Vitus and dnb have commenced through the wider Signa Sports United Group – both in European online stores of Signa Sports United and through a new operation, managed and located in the USA.

As well distributing owned brands across the wider Signa Sports United Group, synergies are being pursued across many cost areas which will start to yield benefits in future years.

In terms of improving customer propositions and efficiency – the Group is well advanced on implementing new and upgraded customer facing online shop technology and "back office" systems, due to go live in first half of 2023. These will improve the customer experience and therefore conversion and sales, and reduce costs through more efficient processes. Capital additions of £14.5m were made during the year, mainly investments in these improvements.

During the year, the Mapil Topco group was acquired by SSU Group. As part of this transaction there were some significant one-off legal and professional and staffing costs incurred. These have been presented within administrative expenses and have adversely impacted Net Profit by £36m.

At 30 September 2022, the Group had net assets of £95.9m (2021: net liabilities of £226.4m). The improvement in the Group's net asset position is largely attributable to a capital contribution from Signa Sports United GMBH totalling €373,692,000, please refer to note 16 for further detail.

**Strategic Report (continued)****Acquisition of WiggleCR by Signa Sports United GmbH**

On the 14th December 2021 the Group was acquired by Signa Sports United, at the same point the SSU Group became listed on the New York Stock Exchange.

**Corporate Structure**

Mapil Topco Limited and its subsidiary companies form the Mapil Topco Group of Companies ("the Group"). Wiggle Limited is the main trading Company in the Group. In addition, Wiggle Australia (Pty) Limited, Hotlines Europe Limited, and Chain Reaction Cycles Retail Limited are also trading companies all controlled by Mapil Topco Limited ("the Group"). Chain Reaction Cycles Limited provides management services to Wiggle Limited.

**Financial Risk Management Objectives and Policies**

The Group's activities expose it to a number of financial risks including currency risk, credit risk, liquidity risk, interest rate risk and leverage risk.

**Currency risk**

The Group's costs are predominantly in GBP with 67% of payments being denominated in GBP, whilst only 62% of turnover and 66% of cash receipts are denominated in GBP. The principal foreign currencies where more is received than paid are Euros, Australian Dollars and Japanese Yen. This means that when GBP strengthens against these currencies, the GBP value of sales reduces. The principal foreign currency where more is paid than received is the US Dollar. This means that when GBP strengthens against this currency the GBP value of costs reduces. The Group manages this exposure as part of its day to day management of trading margins and profitability.

**Credit risk**

The Group's principal financial assets are cash at bank, cash in transit and trade and other receivables. The credit risk on cash and cash in transit is limited because the counter parties are banks and merchant acquirers with high credit-ratings assigned by international credit-rating agencies. The risk on trade and other receivables is low due to them being low in value and having a low level of concentration with any one counter party.

**Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

**Interest rate risk**

The Group's shareholder loans are fixed rate interest loans. The Group's historic bank borrowings were in fixed and floating rate interest loans, these have now been cleared following the acquisition of WiggleCR by SSU. Details of the interest rates are provided in note 14.

**Leverage risk**

The Group's borrowings are from intercompany loans with the Group, the historic bank facilities and loan notes were paid off following the acquisition of WiggleCR by SSU. Net debt is the total amount of cash and cash equivalents less interest-bearing loans and borrowings, and finance lease liabilities. Net debt on 30 September 2022 is £50.0m (2021: £363.6m) of which £nil (2021: £19.2m) is net bank debt.

All interest accrued on Group loans is fixed, non-cash and payable on maturity. The Group have no bank borrowings which are subject to fixed or floating interest rates. Details of the interest rate profile are provided in note 14.

**Strategic Report (continued)**
**Energy and carbon emissions**

As a Group we are committed to becoming more sustainable by reducing our energy and carbon emissions. During the year, the Group has completed the following actions: eradicated all fluorescent lighting from all sites, invested in a full & comprehensive review of installing photovoltaic panel on the roof of one of our largest sites and offsetting a large % of the Groups electricity consumption, reduced printing across the Group by 94%, continued to improve segregation of waste and committed to 100% zero waste to landfill.

Furthermore, we are continually improving the use of sustainable packaging and continue to nurture biodiversity around our sites. Our brand products are built to last, and we work with Bluesign and Oeko-Tex to ensure our products contribute to the lowest environmental impact.

The Streamlined Energy and Carbon Report (SECR) will be completed annually for the period 1 October to 30 September each year. We are also closing out a full scope 3 analysis of our business, measuring our full business and supply chain carbon footprint and establishing environmental targets for all operational sites.

The intensity ratios relate to UK operations only to align with the energy and emission reporting boundary. The following metrics are considered the most relevant to the Company's energy consuming activities and provide a good comparison of performance over time and across different organisations and sectors:

- total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per square meter floor area of asset register; and
- total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per million orders.

**Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):**

	Year ending 30 September	Year ending 30 September
<b>Emission source</b>	<b>2022</b>	<b>2021</b>
<b>Mandatory requirements:</b>		
<u>Scope 1</u>		
Gas	26.3	39.6
Transport - Company owned vehicles	59.5	23.9
<u>Scope 2</u>		
Refrigerants	11.3	n/a
Purchased electricity	338.3	414.3
<u>Scope 3</u>		
Transport - Business travel in employee-owned vehicles	n/a	n/a
<b>Total gross emissions</b>	<b>435.4</b>	<b>477.8</b>
<u>Intensity ratios (mandatory emission only)</u>		
Tonnes of CO <sub>2</sub> e per square meter floor area	0.010	0.012
Tonnes of CO <sub>2</sub> e per million orders	146.4	111.6

Emissions have been calculated using DEFRA conversion figures for 2021 depending on the fuel type converted into Tonnes of CO<sub>2</sub>e.

The year to September 2021 saw unprecedented levels of orders due to the Covid 19 pandemic, this increased warehouse energy consumption due to temporary additional shift patterns, but given the high level of orders reduced the Tonnes of CO<sub>2</sub>e per million orders ratio. In addition, enforced home working led to lower energy consumption in offices and led to lower transport costs as there was much less travel between locations, however this returned to a more typical level in 2022.

Gas and electricity consumption has declined due to reduced order levels and energy saving measures explained above.

The reporting of Refrigerants under scope 2 is a new reporting requirement and therefore no comparative data is available from prior year.

**Strategic Report (continued)****Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006**

The board of directors of Mapil Topco Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and having regards to the stakeholders and matters set out in s172(1)(a-f) of the Act. Further details of the key events and decisions taken in this regard are detailed in the Strategic Report above, along with the main elements of the Group's strategic plans that will promote this success in the long term.

In addition to the details contained in the Strategic Report, the board of directors have also considered the following in exercising their duties to promote the long term success of the Group's stakeholders:

**Our People**

Our employees are fundamental to the delivery of our plans. We aim to be a responsible employer in our approach to the pay and benefits our employees receive but we are also focused on maintaining a supportive and inclusive environment. Employee retention and progression is a core objective of our people agenda and is seen as a key long term strategy that benefits not only the Group and the employees themselves, but the wider business stakeholders.

Our regular anonymous employee surveys are used to help measure the attitude and feeling of our work force. These results are reviewed in detail by the directors; the results of which are used to formulate actions to help us develop and evolve as an employer. These actions and processes along with our half yearly performance development reviews held for each employee, help ensure the directors embed a culture where upholding a strong reputation for high standards of business conduct is seen as pivotal.

**Business relationships**

Our strategy for sustainable, profitable growth relies on maintaining strong supplier relationships which are built on trust and mutual benefit. The customer and the customer proposition are central to our business, and our plan is built on retaining our loyal customer base whilst also attracting new customers. Regular meetings of the internal Customer Board are held to ensure that customer sentiment and satisfaction is at the heart of the Group operations and decision making.

**Community and Environment**

The Group's approach is to continue to create a positive impact on the communities and environments in which we find ourselves. A main consideration is to ensure that we reduce our impact as far as possible in terms of carbon and greenhouse gas emissions. We have committed to reducing our carbon footprint, with key measures including the rationalisation of multiple warehouses to one central distribution centre, and we continue to monitor our performance in areas which directly affect our output and usage. See further details on this in the Energy and carbon emissions section of the Strategic Report. In addition, the Group continues to explore sustainability within the supply chain and product offering, both with third party and own brand products.

**Shareholders**

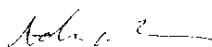
The board is committed to openly engaging with our shareholders, as we recognise the importance of a continuing effective dialogue. It is important that our shareholders are kept up to date with latest objectives and strategies, therefore we communicate these on a regular basis.

**Consequences of long term decisions**

The Group have consideration over the long term impact to stakeholders when making decisions. The board of the Mapil Topco Group meet frequently and meet regularly with the SSU group to guide decisions in both the long and short term. Budgets are set annually and adjusted quarterly to reflect current market and trading conditions. Long term plans and strategic goals are agreed and progress against these is regularly communicated to staff through monthly town halls.

This Strategic Report was approved by the Board on 24 February 2023

By order of the Board:



A Bruce  
Director

1000 Lakeside, Suite 310  
Third Floor N E Wing  
Portsmouth  
PO6 3EN

**Directors' Report**

The directors present their report and audited financial statements for the year ended 30 September 2022 (2021: year ended 26 September 2021).

Mapil Topco Limited is a direct parent of Mapil Midco 1 Limited, and the ultimate parent of the Group. The Group comprises two core trading brands, Wiggle and Chain Reaction which together are referred to as "WiggleCR".

Wiggle Limited is the main trading Company in the Group, in addition Wiggle Australia (Pty) Limited, Hotlines Europe Limited, and Chain Reaction Cycles Retail Limited are also trading companies all controlled by Mapil Topco Limited ("the Group"). Chain Reaction Cycles Limited provides management services to Wiggle Limited.

Details of the Company's principal activity, performance, principal risks and uncertainties and risk management can be found in the Strategic Report on pages 2 to 5.

**Results and Dividend**

The results for the year are shown on page 13. No dividends have been paid during the year (2021: £nil) and the directors do not recommend the payment of a dividend (2021: £nil).

**Going Concern**

The directors have considered the principal activities of the Group, the business risks and uncertainties and the financial performance for the year ended 30 September 2022 and up to the date of signing these accounts. The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements.

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

**Acquisition and Funding**

The Group was acquired on 14 December 2021. As a result of this acquisition the Group's external shareholder debt of £246.8m (notes 13 and 14), bank debt of £66.1m (note 14) and any accrued interest was settled by SIGNA Sports United GmbH. The repayment of the bank debt removes all financial covenants and any new shareholder debt issued by SIGNA Sports United GmbH will not have any financial covenants attached to it.

