SportPursuit Limited

Annual Report and Financial Statements

Year Ended

30 November 2021

Company Number 07599287

SportPursuit Limited

Company Information

Directors	D R Jones A J Pikett V Walton L Pikett A Russinov A J M Dawson J Feinmesser
Registered number	07599287
Registered office	Unit 1.18 Canterbury Court Kennington Park 1-3 Brixton Road London SW9 6DE
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	HSBC UK Bank PLC 4th Floor, 133 Regent Street London W1B 4HX

SportPursuit Limited

Contents

SportPursuit Limited

Strategic Report
For the Year Ended 30 November 2021

Business review

Founded in 2011, SportPursuit is one of Europe's leading e-commerce players specialising in deals on premium sports and outdoor kit. SportPursuit is an independent, privately owned company based in London, UK and has over 8 million members worldwide.

SportPursuit remains committed to scouring the globe for the absolute best deals on sports and outdoor clothing and kit. SportPursuit works with thousands of brand partners to set up and run branded concession sales which typically last 7 days. SportPursuit concession sales are focused on inspiring sports and outdoor enthusiasts to treat themselves to great kit. The SportPursuit model acts as a complementary channel helping grow the overall market for the business' brand partners. SportPursuit does not cannibalise full price sales, by avoiding featuring products on Google shopping, Amazon or eBay, instead focusing on inspiring purchases from our own member base.

SportPursuit is free to join at www.sportpursuit.com.

Strategy

In 2021 SportPursuit experienced a tough trading environment which put pressure on growth. The tough trading environment was driven by 3 main factors:

1) reduced year on year demand in some key categories (e.g. cycling apparel) once lockdowns eased;
2) major supply chain disruptions resulting in shortages of clearance stock and delays from suppliers; and
3) Brexit causing significant additional cost and complexity around the SportPursuit supply chain.

Despite these headwinds, the business managed to maintain its profitability.

The strategy for 2022 is to re-focus on growth whilst maintaining strong operating profitability.

SportPursuit's growth in 2022 and beyond will continue to be driven by:

1) development of the brand base;
2) building its customer base of sports and outdoor enthusiasts, with a particular focus on UK and other European markets, through marketing investment; and
3) underlying macro shifts towards online health and wellbeing.

The business plans to continue to invest heavily in the technology and data platform creating a powerful future asset to drive long term business value. The technology and data development has a particular emphasis on driving automation, personalisation, scalability and data security.

Performance

The COVID-19 pandemic and the initial lockdowns resulted in significant social and macro-economic shifts which have been felt across society – these shifts include:
1) a rapid acceleration of online shopping; and
2) increased focus on health and wellbeing across the population as alternative pastimes were restricted.

As the impact of COVID-19 eased and lockdowns gave way to lighter restrictions, customer behaviours returned to more "normal" behaviour, with online shopping slowing and people spending their time and disposable income in more areas.

COVID-19 and the resulting lockdowns have also had a major impact on supply availability due to both cancelled orders from suppliers during the early period of COVID-19 and subsequent major supply chain disruptions resulting in suppliers struggling to get sufficient product in the right place at the right time. The resulting supply chain disruptions have had a significant impact on SportPursuit's access to high quality clearance inventory in a timely manner and have negatively impacted our ability to source amazing deals for our customers. In response to supply chain disruption, SportPursuit made a strategic decision to increase its stock holding to secure quality stock early and in larger volume – this resulted in a larger stock holding but reduced supply impact. We expect the impact of supply chains on SportPursuit to ease through 2022 before returning to "normal" in 2023.

Despite the market conditions in 2021, revenue was up 3.3% on November 2020 and 72.7% on pre-pandemic levels (November 2019) and operating profit was £3.9m (up £1.2m on November 2020 and £4.5m on November 2019). The SportPursuit customer base continues to generate significant long-term value, with operating EBITDA before growth marketing of £8.5m. The business continued to invest in growth marketing in 2021, increasing the size of the member base by 19.4%, and building this crucial long-term asset for the business.