The Group now relies on funding from its shareholder, SIGNA Sports United GmbH. Funding issued by the shareholder is fixed rate interest bearing and non-cash compounding, the principal and interest is payable on maturity. The shareholder funding drawn since acquisition in December 2021 is €60.3m.

**Business risks and uncertainties**

The effects of the current economic uncertainty have been felt throughout the retail industry in the recent months and the future impact of these uncertainties remains difficult to predict.

In addition, the Group is suffering from the aftereffects of the Covid pandemic. The Covid pandemic, and the lockdown periods in particular, led to a pull forward of revenue. During lockdown the Group saw increased demand both in the UK and internationally as cycling, running and exercise more generally became more accessible and relevant to a wider customer base. This has meant that customers who ordinarily purchase regularly have accelerated their purchasing into the lockdown period and have subsequently purchased less in the periods following the lifting of lockdown restrictions.

**Profitability**

Operating profit before depreciation, amortisation, impairment, and gain on disposal (Adjusted EBITDA) decreased from a profit of £34.2m for year ended 26 September 2021 to a loss of £41.8m for the year ended 30 September 2022. This included non-recurring costs of £36.0m in relation to costs incurred due to the sale of the Group, see note 4 for further detail. The reduction in the trading results from £34.2m to (£5.8m) is being driven by the factors outlined in the Strategy and Business Review.

Closing cash at the 30 September 2022 was £3.2m, which comprised a net cash outflow from operating activities in the year of £59.5m, which included non-recurring costs of £36.0m in relation to costs incurred due to the sale of the Group, a cash outflow from investing activities of £13.8m, and a cash inflow from financing activities of £30.9m. The Group has net current trading assets at the period end (being net current assets excluding amounts owed to shareholders detailed in note 13) totalling £25.5m. Closing cash as at 31 January 2023 was £2.6m.

The base case forecasts indicate the Group will be able to operate within the boundaries of the existing financial support provided by the parent, including the letter of support detailed below, with sufficient headroom and cash availability.



**Directors' Report (continued)****Going concern (continued)****Cash flow Projections**

Detailed cash flow projections have been prepared which demonstrates the Group's funding requirement for the Going Concern Assessment Period. These base projections include a year-on-year decrease in revenue, due to the challenging economic environment, with a small increase in gross margin following a period of intense discounting to clear overstock, along with a reduction in stock to reflect lower sales and improved working capital management.

These projections have been sensitised against a set of severe but plausible downside assumptions, being an average drop in revenue against the base plan of (15%) and an average reduction in gross margin of (3%), along with higher working capital requirements.

SIGNA Sports United GmbH, parent of Mapil Topco Limited, has provided a letter of support indicating that SIGNA Sports United GmbH will not be seeking repayment of any amounts currently outstanding, and commits to provide additional financial support of €18m over and above amounts already loaned. This financial support is conditional on the shareholder loans being sufficient to avoid an illiquidity based on the business plans of the Mapil Topco Limited Group. As with any Group placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue.

The support in place and the indications the directors have received from the parent, along with the forecasts prepared for the next twelve months, which include the potential impacts of the economic uncertainties, have been used by the directors as a basis for their assessment of going concern. The base case forecasts indicate that the financial support available as indicated in the letter of support would enable the Company to continue to trade and to settle its debts as they fall due for at least 12 months from the date of these accounts. However, the directors have considered that the downside scenario indicates the potential requirement for additional funding from the parent above the letter of support provided. The provision of additional funding would require further raising of finance, which is not committed at the date of signing. Signa Sports United raises funding centrally to fund the operations of its business units. Signa Sports United has a successful history of raising capital from third party investors and recently has received significant capital commitments from affiliates of its largest shareholder. In the unlikely scenario where Signa Sports United's businesses require funding above the capital commitments currently available to it, Signa Sports United believes that it would be successful in raising debt or equity capital from third parties or existing shareholders.

The directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the achievement of forecasts and the availability of further financial support from the parent represents a material uncertainty that might cast doubt on the Group's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

**Directors**

The directors who held office during the period and to the date of this report were as follows:

A Bruce

H Crwys-Williams

M Davy (resigned 15 December 2021)

M Dunn (resigned 13 December 2021)

C Watson (resigned 15 December 2021)

The directors who held office at the end of the period had no disclosable interest in the shares of the Company.

The Group provides directors' and officers' insurance protection for all of the directors of the Companies in the Group.

**People and colleagues****Equal opportunities**

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

**Employee engagement and participation**

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

**Health and Safety**

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

**Engagement with suppliers, customers and others in a business relationship with the Company**

See the statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 on page 5 for further information in this area.

**Directors' Report (continued)**

**Greenhouse gas emissions**

See the statement by the directors in performance of their statutory duties on page 4 for further information in this area.

**Charitable and Political Contributions**

The Group is committed to supporting the local community, both in respect of employment and social responsibility. We encourage employees to take part in various community initiatives and charity events. The Group made no political or charitable contributions during the period (2021: £nil).

**Listed Debt**

At 30 September 2022 the Group held listed loan notes of £nil (2021: £199.1m) on The International Stock Exchange in the Channel Islands. The listed debt was repaid on 14th December 2021. All of the listed debt was held by the Group's ultimate shareholders until repayment.

**Disclosure of Information to Auditor**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

**Auditor**

KPMG LLP were appointed as the Company's auditor during the period. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The Directors' Report was approved by the Board on 24 February 2023

By order of the Board:



A Bruce  
Director

1000 Lakeside, Suite 310  
Third Floor N E Wing  
Portsmouth  
PO6 3EN

**Statement of Directors' Responsibilities in respect of the Annual Report, Strategic Report, the Directors' Reports and the Financial Statements**

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

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare both the Group and the parent Company financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAPIL TOPCO LIMITED

### Opinion

We have audited the financial statements of Mapil Topco Limited ("the Company") for the year ended 30 September 2022 which comprise the consolidated income statement and statement of other comprehensive income; consolidated and company statement of financial position; consolidated and company statement of changes in equity; consolidated and company statement of cash flows and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which indicates that the Company's ability to continue as a going concern is dependent on the continued financial support from its ultimate parent company, SIGNA Sports United GmbH. The availability of support over and above amounts committed by way of letter of support is uncertain. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

### Fraud and breaches of laws and regulations – ability to detect

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Group's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes;
- Considering remuneration incentive schemes and performance targets including the Long-term Incentive Plan scheme and bonus plan and employee share awards granted in connection with the listing of the Company's ultimate parent company, SIGNA Sports United GmbH;
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards; and considering possible pressures to meet profit targets; we perform procedures to address the risk of management override of controls; in particular the risk that Group management may be in a position to make inappropriate accounting entries.

We do not believe there is a fraud risk related to revenue recognition over the recording of online retail transactions because there is limited pressure, rationalisation, and opportunity for Management to commit fraud in relation to revenue recognition, and revenue recognition does not require any material estimates or judgments. We therefore regard the fraud risk associated with revenue recognition to relate to the manipulation of revenue through Management Override of Control, in particular the posting of erroneous journals.

We did not identify any additional fraud risks.

In determining the audit procedures, we considered the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls. We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. Risk criteria included consideration of results being under budget, and therefore potential management incentive over the achievement of results in the subsequent year. Journal entries tested included debit postings to revenue, cost of sales and/or expense accounts with an unexpected credit posting, and both credit and debit postings to cash where the other side was unexpected.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAPIL TOPCO LIMITED (CONTINUED)**
**Fraud and breaches of laws and regulations – ability to detect (continued)**
*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: data protection laws and employment law, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, 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

We have nothing to report in these respects.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAPIL TOPCO LIMITED (CONTINUED)**

**Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

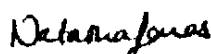
**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Natasha Jones (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
Gateway House  
Tollgate  
Chandlers Ford  
SO53 3TG

24 February 2023

**Consolidated Income Statement and Statement of Other Comprehensive Income**

For the year ended 30 September 2022

*(2021: For the year ended 26 September 2021)*

		30 September	26 September
		2022	2021
	Note	£'000	£'000
<b>Revenue</b>	3	252,549	360,338
Cost of sales		(171,241)	(227,189)
<b>Gross profit</b>		81,308	133,149
Selling and distribution expenses		(38,056)	(49,311)
Administrative expenses	4	(85,049)	(49,682)
<b>Operating (loss) / profit before depreciation, amortisation, impairment and gain on disposal</b>		(41,797)	34,156
Depreciation, amortisation and impairment	4	(14,264)	(10,529)
Gain on disposal		3	1,483
<b>Operating (loss) / profit</b>		(56,058)	25,110
Exchange (loss) / gain on bank debt and other foreign currency balances	6	(14,618)	4,304
Other interest payable and similar charges	6	(1,315)	(5,219)
Interest payable to shareholders, investors and non consolidated Group companies	6	(25,050)	(38,750)
<b>Loss before tax</b>		(97,041)	(14,555)
Taxation	7	(14,147)	12,969
<b>Loss for the period</b>		(111,188)	(1,586)

All results are from continuing operations.

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

The notes on pages 18 to 38 are an integral part of these financial statements.

**Consolidated and Company Statement of Financial Position**

At 30 September 2022

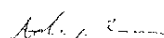
(2021: At 26 September 2021)

		Group	Group	Company	Company
		30 September	26 September	30 September	26 September
		2022	2021	2022	2021
	Note	£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Investments	10	-	-	-	-
Intangible assets	8	102,711	98,771	-	-
Tangible assets	9	22,851	25,463	-	-
Deferred tax assets	7	1,145	14,461	-	-
Trade and other receivables	12	-	-	33,967	122
<b>Total non-current assets</b>		<b>126,707</b>	<b>138,695</b>	<b>33,967</b>	<b>122</b>
<b>Current assets</b>					
Inventory	11	79,297	60,669	-	-
Trade and other receivables	12	11,559	9,837	867	-
Cash and cash equivalents		3,219	46,864	-	-
<b>Total current assets</b>		<b>94,075</b>	<b>117,370</b>	<b>867</b>	<b>-</b>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(68,567)	(69,358)	(43,841)	(7,484)
<b>Total current liabilities</b>		<b>(68,567)</b>	<b>(69,358)</b>	<b>(43,841)</b>	<b>(7,484)</b>
<b>Net current assets / (liabilities)</b>		<b>25,508</b>	<b>48,012</b>	<b>(42,974)</b>	<b>(7,362)</b>
<b>Total assets less current liabilities</b>		<b>152,215</b>	<b>186,707</b>	<b>(9,007)</b>	<b>(7,362)</b>
<b>Non-current liabilities</b>					
Creditors: amounts falling due after more than one year	14	(53,159)	(408,878)	(34,956)	(82,317)
Provisions for liabilities and charges	15	(2,059)	(2,741)	-	-
Deferred tax liability	7	(1,145)	(1,451)	-	-
<b>Total non-current liabilities</b>		<b>(56,363)</b>	<b>(413,070)</b>	<b>(34,956)</b>	<b>(82,317)</b>
<b>Net assets / (liabilities)</b>		<b>95,852</b>	<b>(226,363)</b>	<b>(43,963)</b>	<b>(89,679)</b>
<b>Capital and reserves</b>					
Share capital	16	52	46	52	46
Share premium	16	186,250	127,697	186,250	127,697
Share based payments	17	731	-	731	-
Capital contribution	16	446,122	72,430	408,535	34,843
Profit and loss		(537,303)	(426,536)	(639,531)	(252,265)
<b>Total equity</b>		<b>95,852</b>	<b>(226,363)</b>	<b>(43,963)</b>	<b>(89,679)</b>

The notes on pages 18 to 38 are an integral part of these financial statements.

These financial statements were approved by the board of Directors on 24 February 2023.

Signed on behalf of the board of Directors


**A Bruce**  
**Director**



**Consolidated and Company Statement of Changes in Equity****At 30 September 2022**

	Share capital	Share premium	Capital contribution reserve	Share based payments reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Group</b>						
<b>At 27 September 2020</b>	46	127,697	72,430	-	(424,950)	(224,777)
Loss for the period	-	-	-	-	(1,586)	(1,586)
<b>Total comprehensive income</b>	-	-	-	-	(1,586)	(1,586)
<b>At 26 September 2021</b>	46	127,697	72,430	-	(426,536)	(226,363)
Loss for the period	-	-	-	-	(111,188)	(111,188)
<b>Total comprehensive income</b>	-	-	-	-	(111,188)	(111,188)
Capital contribution	-	-	373,692	-	-	373,692
Settlement of preference shares as equity	6	58,553	-	-	-	58,559
Share based payments	-	-	-	731	421	1,152
<b>At 30 September 2022</b>	52	186,250	446,122	731	(537,303)	95,852

	Share capital	Share premium	Capital contribution reserve	Share based payments reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Company</b>						
<b>At 27 September 2020</b>	46	127,697	34,843	-	(245,476)	(82,890)
Loss for the period	-	-	-	-	(6,789)	(6,789)
<b>Total comprehensive income</b>	-	-	-	-	(6,789)	(6,789)
<b>At 26 September 2021</b>	46	127,697	34,843	-	(252,265)	(89,679)
Loss for the period	-	-	-	-	(387,687)	(387,687)
<b>Total comprehensive income</b>	-	-	-	-	(387,687)	(387,687)
Capital contribution	-	-	373,692	-	-	373,692
Settlement of preference shares as equity	6	58,553	-	-	-	58,559
Share based payments	-	-	-	731	421	1,152
<b>At 30 September 2022</b>	52	186,250	408,535	731	(639,531)	(43,963)

The notes on pages 18 to 38 are an integral part of these financial statements.

**Consolidated Cash Flow Statement**

for the year ended 30 September 2022

(2021: for the year ended 26 September 2021)

	30 September 2022 £'000	26 September 2021 £'000
<b>Cash flows from operating activities</b>		
Loss for the period from continuing operations	(111,188)	(1,586)
Adjustments for:		
Depreciation, amortisation and impairment	14,264	10,529
(Decrease)/ Increase in provision for dilapidations	(683)	1,080
Gain on disposals	(3)	(1,484)
Net foreign exchange (gain) / loss	14,618	(4,304)
Net finance cost	26,365	42,917
Tax charge / (credit)	14,147	(12,969)
Movements in working capital:		
Increase in inventories	(18,628)	(7,455)
(Increase) / decrease in trade and other receivables	(1,635)	604
Increase / (decrease) in trade and other payables	6,008	(15,855)
<b>Cash flows from operations</b>	<b>(56,735)</b>	<b>11,477</b>
Tax paid	(925)	(9)
Interest paid	(1,792)	(1,664)
<b>Net cash flows (used in) / from operating activities</b>	<b>(59,452)</b>	<b>9,804</b>
<b>Cash flows from investing activities</b>		
Payments for intangible assets, property, plant and equipment	(13,756)	(7,098)
Proceeds from sale of property, plant and equipment	-	2,853
<b>Net cash flows used in investing activities</b>	<b>(13,756)</b>	<b>(4,245)</b>
<b>Cash flows from financing activities</b>		
Drawdown of loans from Parent	32,517	-
Repayment of bank loans	-	(6,280)
Payment of lease liabilities	(1,624)	(2,071)
<b>Net cash flows from / (used in) financing</b>	<b>30,893</b>	<b>(8,351)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(42,315)</b>	<b>(2,792)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(42,315)</b>	<b>(2,792)</b>
Cash and cash equivalents at beginning of period	46,864	49,306
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	(1,330)	350
<b>Cash and cash equivalents at end of period</b>	<b>3,219</b>	<b>46,864</b>

The notes on pages 18 to 38 are an integral part of these financial statements.

**Company Cash Flow Statement**

**for the year ended 30 September 2022**

**(2021: for the year ended 26 September 2021)**

A cashflow statement is not prepared for the Company as it doesn't have a bank account and there have not been any cash transactions in either the current or the comparative period.

The notes on pages 18 to 38 are an integral part of these financial statements.

**Notes to the financial statements**
**1. General information**

Mapil Topco Limited (the "Company") incorporated in the United Kingdom on 28 November 2011 with company number 07862446. The registered address of the Company is 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN, United Kingdom. On 7 December 2011, the Company acquired Mapil Midco 1 Limited whose primary trading subsidiary undertaking was Wiggle Limited. On 7 July 2016, the Group acquired the Chain Reactions Cycles Group and the brand became WiggleCRC (subsequently WiggleCR from November 2021). Wiggle Limited is the main trading entity of the Group. In addition the Company wholly owns the subsidiaries listed in note 11, which together form Mapil Topco Limited (the "Group"). The Group's controlling shareholder is SIGNA Sports United GmbH (SSU) following the successful acquisition of the Mapil Topco Group on 14th December 2021. The registered office of SSU is Kanstrasse 164, Upper West, D-10623 Berlin.

**2. Summary of significant accounting policies**

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

**Statement of compliance**

These consolidated financial statements have been prepared in accordance with international financial reporting standards in conformity with the requirements of the Companies Act 2006.

**Basis of preparation**

These consolidated financial statements are prepared on a going concern basis under the historical cost convention as modified by financial instruments at fair value through the profit and loss, they are presented in sterling (£'000).

Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. Derived from prices); and
- Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement, complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in this note below (Significant accounting estimates and assumptions).

**Going Concern**

The directors have considered the principal activities of the Group, the business risks and uncertainties and the financial performance for the year ended 30 September 2022 and up to the date of signing these accounts. The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements.

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

**Acquisition and Funding**

The Group was acquired on 14 December 2021. As a result of this acquisition the Group's external shareholder debt of £246.8m (notes 13 and 14), bank debt of £66.1m (note 14) and any accrued interest was settled by SIGNA Sports United GmbH. The repayment of the bank debt removes all financial covenants and any new shareholder debt issued by SIGNA Sports United GmbH will not have any financial covenants attached to it.

The Group now relies on funding from its shareholder, SIGNA Sports United GmbH. Funding issued by the shareholder is fixed rate interest bearing and non-cash compounding, the principal and interest is payable on maturity. The shareholder funding drawn since acquisition in December 2021 is €60.3m.

**Business risks and uncertainties**

The effects of the current economic uncertainty have been felt throughout the retail industry in the recent months and the future impact of these uncertainties remains difficult to predict.

In addition, the Group is suffering from the aftereffects of the Covid pandemic. The Covid pandemic, and the lockdown periods in particular, led to a pull forward of revenue. During lockdown the Group saw increased demand both in the UK and internationally as cycling, running and exercise more generally became more accessible and relevant to a wider customer base. This has meant that customers who ordinarily purchase regularly have accelerated their purchasing into the lockdown period and have subsequently purchased less in the periods following the lifting of lockdown restrictions.

**Profitability**

Operating profit before depreciation, amortisation, impairment, and gain on disposal (Adjusted EBITDA) decreased from a profit of £34.2m for year ended 26 September 2021 to a loss of £41.8m for the year ended 30 September 2022. This included non-recurring costs of £36.0m in relation to costs incurred due to the sale of the Group, see note 4 for further detail. The reduction in the trading results from £34.2m to (£5.8m) is being driven by the factors outlined in the Strategy and Business Review.

Closing cash at the 30 September 2022 was £3.2m, which comprised a net cash outflow from operating activities in the year of £59.5m, which included non-recurring costs of £36.0m in relation to costs incurred due to the sale of the Group, a cash outflow from investing activities of £13.8m, and a cash inflow from financing activities of £30.9m. The Group has net current trading assets at the period end (being net current assets excluding amounts owed to shareholders detailed in note 13) totalling £25.5m. Closing cash as at 31 January 2023 was £2.6m.

The base case forecasts indicate the Group will be able to operate within the boundaries of the existing financial support provided by the parent, including the letter of support detailed below, with sufficient headroom and cash availability.

**Notes to the financial statements (continued)**
**2. Summary of significant accounting policies (continued)**
**Going Concern (continued)**
**Cash flow Projections**

Detailed cash flow projections have been prepared which demonstrates the Group's funding requirement for the Going Concern Assessment Period. These base projections include a year-on-year decrease in revenue, due to the challenging economic environment, with a small increase in gross margin following a period of intense discounting to clear overstock, along with a reduction in stock to reflect lower sales and improved working capital management.

These projections have been sensitised against a set of severe but plausible downside assumptions, being an average drop in revenue against the base plan of (15%) and an average reduction in gross margin of (3%), along with higher working capital requirements.

SIGNA Sports United GmbH, parent of Mapil Topco Limited, has provided a letter of support indicating that SIGNA Sports United GmbH will not be seeking repayment of any amounts currently outstanding, and commits to provide additional financial support of €18m over and above amounts already loaned. This financial support is conditional on the shareholder loans being sufficient to avoid an illiquidity based on the business plans of the Mapil Topco Limited Group. As with any Group placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue.

The support in place and the indications the directors have received from the parent, along with the forecasts prepared for the next twelve months, which include the potential impacts of the economic uncertainties, have been used by the directors as a basis for their assessment of going concern. The base case forecasts indicate that the financial support available as indicated in the letter of support would enable the Company to continue to trade and to settle its debts as they fall due for at least 12 months from the date of these accounts. However, the directors have considered that the downside scenario indicates the potential requirement for additional funding from the parent above the letter of support provided. The provision of additional funding would require further raising of finance, which is not committed at the date of signing. Signa Sports United raises funding centrally to fund the operations of its business units. Signa Sports United has a successful history of raising capital from third party investors and recently has received significant capital commitments from affiliates of its largest shareholder. In the unlikely scenario where Signa Sports United's businesses require funding above the capital commitments currently available to it, Signa Sports United believes that it would be successful in raising debt or equity capital from third parties or existing shareholders.

The directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the achievement of forecasts and the availability of further financial support from the parent represents a material uncertainty that might cast doubt on the Group's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

**Subsidiaries**

Business combinations are accounted for using the purchase method.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Revenue**

Revenue arising from sales represents the invoiced amounts of goods, adjusted at the period end for items which have yet to reach the customer, stated net of value added tax. Revenue arising from the sale of gift vouchers is deferred and recognised at the point of redemption. An expiration assumption is applied to customer vouchers based on historic voucher expiry data. There are no other performance obligations arising from the sale of goods to customers that require disaggregation. Rights to return are estimated based on historic returns data and an estimate of sales to be refunded and stock returned made within the accounts. There are no separable or enhanced warranties that are sold to customers that would require disaggregation.

**Cost of sales**

Cost of sales includes the cost of goods sold and all direct costs associated with landing these goods into the warehouse, including import duty and import freight. The cost of damaged and lost stock is included within cost of sales as is the impairment of stock from cost to net realisable value.

**Pensions**

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

**Net finance costs**

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

**Foreign currency**

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

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

**Notes to the financial statements (continued)****2. Summary of significant accounting policies (continued)****Intangible assets**

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

<b>Asset Class</b>	<b>Amortisation Policy</b>
Goodwill	Annual impairment review
Intellectual Property:	
Brands	5 to 12 years
Customer relationships	5 years
Customer database	3 to 8 years
Trademarks	10 years or registered life if shorter
Software and licenses	2 to 10 years

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

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

Costs that qualify for capitalisation include both internal and external costs, but are limited to those that are directly related to the specific project. Computer software costs are included at capitalised costs less accumulated amortisation and any recognised impairment loss.

Useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

**Property, plant and equipment**

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

<b>Asset Class</b>	<b>Depreciation Policy</b>
Leasehold land and buildings	5 to 50 years
Equipment and fixtures:	
Computer and communications equipment	2 to 4 years
Fixtures, fittings and furniture	5 to 7 years
Plant and machinery	3 to 5 years
Motor vehicles	4 years

**Impairment of non-financial assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. For tangibles and intangibles the allocation is made to those CGU units that are expected to benefit from the asset.

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

**Financial Instruments**

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

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

**Effective interest method**

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

**Notes to the financial statements (continued)****2. Summary of significant accounting policies (continued)****Financial Instruments (continued)****Financial Assets**

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

**Financial assets at FVTPL**

Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurements included in profit or loss. Fair value is determined in the manner described in note 19.

**Loans and receivables**

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

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

**Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

**Financial liabilities at FVTPL**

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

**Other financial liabilities**

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

**Derecognition of financial liabilities**

The Group derecognises a financial liability when the criteria for derecognition are met such as when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and consideration paid or payable is recognised in profit or loss.

**Leasing**

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

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

**Short-term leases and leases of low-value assets**

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

**Notes to the financial statements (continued)****2. Summary of significant accounting policies (continued)****Inventory**

Provision is made for those items of inventory where the net realisable value is estimated to be lower than cost. Net realisable value is based on both historical experience and assumptions regarding future selling prices, and is consequently a source of estimation uncertainty. The key estimation uncertainties relate to the level of price adjustment that would be required to stimulate demand on slower-selling lines; the estimate of future selling prices based on historical levels achieved and specific pricing plans; and the assumptions around demand levels for product types.

A sensitivity has been carried out on the carrying value of inventory. A 10% reduction in the current selling price of products would cause a £0.7m increase to the inventory provision; and a 10% increase in price would lead to a £0.5m decrease to the inventory provision.

**Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Current taxation**

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

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

**Deferred taxation**

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

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

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

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

**Employee benefits**

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

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

**Share-based payment arrangements**

The Mapil Topco group hold both cash settled and equity settled share based payment schemes, as explained below.

Equity settled share-based payment transactions are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the profit or loss for that year. All schemes have no leavers provisions included as there is no requirement of continued service.

The Mapil company schemes are two schemes held with the employee benefit trust (EBT), being a cash settled deferred scheme and an unallocated equity settled scheme. A share based payment reserve is held representing the cost of shares in Signa Sports United N.V. purchased on the market and held by the Employee Benefit Trust to satisfy options under the Groups share option plans. Details regarding the determination of the fair value of share-based payment transactions and valuation methodology are set out in Notes 16 and 17.

In addition to these, there are two equity schemes which are held with group entities and relate to a Retention Bonus held with key management personnel and an IPO bonus which is granted to all employees who meet a length of service criteria upon the acquisition. The share awards for these schemes will be satisfied by SSU N.V., with a recharge to the relevant employer company in the Mapil Topco group equal to the value of the relevant IFRS2 charge, and this has been recorded as a liability in the financial statements.

**Significant accounting estimates and assumptions**

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted for use by the International Accounting Standards Board ("IASB"), in conformity with the requirements of the International Financial Reporting Interpretations Committee ("IFRIC") interpretations and in conformity with the Companies Act 2006, which require estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the balance sheet date and also the amounts of revenue and expenditure recorded in the period. The directors believe the accounting policies chosen are appropriate to the circumstances and that the estimates and assumptions involved in its financial reporting are reasonable.

Accounting estimates made by the Group's management are based on information available to management at the time each estimate is made. Accordingly, actual outcomes may differ materially from current expectations under different assumptions and conditions. The estimates and assumptions for which there is a significant risk of a material adjustment to the financial statements within the next financial year are set out below.



**Notes to the financial statements (continued)****2. Summary of significant accounting policies (continued)****Significant Estimates and Assumptions****Inventory**

Provision is made for those items of inventory totalling £79.3m (2021: £60.1m) where the net realisable value is estimated to be lower than cost, and totals £4.4m (2021: £2.8m). Net realisable value is based on both historical experience and assumptions regarding future selling prices, and is consequently a source of estimation uncertainty. The key estimation uncertainties relate to the level of price adjustment that would be required to stimulate demand on slower-selling lines; the estimate of future selling prices based on historical levels achieved and specific pricing plans; and the assumptions around demand levels for product types.

A sensitivity has been carried out on the carrying value of inventory. A 10% reduction in the current selling price of products would cause a £0.7m increase to the inventory provision; and a 10% increase in price would lead to a £0.5m decrease to the inventory provision.

In addition to the estimate mentioned above, the following has been identified as an area that involves some degree of estimation but are not considered to be at significant risk of material adjustment in the next financial year:

**Goodwill Impairment**

The carrying amounts of the Company's and the Group's assets other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The value in use is remeasured based upon recent performance and the future financial plans, the key assumptions in calculating the value in use are the revenue and margin growth rates along with the cost percentages, discount rate and terminal growth rate. Impairment losses are recognised in the income statement. Brought forward impairments of £192.9m in relation to Goodwill and £192.9m in relation to subsidiary investments are recognised in the Group and Company balance sheets respectively. Refer to Note 8 for sensitivity analysis over Goodwill impairment.

**Provisions**

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that the Group will be required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material.

Dilapidation provisions are recorded where landlords' assets have been altered or damaged during a lease and a cost is anticipated to be incurred in restoring these assets.

Asset retirement provisions are recorded at the outset of a lease when Group assets are installed in a landlord's premises and a material cost is anticipated to remove them at the end of the lease term. Such provisions are calculated based on the anticipated cost of removal today, as adjusted for expected inflation over the lease term, with these cash flows being discounted to result in the provision. Changes in the estimate of the gross cost of removing assets are capitalised into fixed assets.

**3. Revenue by geographic location**

	30 Sep 2022	26 Sep 2021
	£'000	£'000
United Kingdom	156,049	230,661
Rest of Europe	21,134	52,720
Rest of World	75,366	76,957
	<u>252,549</u>	<u>360,338</u>

This analysis is based on the geographical location of customers. Rest of Europe represents sales to all countries within Europe.

**4. Expenses and auditor's remuneration**

During the year, the Mapil Topco group was acquired by SSU Group. As part of this transaction there were significant legal and professional fees, share based payment charges and staff costs incurred which relate directly to the acquisition, which have been disclosed below. There is no comparative data for these as the charges disclosed above all relate directly to the acquisition costs.

	30 Sep 2022	26 Sep 2021
	£'000	£'000
Included in the income statement for the period are the following items:		
<i>Within administrative expenses</i>		
Legal and professional fees	14,614	-
Acquisition staff costs	15,280	-
Share based payments	6,126	-
	<u>36,020</u>	<u>-</u>
	30 Sep 2022	26 Sep 2021
	£'000	£'000
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible assets	3,787	3,611
Amortisation of intangible assets	5,714	6,918
Impairment of intangible assets	4,763	-
Research and development expenditure	198	193
	<u>14,462</u>	<u>10,722</u>
Gain on disposal of tangible assets	(3)	(1,483)
	<u>14,459</u>	<u>9,239</u>

## Notes to the financial statements (continued)

**4. Expenses and auditor's remuneration (continued)**

	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Auditor's remuneration:</b>		
Audit services	1,116	1,138
Other services relating to taxation and advisory services	138	102
	<u>1,254</u>	<u>1,240</u>

**5. Employee numbers and costs**

	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
	<b>£'000</b>	<b>£'000</b>
Costs of Group employees (excluding directors) during the period amounted to:		
Wages and salaries	26,297	28,802
Share based payments	3,189	-
Social security costs	2,508	2,470
Other Pension Costs	1,077	1,087
Healthcare Costs	158	123
	<u>33,229</u>	<u>32,482</u>

Average number of employees employed by the Group, including directors employed by the Group, during the period analysed by category, was as follows:

	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
	<b>Number</b>	<b>Number</b>
Directors	2	2
Head office and administration	516	512
Warehouse	284	358
	<u>802</u>	<u>872</u>

**Directors' emoluments****Compensation of key management personnel**

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

	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
	<b>£'000</b>	<b>£'000</b>
Short-term employee benefits	7,563	591
Long-term employee benefits	70	-
Highest paid director	5,070	393

Some of the directors are not included as employees of the group. The services of the directors are incidental to their duties for other companies and consequently no emoluments have been accrued to them during the year.

Retirement benefits are accruing to zero (2021: zero) directors under a money purchase scheme.

At the period-end £195,068 (2021: £1,067,590) was owed to the directors in respect of short-term and long-term incentive plans.