Key performance indicators

We have made significant progress throughout the year in relation to key elements of our strategy. The Directors and Executive team closely monitor the progress of the Group by reference to the following KPIs:

	2021	**2020**
	£	**£**
Overall revenue growth[1]	**3.3%**	67.2%
Pre-pandemic growth (v 2019)	**72.7%**	67.2%
Gross profit %	**23.8%**	20.9%
Member base growth[2]	**19.4%**	22.8%
EBITDA before growth marketing[3]	**£8.5m**	£7.6m
Inventory[4]	**£17.2m**	£10.4m
Working capital[5]	**£8.6m**	£4.1m

1. Revenue change against the same comparative period in the prior year.

2. Growth in number of users signed up to SportPursuit during the year ended 30 November 2021.

3. 'EBITDA before growth marketing' is calculated as earnings before interest, tax, depreciation, amortisation, non-executive costs, one-off legal and professional fees, foreign exchange gains and losses, fair value movements on financial instruments and growth marketing costs. Growth marketing costs are the costs incurred in signing up new members to SportPursuit.

4. Inventory excluding right of return asset £0.8m (2020 - £0.8m).

5. Current assets less current liabilities.

Environmental, Social and Governance (ESG)

ESG is an increasingly important focus area for the team at SportPursuit. SportPursuit operates a number of internal forums made up of volunteers from our team who are passionate about specific topic areas, including one of the Founders in each forum. The key forums focus on:

1) Eco;
2) Diversity and inclusion in the workplace; and
3) Flexible work.

We have made significant progress in a number of these areas during 2021 and post year end including:

1) Eco:

- Planted over 275,000 trees since launching our partnership with Size of Wales in 2019 to reduce the carbon footprint of the business;
- Added additional prominence on the SportPursuit website for brands with strong sustainability credentials to help promote these to customers;
- Commenced measuring our scope 1,2 and some scope 3 emissions to understand our current impact;
- Joined the ORCC (Outdoor Retailer Climate Commitment) in March 2022 with the objective of reporting on and reducing our impact on climate change; and
- We are now working on a roadmap to help further reduce our environmental impact.

2) Diversity & inclusion in the workplace:

- Focus on removing unconscious bias particularly at the recruitment phase by reviewing advertising copy for gender biased wording, and formalising a standardised process for creating job advertisements;
- Measurement of the diversity of job applicants; and
- Measurement of staff perception of SportPursuit's diversity and inclusiveness.

3) Flexible Work:

- Reviewed pre and during pandemic working patterns, including running a number of staff surveys and meetings in order to shape a better way of working for the team;
- Delivered major changes for the team to improve the work life balance, including:
  - Flexible working model where staff are able to work remotely for the majority of the time should they wish to
  - Shift to "core hours" to give staff more flexibility on when they work
  - Increased holiday allowance and made holiday more flexible by allowing team members to use bank holiday days whenever they want
  - Added 30 day work from anywhere option each year for all staff
- Put in place a process to deliver "Care Packages" to staff working from home; and
- We are now working on reshaping our office set up to better configure this for our more flexible way of working.

Major Events During Year

In June 2021, bd-c Chase Bidco Limited acquired a 100% stake in SportPursuit. The transaction led to the exit of the Venture Capital investors who had supported SportPursuit through its early growth phases. We would like to thank Richard Marsh (Draper Esprit), Edward Barroll Brown (Grafton Capital) and Stuart Paterson and Martin Brennan (Scottish Equity Partners) for their support in helping us develop SportPursuit into the business it is today.

We are really excited to have the team at bd-capital joining us on the Board of SportPursuit for the next phase of our journey and we look forward to building an amazing business together for our customers, our team, our supply partners and our new investors.

Principal risks and uncertainties

COVID-19 Pandemic: The COVID-19 pandemic created a number of tailwinds in 2020. Many of these reversed in 2021, with retail re-opening and people focusing more on socialising than health and fitness, this was compounded by significant supply chain disruption.