**6. Finance income and finance cost**

	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Foreign currency loss / (gain)</b>		
Exchange loss / (gain) on bank debt and other foreign currency balances	14,618	(4,304)
<b>Interest payable and similar charges</b>		
<b>Other interest payable and similar charges</b>		
Bank interest and other similar charges	304	4,092
Interest on lease liability	1,000	1,052
Loan cost amortisation relating to bank loans	11	75
	<u>1,315</u>	<u>5,219</u>
<b>Interest payable to shareholders, investors and non consolidated Group companies</b>		
Payable to shareholders	9,835	38,714
Loan cost amortisation relating to shareholder and investor loans	64	36
Payable to non consolidated group companies	15,151	-
	<u>25,050</u>	<u>38,750</u>
<b>Total interest payable and similar charges</b>	<u>40,983</u>	<u>39,665</u>

## Notes to the financial statements (continued)

## 7. Taxation

	30 Sep 2022 £'000	26 Sep 2021 £'000
<b>Recognised in the income statement</b>		
<b>Current tax</b>		
Current tax on income for the period	-	(60)
Adjustments in respect of prior periods	1,137	101
<b>Total current tax</b>	<u>1,137</u>	<u>41</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	(360)
Adjustments in respect of prior periods	-	33
Recognition of previously unrecognised Capital Allowances	-	(9,832)
Recognition of previously unrecognised tax losses	-	(2,851)
Derecognition of Deferred Tax Asset	9,540	-
Remeasurement of Deferred Tax for changes in tax rate	3,470	-
<b>Total deferred tax</b>	<u>13,010</u>	<u>(13,010)</u>
<b>Tax charge / (credit) in the Income Statement</b>	<u>14,147</u>	<u>(12,969)</u>
<b>Reconciliation of effective income tax credit</b>	<b>30 Sep</b>	<b>26 Sep</b>
The charge for the period can be reconciled to the loss per the income statement as follows:	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Loss before tax	(97,041)	(14,555)
<b>Weighted average tax rate</b>	19.00%	19.00%
At the weighted average income tax rate	(18,438)	(2,766)
Income not taxable for tax purposes	(24)	-
Expenses not deductible for tax purposes	12,664	7,356
Fixed asset differences	(755)	-
Research and development credit	(41)	60
Remeasurement of deferred tax for changes in tax rates	3,470	-
Derecognition of previously recognised Capital Allowances	-	(11,610)
Other movement in deferred tax	-	(495)
Tax relieved due to utilisation of losses	-	(2,797)
Derecognition of previously recognised tax losses	-	(2,851)
Movement in deferred tax not recognised	16,134	-
Adjustments in respect of prior periods	1,137	134
	<u>14,147</u>	<u>(12,969)</u>

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset and liability at 30 September 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2021: 19%).

Management have made an assessment of the recognition of deferred tax assets in respect of tax losses carried forward and accelerated capital allowances as at 30 September 2022 and considered the treatment by SSU Group regarding recognition of Deferred Tax Assets.

Given the previous history of tax losses in the Group, and the current year losses in the entity, the Deferred Tax Assets which were recognised in the prior year Financial Statements have been reconsidered. On this basis, the deferred tax asset has only been recognised to the net against the Deferred Tax Liability. The nature of the deferred tax assets and liabilities are detailed below. Tax losses do not expire under current legislation.

	<b>Assets</b>		<b>(Liability)</b>	
	Losses	Accelerated	Intangibles	
	carried	capital	arising on	
	forward	allowances	acquisition	Total
	£'000	£'000	£'000	£'000
<b>Deferred tax</b>				
Asset / (Liability) at 26 September 2021	2,851	11,610	(1,451)	13,010
Movement in the period	(1,706)	(11,610)	306	(13,010)
Asset / (Liability) at 30 September 2022	<u>1,145</u>	<u>-</u>	<u>(1,145)</u>	<u>-</u>

## Notes to the financial statements (continued)

## 8. Intangible assets

<b>The Group</b>	CIP	Goodwill	Intellectual property	Software and licenses	Total
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 26 September 2021	8,745	179,505	16,963	68,598	273,811
Additions	13,585	-	48	837	14,470
Transfer on completion	(192)	-	-	192	-
Reclassification	-	-	-	13	13
Disposals	(7,176)	(100)	(17)	(615)	(7,908)
At 30 September 2022	<u>14,962</u>	<u>179,405</u>	<u>16,994</u>	<u>69,025</u>	<u>280,386</u>
<b>Accumulated amortisation</b>					
At 26 September 2021	2,450	108,372	9,781	54,437	175,040
Amortisation and impairment	4,763	-	1,553	4,161	10,477
Disposals	(7,213)	(100)	(16)	(513)	(7,842)
At 30 September 2022	<u>-</u>	<u>108,272</u>	<u>11,318</u>	<u>58,085</u>	<u>177,675</u>
<b>Net book value</b>					
At 30 September 2022	<u>14,962</u>	<u>71,133</u>	<u>5,676</u>	<u>10,940</u>	<u>102,711</u>
At 26 September 2021	<u>6,295</u>	<u>71,133</u>	<u>7,182</u>	<u>14,161</u>	<u>98,771</u>

Borrowing costs amounting to £1,330,000 (2021: £1,330,000) have been capitalised in software and licenses at interest rates ranging from 4.45% to 7.12%. Accumulated amortisation on these balances amounts to £704,700 (2021: £572,400).

Intellectual property includes brands, trademarks and customer databases.

Construction in progress represents capital improvement projects which are part of an IT transformation programme, to replace or upgrade a significant number of systems which are used across the business. This will also improve the data and reporting functionality across the group.

Management assess all assets for impairment on an annual basis. In reviewing the costs incurred on major IT projects which are being undertaken during the year, it was identified that some of the costs incurred related to work which no longer held value. This resulted in an impairment charge against the costs which were previously held in construction in progress relating to this specific work. The total impairment charge in the year relating to capitalised costs which were no longer assessed to be suitable to recognised as assets is £4,763,000. The remaining £14,962,000 held in CIP has been assessed to hold future economic benefits for the Group.

Included within the above table are internally generated assets. These are split across the asset categories as follows:

<b>The Group</b>	CIP	Intellectual property	Software and licenses	Total
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 26 September 2021	1,160	15	15,487	273,811
Additions	3,105	48	40	3,193
Transfer on completion	(42)	-	42	-
Disposals	-	-	(20)	(20)
At 30 September 2022	<u>4,223</u>	<u>63</u>	<u>15,549</u>	<u>276,984</u>
<b>Accumulated amortisation</b>				
At 26 September 2021	-	12	12,670	175,040
Amortisation	-	7	1,196	1,203
Disposals	-	-	(11)	(11)
At 30 September 2022	<u>-</u>	<u>19</u>	<u>13,855</u>	<u>176,232</u>
<b>Net book value</b>				
At 30 September 2022	<u>4,223</u>	<u>44</u>	<u>1,694</u>	<u>5,961</u>
At 26 September 2021	<u>1,160</u>	<u>3</u>	<u>2,817</u>	<u>3,980</u>

**Notes to the financial statements (continued)****8. Intangible assets (continued)****Impairment testing for cash generating units containing goodwill**

For the purpose of impairment testing management consider the operations of Mapil Topco Limited and its subsidiaries to constitute one cash generating unit (the "WiggleCR CGU"). The entire carrying value of goodwill has been allocated to this CGU for the purposes of impairment testing.

The recoverable amount of the WiggleCR CGU is based on its value in use which has been determined by discounting the future cash flows to be generated from the continuing use of this CGU.

**Key assumptions used in calculating value in use**

The discounted cash flow calculation is based on management's 5 year plan, with the first year being the 2023 Forecast. A terminal value is applied to the last year.

The growth rates used to extrapolate cash flow projections beyond the period covered by the business plan are as follows:

	2022	2021
Terminal growth rate	1.0%	2.0%
Pre-tax discount rate	11.6%	15.9%

**Terminal growth rate**

A terminal growth of 1% is consistent with long term projections of the online retail sector.

**Discount rate**

The discount rate has been calculated by using the Capital Asset Pricing Model (CAPM), this is considered to be the most accurate measure of the risk associated with cash flow of the CGU.

Key assumptions in the 5 year plan include average annual revenue growth of 10.3% and a small average annual increase of 1.0% to gross margin.

**Sensitivity**

No reasonable possible change in key assumptions individually or in combination, together with consequential risk changes, will cause impairment.

**9. Tangible fixed assets**

	Right of use asset	CIP	Leasehold land and buildings	Equipment and fixtures	Motor vehicles	Total
<b>The Group</b>						
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 26 September 2021	21,993	-	11,508	10,783	216	44,500
Additions	50	141	183	719	28	1,121
Reclassification	-	-	3	(16)	-	(13)
Disposals	(80)	-	-	(135)	-	(215)
Remeasurement	100	-	-	-	-	100
At 30 September 2022	<u>22,063</u>	<u>141</u>	<u>11,694</u>	<u>11,351</u>	<u>244</u>	<u>45,493</u>
<b>Accumulated depreciation</b>						
At 26 September 2021	4,634	-	5,876	8,358	169	19,037
Depreciation	1,979	-	810	976	22	3,787
Disposals	(76)	-	-	(106)	-	(182)
At 30 September 2022	<u>6,537</u>	<u>-</u>	<u>6,686</u>	<u>9,228</u>	<u>191</u>	<u>22,642</u>
<b>Net book value</b>						
At 30 September 2022	<u>15,526</u>	<u>141</u>	<u>5,008</u>	<u>2,123</u>	<u>53</u>	<u>22,851</u>
At 26 September 2021	<u>17,359</u>	<u>-</u>	<u>5,632</u>	<u>2,425</u>	<u>47</u>	<u>25,463</u>

Cost includes direct costs incurred in bringing assets into their present condition, which includes certain incremental labour costs. Borrowing costs amounting to £618,000 (2021: £618,000) have been included in leasehold land and buildings. Accumulated depreciation amounts to £374,600 (2021: £319,300).

## Notes to the financial statements (continued)

## 10. Investments in subsidiaries

<u>The Company</u>	Capitalisation		
	Investment	of debt	Total
Cost	£'000	£'000	£'000
At 26 September 2021 and 30 September 2022	66,718	126,165	192,883
<b>Accumulated impairment</b>			
At 26 September 2021 and 30 September 2022	66,718	126,165	192,883
<b>Net book value</b>			
At 26 September 2021 and 30 September 2022	-	-	-

The Company owns 100% of the issued share capital of Mapil Midco 1 Limited. The following are wholly owned subsidiary companies of Mapil Topco Limited.

Name	Country of incorporation	Class of shares held	Holding	Principal activity
Mapil Midco 1 Limited 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN	United Kingdom	Ordinary	100% Direct	Holding company
Peloton Topco Limited 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN	United Kingdom	Ordinary	100% Indirect	Holding company
Peloton Midco 1 Limited 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN	United Kingdom	Ordinary	100% Indirect	Holding company
Mapil Midco 2 Limited 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN	United Kingdom	Ordinary	100% Indirect	Holding company
Mapil Bidco Limited 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN	United Kingdom	Ordinary	100% Indirect	Holding company
Chain Reaction Cycles Limited 5 Trench Road, Mallusk, Newtonabbey BT36 4TY, Northern Ireland	United Kingdom	Ordinary	100% Indirect	Management company
Chain Reaction Cycles Retail Limited 5 Trench Road, Mallusk, Newtonabbey BT36 4TY, Northern Ireland	United Kingdom	Ordinary	100% Indirect	Retail of cycle goods
Hotlines Europe Limited 5 Trench Road, Mallusk, Newtonabbey BT36 4TY, Northern Ireland	United Kingdom	Ordinary	100% Indirect	Retail of cycle goods
Taiwan Chain Reaction Co. Ltd 3F., No. 398, Juguang Rd, Yuantin Township Changhua County 51052, Taiwan	Taiwan	Ordinary	100% Indirect	Buying office

**Notes to the financial statements (continued)****10. Investments in subsidiaries (continued)**

Name	Country of incorporation	Class of shares held	Holding	Principal activity
Ensco 503 Limited 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN	United Kingdom	Ordinary A Ordinary 2009 Ordinary Super Ordinary 2010 Ordinary 2010 Super Ordinary A Preference B Preference	100% Indirect	Holding company
Wiggle Limited 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN	United Kingdom	Ordinary A Ordinary B Ordinary C Ordinary D Ordinary	100% Indirect	Retail of cycle and other sporting goods
Wiggle Australia (Pty) Limited Ground Floor, 112 Wellington Parade East Melbourne, Victoria, 3002	Australia	Ordinary	100% Indirect	Retail of cycle and other sporting goods
WiggleCRC US LLC 1209 Orange Street, Wilmington, County of Newcastle, Delaware 19801	United States of America	Ordinary	100% Indirect	Dormant

The subsidiary undertakings listed below are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act.

Company name:	Company number:
Mapil Midco 1 Limited	07816651
Peloton Topco Limited	10973118
Peloton Midco 1 Limited	10973172
Mapil Midco 2 Limited	07845727
Mapil Bidco Limited	07785663
Chain Reaction Cycles Limited	NI036744
Chain Reaction Cycles Retail Limited	NI605356
Hotlines Europe Limited	NI058521
Ensco 503 Limited	05772214
Wiggle Limited	02667809

**11. Inventories**

	30 Sep 2022	26 Sep 2021
	£'000	£'000
Finished goods and goods for resale	79,297	60,669

Inventories are carried at cost less a provision to take account of slow moving and obsolete items.

The cost of inventories recognised as an expense in continuing operations during the year was £167,016,000 (2021: £225,025,000).

The carrying amount of any inventories that are carried fair value less cost to sell is £16,728,000 (2021: £9,749,000). The carrying value of inventories is presented net of a provision of £4,379,000 (2021: £2,782,000) in respect of write-downs to net realisable value.

**Notes to the financial statements (continued)****12. Trade and other receivables**

	30 Sep 2022 £'000	26 Sep 2021 £'000
<b><u>The Group</u></b>		
Trade receivables	498	533
Prepayments and accrued income	7,793	8,409
Corporation tax	365	358
Other receivables	1,294	537
Amounts due from non-consolidated affiliates	1,609	-
	<b>11,559</b>	<b>9,837</b>
	30 Sep 2022 £'000	26 Sep 2021 £'000
<b><u>The Company</u></b>		
<b><u>Amounts receivable in less than one year</u></b>		
Other receivables	731	-
Amounts due from group companies	136	-
	<b>867</b>	<b>-</b>
<b><u>Amounts receivable in greater than one year</u></b>		
Amounts due from group companies	33,967	122
	<b>33,967</b>	<b>122</b>

All consolidated and non-consolidated group receivables are repayable on demand and no interest is charged on these balances. Management have analysed forecast future cash flows for the Group in determining that group receivable balances are recoverable.

**13. Creditors: amounts falling due within one year**

	30 Sep 2022 £'000	26 Sep 2021 £'000
<b><u>The Group</u></b>		
Trade creditors	38,013	32,766
Amounts owed to non-consolidated group affiliates	6,073	-
Other taxes and social security	5,270	6,019
Lease liability	1,605	1,612
Accruals	10,477	14,456
Other creditors	7,129	8,515
Amounts owed to shareholders	-	5,990
	<b>68,567</b>	<b>69,358</b>

Amounts owed to non-consolidated group affiliates are non-interest bearing. Amounts owed to shareholders includes interest of £nil (2021: £3,898,000).

In the prior year, amounts owed to shareholders includes interest accrued on Shareholder Loan Notes which is payable within 12 months. At the point this interest is due, payment can be deferred or settled through the issue of a Payment in Kind note ("PIK Note") at the discretion of the Company, subject to shareholder consent. Until the interest is settled or deferred, it is classified as an amount due within one year due to the requirement to obtain shareholder consent to defer settlement. All amounts presented as short term that have fallen due were subsequently deferred or PIK'd during the course of 2021. All amounts were settled as part of the acquisition by SSU on 14th December 2021.

Trade creditors are non-interest bearing and are payable on average within 45 days at 30 September 2022 (2021: 38 days).

	30 Sep 2022 £'000	26 Sep 2021 £'000
<b><u>The Company</u></b>		
Amounts owed to group companies	36,281	3,716
Amounts owed to non-consolidated group affiliates	6,073	-
Amounts owed to shareholders	-	2,183
Other creditors & accruals	1,487	1,585
	<b>43,841</b>	<b>7,484</b>

Amounts owed to non-consolidated group affiliates are non-interest bearing. Amounts owed to group entities are non-interest bearing. In the prior year, interest was charged on amounts owed to shareholders at a rate of 4% (2021: 4%).



## Notes to the financial statements (continued)

## 14. Creditors: amounts falling due after more than one year

	30 Sep 2022	26 Sep 2021
<u>The Group</u>	<u>£'000</u>	<u>£'000</u>
Amounts owed to parent	34,956	-
Lease liability	18,203	19,678
Amounts owed to shareholders	-	240,773
Preference shares classified as liabilities	-	58,559
Dividends due on preference shares	-	23,758
Bank loans	-	66,110
	<u>53,159</u>	<u>408,878</u>

Amounts owed to non-consolidated group affiliates includes loans of £33,967,000 and capitalised interest of £989,000. Interest is charged on amounts owed to non consolidated Group companies at a rate of 5% which is consistent with SSU Group intercompany interest rates. Amounts owed to shareholders after amortisation includes loan and PIK notes totalling £nil (2021: £119,123,000) and accrued deferred interest of £nil (2021: £41,676,000). The full value of the preference shares and associated accrued dividends as at the acquisition date were paid to the shareholders in order to transfer ownership to SSU. All other balances owed to shareholders in the prior period were fully repaid as part of the acquisition by SSU on 14th December 2021.

	30 Sep 2022	26 Sep 2021
<u>The Company</u>	<u>£'000</u>	<u>£'000</u>
Amounts owed to parent	34,956	-
Preference shares classified as liabilities	-	58,559
Dividends due on preference shares	-	23,758
	<u>34,956</u>	<u>82,317</u>

The Creditors: amounts falling due after more than one year are repayable as follows:

<u>Group</u>	<u>Amounts owed to parent £'000</u>	<u>Preference shares and dividends £'000</u>	<u>Loan from shareholders £'000</u>	<u>Bank loans £'000</u>
<u>As at 30 September 2022</u>				
Between one and two years	-	-	-	-
Between two and five years	34,956	-	-	-
More than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>Preference shares and dividends £'000</u>	<u>Loan from shareholders £'000</u>	<u>Bank loans £'000</u>
<u>As at 26 September 2021</u>				
Between one and two years		-	240,773	66,110
Between two and five years		-	-	-
More than five years		82,317	-	-
		<u>82,317</u>	<u>-</u>	<u>-</u>

The loans from shareholders and bank loans were all repaid in full as part of the acquisition of the Mapil Topco Group by SSU. The maturity date of all non consolidated group loans notes is 30 September 2025.

**Preference shares**

On the date SSU successfully acquired the Mapil Topco Group, they also acquired the preference share liability totalling £58,559,000. The preference share capital and premium were converted into equity.

**Notes to the financial statements (continued)****14. Creditors: amounts falling due after more than one year (continued)**

This table provides information about the contractual terms of the Group's interest-bearing loans and borrowings, showing both the principal and carrying values. The principal value is measured at amortised cost. For more information about the Group's exposure to interest rate, liquidity, foreign currency and credit risks, see note 19.

	Interest rate (PIK)	Interest rate (cash paid)	Maturity	Nominal Value Facility Currency 000's	Carrying amount £000's
<b>As at 30 September 2022</b>					
Amounts owed to Parent (EUR)	5%	-	Sep 2025	39,808	34,956
<b>Total Loan Notes issued to shareholders and non consolidated group companies</b>					<b>34,956</b>

	Interest rate (PIK)	Interest rate (cash paid)	Maturity	Nominal Value Facility Currency 000's	Carrying amount £000's
<b>As at 26 September 2021</b>					
Revolving Facility (GBP)	-	4.5% + Libor	Dec 2022	10,700	10,700
Revolving Facility (EUR)	-	4.5% + Euribor	Dec 2022	15,251	13,303
Facility B (EUR)	-	5% + Euribor	Dec 2022	47,977	42,107
<b>Total Bank Loans</b>					<b>66,110</b>

	Interest rate (PIK)	Interest rate (cash paid)	Maturity	Nominal Value Facility Currency 000's	Carrying amount £000's
<b>As at 26 September 2021</b>					
Loan Notes issued to shareholders (GBP)	11%	-	Jun 2023	104,063	104,051
Loan Notes issued to shareholders (GBP)	20%	-	Jun 2023	136,737	136,722
<b>Total Loan Notes issued to shareholders</b>					<b>240,773</b>

**15. Provisions for liabilities and charges**

	30 Sep 2022 £'000	26 Sep 2021 £'000
<b>Dilapidations and asset retirement provision</b>		
Balance at beginning of the period	2,741	1,661
Increases to provisions in the period	-	575
Provisions utilised in the period	(240)	(22)
Remeasurement	(442)	527
	<b>2,059</b>	<b>2,741</b>

A dilapidations and asset retirement provision is made to cover the future cost of returning properties to the condition required by the lessor upon exit from the lease. It is based on management's assessment, which included obtaining a quote from a third party, of the current state of properties in the Group's portfolio and an assessment of inflation and discount rates. These provisions are expected to be used within the next 12 years.

**Notes to the financial statements (continued)****16. Share capital and reserves**

The movements in the called up share capital and share premium account are set out below:

<u>The Group and the Company</u>	<b>Share capital</b>	<b>Share Premium</b>	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Called up, allotted and fully paid</b>				
58,559,127 Preference shares of £.0001 each	6	58,553	58,559	58,559
1,600,000 A Ordinary shares of £.01 each	16	1,584	1,600	1,600
338,080 B Ordinary shares of £.01 each	4	336	340	340
339,384 C Ordinary shares of £.0125 each	4	-	4	4
124,789,389 D Ordinary shares of £.0001 each	12	124,777	124,789	124,789
2,931,957 E Ordinary shares of £.0001 each	-	-	-	-
60,000 E2 Ordinary Shares of £.15 each	9	-	9	9
77,111 F Ordinary shares of £.01 each	1	-	1	1
100 G Ordinary shares of £.00001 each	-	1,000	1,000	1,000
2,000,000 Preferred Ordinary shares of £.0001 each	-	-	-	-
Total share capital	52	186,250	186,302	186,302
Less: Preference shares classified as liabilities (see note 14)	-	-	-	(58,559)
Shares classified as equity at 30 September 2022	52	186,250	186,302	127,743

The A Ordinary Shares, B Ordinary Shares and C Ordinary shares, D Ordinary Shares, E Ordinary Shares, E2 Ordinary Shares, F Ordinary Shares, G Ordinary Shares, Preferred Ordinary Shares, Preference Shares and Tracker Ordinary shares shall rank pari passu among themselves, but they constitute separate classes of shares. All classes of shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

On the date SSU successfully acquired the Mapil Topco Group, they also acquired the preference shares with a value of £58,559,000. The preference share capital and premium were converted into equity.

**Share based payments reserve**

The share based payment reserve represents the fair value of existing share arrangements held by the Employee Benefit Trust, on behalf of Group management, relating to shares held in SSU group.

The fair value of the equity instruments was determined based on the group share price at the period end, see Note 17 for further detail.

**Capital contribution reserve**

The capital contribution reserve consists of shareholder debt that has been waived in exchange for capital contributions. SSU completed the takeover of Mapil Topco group on 14th December 2021 and repaid all the existing debt which was owing to the previous parents of the group, resulting in a debt being owed from Mapil Topco to SSU totalling €373,692,000. On 30th September 2022, an agreement was executed between SSU and Mapil Topco Limited in which the unpaid loan principle and accrued interest would be waived. No consideration was paid for this debt waiver and so it has been treated as a capital contribution.

**17. Share-based payment arrangements**

Mapil Topco Limited operated five incentive schemes in the group in the period to 30 September 2022, all of these schemes relate to shares held in the SSU Group.

The total charge relating to all the schemes through the income statement was £6,126,000, of which £421,000 related to the cash settled scheme, with the remaining £5,705,000 relating to the equity settled schemes. The charge relating to the EBT schemes detailed below was £1,152,000, of which £731,000 remains held in the Share Based Payment Reserve at the period end.

The EBT scheme, of which there are two components, is the only scheme for which a Reserve is held in the Mapil Topco Group as the remaining schemes are settled by SSU N.V. Mapil Topco hold an Intercompany Payable of £4,466,000 with SSU N.V. in relation to the IPO employee bonus, an exit bonus and a retention bonus. Of these schemes, only the exit bonus was exercised in the year.

**IPO Employee Bonus (equity settled)**

Following the acquisition of the Mapil Topco group and the successful listing of SIGNA Sports United N.V., a Group wide employee IPO bonus was provided to all staff members meeting length of service criteria at the point of the listing, which required them to be employed six months prior to the listing date. The share options granted were determined based on employee salary in the month preceding the listing. The options were granted on 11 May 2022, at which point they vested as there are no further service conditions, however they become payable on 15th December 2022. The scheme will be settled by SSU N.V. and therefore the liability is held with them. The total charge relating to this scheme was £1,292,000 based on a grant date value per share of \$10.00. The share price at 30 September 2022 was \$7.28.

**Retention Bonus (equity settled)**

The retention bonus scheme represents a bonus payable in shares, which is due to senior management should they remain employed by the SSU Group for a qualifying length of service, being each of the vesting dates. The grant date of the shares was June 2022, at a fixed value of £1,055,000. This is split between the two vesting periods, being £527,500 on 15th December 2022 and £527,500 on 15th June 2023. There is an option to convert to cash that becomes payable on 15th December 2024. The total charge relating to this scheme was £1,055,000, the value at the grant date was based on 100% of salary of the participants. The liability is held with SSU N.V.. The share price at 30 September 2022 was \$7.28.

**Exit Bonus (equity settled)**

The exit bonus was granted on 15th December 2021 with an original vesting date in May 2022. During the year an amendment was made to the scheme to allow participants to either vest the shares or convert some of the options to cash and extend the vesting date on the remaining options to May 2023. Some participants allowed the shares to vest equating to £325,000. The remaining participants converted some shares to cash and received payments totalling £501,000 in June and September 2022. The remaining liability of £2,126,000 is held with SSU N.V.. The total charge relating to the scheme was £2,627,000.

**Notes to the financial statements (continued)****17. Share-based payment arrangements (continued)****Employee Benefit Trust (EBT) programmes**

The Employee Benefit Trust (EBT) previously held shares in Mapil Topco on behalf of management personnel. On 15 December 2021, when SSU acquired the group and purchased 100% of the share capital, this also included the shares held by the EBT. The consideration for the EBT shares was a combination of cash and SSU NV shares, which were locked until June 2022. The cash element was settled in the financial year. Details of the components of the EBT and the other schemes are explained below.

Management have assessed the size and risk of the schemes below relative to materiality and an assessment of the volatility of the scheme, using a method such as the Black Scholes model, has not been performed at the period end. Therefore no valuation inputs have been disclosed below.

**EBT scheme (cash settled)**

Part of the EBT scheme, which was settled in July 2022, was based on a set cash value being settled with management personnel. The cash was paid by Signa Group to acquire the shares held in the EBT at the point acquisition and the cash was subsequently paid out to management personnel for a total value of £421,000. Therefore, this part of the EBT was a cash settled scheme. The total charge relating to the scheme was £421,000.

**EBT scheme (equity settled)**

For the equity settled part of the EBT scheme, the shares came out of lock up in June 2022 but are not yet sold and therefore are currently held within the EBT and are currently open for sale. The EBT has an obligation to management personnel to transfer the proceeds of sale when the shares are sold. The shares have all currently vested. The shares will be sold by the EBT and the proceeds paid to management. WigglesCRC doesn't have an obligation to settle the transaction with its employees. The total charge relating to the scheme was £731,000. The awards will be settled at the value realised on the sale of equity, therefore the transaction is accounted for as equity settled.

**Reconciliation of outstanding share options**

The number and weighted-average exercise prices of share options under the EBT programme were as follows.

*in thousands of options*

	<b>Number of shares</b>	<b>Weighted-average exercise price</b>
<b>Outstanding at 27 September 2021</b>	-	N/a
Granted in the year	137.83	\$7.56
Revaluation of grants	137.83	(\$1.82)
<b>Outstanding and exercisable at 30 September 2022</b>	137.83	\$5.74

**18. Commitments, contingencies and leases****Cross Company Guarantees**

There are cross company guarantees for Mapil Topco Group in relation to a SSU Group revolving facility agreement. The Group RCF amounts to €100,000,000 and is held with Landesbank Baden-Württemberg as lead arranger and bookrunner. No claims are expected in respect of these guarantees.

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

**Right-of-use assets**

	<b>Land and building £'000</b>	<b>Equipment and fixtures £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
Balance at 26 September 2021	16,335	1,001	23	17,359
Additions	-	-	50	50
Disposals	-	(80)	-	(80)
Remeasurement	-	100	-	100
Depreciation	(1,665)	(297)	(17)	(1,979)
Depreciation on disposals	-	76	-	76
<b>Balance at 30 September 2022</b>	<b>14,670</b>	<b>800</b>	<b>56</b>	<b>15,526</b>

**Lease liabilities****Maturity analysis - contractual undiscounted cash flows**

	<b>30 Sep 2022 £'000</b>	<b>26 Sep 2021 £'000</b>
Less than one year	2,515	2,558
One to five years	9,867	9,932
More than five years	12,908	15,033
<b>Total undiscounted lease liabilities</b>	<b>25,290</b>	<b>27,523</b>

**Lease liabilities included in the statement of financial position**

	<b>30 Sep 2022 £'000</b>	<b>26 Sep 2021 £'000</b>
Current	1,605	1,612
Non-current	18,203	19,678
	<b>19,808</b>	<b>21,290</b>

**Notes to the financial statements (continued)****18. Commitments, contingencies and leases (continued)**

<b>Right-of-use assets (continued)</b>	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
<b>Amounts recognised in profit and loss</b>	<b>£'000</b>	<b>£'000</b>
Depreciation	1,979	2,135
Interest on lease liabilities	1,000	1,052
	<u>2,979</u>	<u>3,187</u>
	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
<b>Amounts recognised in the statement of cashflow</b>	<b>£'000</b>	<b>£'000</b>
Total cash outflow for leases	<u>2,623</u>	<u>3,123</u>

**19. Related party disclosures****Identity of related parties**

Mapil Topco Limited and all its subsidiaries form the Topco Group of Companies ("the Group"). The Group's controlling shareholder is SIGNA Sports United GmbH (SSU) following the successful acquisition of the Mapil Topco Group on 14th December 2021. The registered office of SSU is Kanstrasse 164, Upper West, D-10623 Berlin.

Mapil Topco Limited's previous majority shareholder was Bridgepoint Europe IV (Nominees) Limited. The registered office of Bridgepoint Europe IV (Nominees) Limited is 95 Wigmore Street, London, W1U 1FB. Bridgepoint Europe IV (Nominees) Limited holds the shares as nominee for the partnerships which make up the Bridgepoint Europe IV Fund, which is managed by Bridgepoint Advisers Holdings a company regulated by the Financial Conduct Authority and incorporated in England and Wales. The registered office of Bridgepoint Advisers Holdings is 95 Wigmore Street, London, W1U 1FB.

In the below disclosure and throughout the financial statements, non-consolidated group affiliates refers to other entities with the SSU group, but that are not in the Mapil Topco group, and so do not form part of the Mapil Topco consolidation.

<b><u>The Group</u></b>	<b>30 Sep 2022</b>	<b>26 Sep 2021</b>
<b>Revenue</b>	<b>£'000</b>	<b>£'000</b>
Sales made to non-consolidated group affiliates	1,296	-
	<u>1,609</u>	<u>-</u>
	<b>Trade and other receivables</b>	
Receivables due from non-consolidated group affiliates	1,609	-
	<u>(6,073)</u>	<u>-</u>
	<b>Creditors: amounts falling due within one year</b>	
Payables due from non-consolidated group affiliates	(6,073)	-
	<u>(34,956)</u>	<u>-</u>
	<b>Creditors: amounts falling due after more than one year</b>	
Loans held with parent	(34,956)	-
Shareholder loans and PIK notes	-	(240,773)
Preference shares classified as liabilities	-	(82,317)
	<u>(34,956)</u>	<u>(323,090)</u>

**Notes to the financial statements (continued)****19. Related party disclosures (continued)****Identity of related parties (continued)**

	30 Sep 2022	26 Sep 2021
<u>The Company</u>	<u>£'000</u>	<u>£'000</u>
<b>Creditors: amounts falling due within one year</b>		
Payables due from non-consolidated group affiliates	(6,073)	
<b>Creditors: amounts falling due after more than one year</b>		
Loans held with parent	(34,956)	-
Shareholder loans	-	(2,183)
Preference shares classified as liabilities	-	(82,317)
	<u>(34,956)</u>	<u>(84,500)</u>

Interest due on the loans from non consolidated Group companies is capitalised quarterly at a rate of 5%. Interest is then due on the capitalised interest as well as the initial loan balance. In the prior year, loans to shareholders were paid by the issue of deferred interest at rates of 11% to 20% per annum. Interest was then also payable on the accrued deferred interest at rates of 11% to 20% per annum by the issue of further deferred interest. The shareholder loans and all associated interest was repaid in full by SSU on acquisition of the Mapil Topco Group. On the date SSU successfully acquired the Mapil Topco Group, they also acquired the preference shares with a value of £58,559,000. The full value of the preference shares and associated accrued dividends as at the acquisition date was paid to the shareholders in order to transfer ownership to SSU, subsequently the preference share capital and premium were converted into equity.

In the prior period, the following Unsecured Subordinated Redeemable Loan Notes included in shareholder loans were listed on The International Stock Exchange: £87,423,021 included in Mapil Midco 1 Limited and £111,700,446 included in Mapil Midco 2 Limited. These were fully settled as part of the SSU acquisition on 14th December 2021.

**Other transactions with controlling parties**

At the period end, there was £1,452,623 (2021: £nil) and £4,620,556 (2021: £nil) outstanding in relation to management fees due to SSU GmbH and management fees and outstanding share-based payments due to SSU NV respectively. At the period end there was £nil (2021: £900,000) outstanding in relation to management fees invoiced, and a further £nil (2021: £1,087,500) in relation to accrued management fees, payable to Bridgepoint, the previous shareholder of Mapil Topco. These were repaid in full as part of the acquisition by SSU.

**Key management personnel**

Key management includes the directors as identified in the Directors' report. The compensation paid or payable to key management for employee services is set out in note 5. In the prior period, included within shareholder loans and PIK notes was £7,648,646 owed to one of the directors, this was repaid in full as part of the acquisition by SSU. The full value of the preference shares and associated accrued dividends as at the acquisition date was paid to the shareholders in order to transfer ownership to SSU, this included payments totalling £6,006,569 to key management personnel.

**20. Financial instruments**

	30 Sep 2022	26 Sep 2021
<u>The Group</u>	<u>£'000</u>	<u>£'000</u>
<b>Financial assets</b>		
Cash and bank balances	3,219	46,864
Loans and receivables at amortised cost	3,766	3,166
	<u>6,985</u>	<u>50,030</u>
	30 Sep 2022	26 Sep 2021
<u>The Group</u>	<u>£'000</u>	<u>£'000</u>
<b>Financial liabilities</b>		
Held at amortised cost		
Trade and other payables	66,962	61,755
Loans held with non-consolidated group affiliates	34,956	-
Lease liability	19,808	21,290
Bank loans	-	66,110
Shareholder loans	-	246,764
Preference shares classified as amortising financial liability	-	82,317
	<u>121,726</u>	<u>478,236</u>

Loans and receivables at amortised cost excludes prepayments amounting to £7,793,000 (2021: £6,671,000). The loans held with non-consolidated group affiliates have a rate of 5% and therefore the carrying value is considered to be agreed to the fair value of these loans. The shareholder loans were repaid in full as part of the SSU acquisition of the Mapil Topco Group.

**Notes to the financial statements (continued)****20. Financial instruments (continued)****20.1 Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the year.

The funding requirements of the Group are met by the utilisation of external borrowings together with available cash, as detailed in note 14.

**20.2 Financial risk management objectives**

The Group's Treasury and Finance function monitors and manages the financial risks relating to the operations of the Group through internal management risk reports which evaluate financial risk exposures. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group manages the exposure to these risks as part of its day to day management of trading margins and profitability.

**20.3 Market risk**

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group's exposure to market risk is high due to the international sales mix, relatively low margins and high price elasticity. The directors are aware of this risk and are actively mitigating this by increasing margins and naturally hedging with purchasing currency.

**20.4 Foreign currency risk management**

The Group has a large overseas customer base. In certain key countries, customers can pay for products using their home currency. The Group manages the risk of foreign exchange fluctuations through natural hedging. The Group manages this exposure as part of its day to day management of trading margins and profitability; where possible measures are adopted to minimise this risk including matching payments to suppliers with monies received from revenue in the same currency.

**Foreign currency sensitivity analysis**

In managing currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. The following analysis shows the Group's sensitivity to a 10% increase in GBP against the relevant foreign currencies. 10% is the sensitivity rate generally used when evaluating risk exposures internally and represents management's assessment of a reasonably possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or borrower. For a 10% weakening of GBP against the relevant currency, there would be a comparable impact on profit or equity and the balances below would be negative.

If GBP had been 10% stronger/weaker against EUR and all other variables were held constant, the Group's profit before tax would have increased/decreased by £3,005,765 (2021: £4,773,405) and this is due mainly to exposure on the loans and borrowings and trade creditor balances denominated in EUR, offset by cash balances held and trade prepayments denominated in EUR.

If GBP had been 10% stronger/weaker against JPY and all other variables were held constant, the Group's profit before tax would have decreased/increased by £93,799 (2021: £131,784) and this is due mainly to cash balances held in JPY offset by trade creditor balances denominated in JPY.

If GBP had been 10% stronger/weaker against AUD and all other variables were held constant, the Group's profit before tax would have decreased/increased by £160,785 (2021: £193,487) and this is due mainly to cash balances held in AUD offset by trade creditor balances denominated in AUD.

If GBP had been 10% stronger/weaker against USD and all other variables were held constant, the Group's profit before tax would have decreased/increased by £384,212 (2021: £546,588) and this is due mainly to cash balances held and trade prepayments denominated in USD offset by trade creditors balances denominated in USD.

**20.5 Interest rate risk management**

The Mapil Topco Group is exposed to interest rate risk because it borrows funds at SSU Group determined interest rates. The SSU Group manage the risks of interest rates by setting group borrowing rates in line with relevant external borrowing rates. The interest rate profile of loans and borrowings is described in note 14.

**Interest rate sensitivity analysis**

The sensitivity analysis below is determined based on the exposure to potential movement in Group borrowing rates for loans at the end of the reporting period. For Group borrowings, the analysis assumes the liability at the end of the year was outstanding for the whole year. A 1% increase or decrease is used as management consider this to be a reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit before tax for the period would have decrease/increased by £143,000 (2021: £406,000) and this is due mainly to exposure on floating rate borrowings.

**20.6 Credit risk management**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from a Group's receivables from customers and investment securities.

The Group's operations are principally retail and so exposure to credit risk is minimal. The Group periodically reviews its receivables and makes appropriate provisions where recovery is deemed to be doubtful.

**20.7 Liquidity risk management**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group is in a stable cash position and retains headroom in its available working capital. In addition to an overdraft facility, the Group has access to revolving credit, import loans, guarantees and documents in trust.

**Notes to the financial statements (continued)****20. Financial instruments (continued)****20.8 Fair value measurements**

*Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis*

Trade and other receivables

Trade and other receivables are carried at recoverable amount, less provisions for any amounts where recovery is doubtful. All trade and other receivables are expected to be short term and therefore no discounting of value is appropriate. The fair value of trade and other receivables approximate the carrying values.

Trade and other payables

Trade and other payables are carried at the face value payable. All trade and other payables are expected to be short term and therefore no discounting of future cash flows is appropriate.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated at its carrying amount.

The bank loans are valued at their carrying amount in foreign currency, revalued at the corporate period end exchange rates. Shareholder debt is valued at its carrying amount.

In estimating fair value for foreign exchange derivatives, the Group uses future exchange rates derived from published forward currency rates.

**21. Net debt**

<u>The Group</u>	Loans held with non-consolidated group affiliates	Cash and bank balances	Bank loans and other NCI	Leases	Preference shares and shareholder loan notes	Net debt
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 27 September 2020</b>	-	49,306	(73,710)	(22,643)	(275,872)	(322,919)
Cash flow	-	(2,792)	6,280	2,071	-	5,559
Effects of Foreign Exchange	-	350	3,955	-	-	4,305
Other movements	-	-	(2,635)	(718)	(47,219)	(50,572)
<b>Balance at 26 September 2021</b>	-	46,864	(66,110)	(21,290)	(323,091)	(363,627)
Cash flow	(32,517)	(42,315)	-	2,624	-	(72,208)
Capitalised interest on SSU loans	(947)	-	-	-	-	(947)
Repayment of previous shareholder debt and bank loans	-	-	66,110	-	323,091	389,201
Shareholder debt assumed on acquisition	(360,339)	-	-	-	-	(360,339)
Group debt waiver	373,626	-	-	-	-	373,626
Effects of Foreign Exchange	(14,779)	(1,330)	-	-	-	(16,109)
Other movements	-	-	-	(1,142)	-	(1,142)
<b>Balance at 30 September 2022</b>	(34,956)	3,219	-	(19,808)	-	(51,545)

Net debt is the total amount of cash and cash equivalents less interest-bearing loans and borrowings and finance lease liabilities. Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management and included as a component of cash and cash equivalents for the purposes of the statement of cash flows only.

**22. Post balance sheet events**

Since the year end, SSU have provided additional funding totalling €21,650,000. These are interest bearing loans with an interest rate of 5% and have a settlement date of 30 September 2025.

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