During 2022, we expect the impacts of COVID-19 to ease:

1) supply chain predictability to return with brands getting their supply chains back on track in late 2022 or early 2023 across our major sports verticals; and
2) travel to return, this will have a significant impact for SportPursuit's snowsport customers. As a result, we expect Q4 2022 / Q1 2023 to be a strong period for ski and snowboarding demand with strong sales potential for SportPursuit subject to stock availability.

In combination, we expect 2022 to be a profitable year but with lingering issues related to COVID-19.

Should a new material variant emerge which results in further lockdowns or restrictions, then we would expect the impact on the business to be negative as supply chain disruption would be compounded.

Brexit: Since the start of 2021, our trading relationship with Europe changed entirely. Almost all goods sold by SportPursuit are manufactured by third party brands, typically in the Far East – as a result these goods fall outside the rules of origin for the duty free movement of goods between the UK and EU post Brexit and are therefore liable to bear "double duty". In order to mitigate this risk and to ensure we can continue to deliver the best value to our members, SportPursuit worked with a new third party warehouse in Schwarzach, Germany. Our new dual warehouse setup allows each of our brand partners to choose whether they would prefer to ship to the UK or Germany depending on their own set up, which in turn ensures we remain highly competitive from a sourcing perspective – both in terms of being low cost and low complexity to serve. Unfortunately, these changes have increased our own operational complexity as we are now running two warehouses with different stock held in each location as well as significantly more complex fulfillment, return, customs, compliance, etc. To help manage this we have invested in our technology and reconfigured our fulfillment partners to create the best possible set up to allow us to manage these changes in the most efficient manner possible without materially impacting our customers in terms of either service or importantly the cost they pay. Automating and optimising this complexity will remain an area of continued focus in 2022.

Ukraine crisis: The recent conflict in Ukraine and the humanitarian crisis that has resulted have created significant geo-political uncertainty. We have turned off all sales and stock purchases from Russia. Beyond this, the conflict has two impacts on SportPursuit:

a) service providers – SportPursuit works with a limited number of staff via a Canadian contracting partner, some of whom are based in Russia. There is significant uncertainty about what the conflict means for these individuals and their ability to work for our partner. At present our plan is to continue to support these individuals but we will continue to review this as the geo-political landscape evolves particularly around sanctions; and
b) inflation – the conflict is leading to material price inflation in certain commodities, see below.

Inflation: Inflation rates are rising at the highest rate in over 40 years due to supply chain disruption caused by COVID-19, the impact of Brexit and the Ukraine crisis. This is putting increased pressure on our suppliers to increase costs and also reducing the spending power of our customers. At present we are looking at ways to mitigate these costs through automation and increased scale to protect our customers from price increases whilst maintaining operating profitability to allow us to invest in growth. We will continue to monitor the impact of inflation throughout the coming period to determine the transitory nature and assess the measures we need to take. Overall, our view is that whilst inflation has a detrimental impact overall for the sector, our value driven model is well positioned by offering customers exceptional value on their purchases.

Principal risks and uncertainties (continued)

Foreign exchange: The business is increasingly international, resulting in potential currency risks particularly given the volatility of Sterling in recent years. However, the Group is able to gain some natural hedging from operating both international supply and customer orders. SportPursuit will continue to focus on mitigating this risk as the business develops and since 2020, the business has added some additional forex management with the purchase of foreign currency contracts. These hedged positions reduced risk on our US Dollar. In 2022, the Company will look at further hedging as the Board deems necessary.

Interest rates: Since 2018, SportPursuit has had a trade facility with HSBC. This facility has a maximum limit of £6m (2020 - £4m). The historic utilisation level of the facility and the current interest rate outlook mean the level of exposure is not expected to be material.

Liquidity: The SportPursuit Group had £8.4m (2020 - £10.1m) of cash and cash equivalents at year end which the Directors believe is sufficient liquidity to cover current liability (debt and trade) requirements and continued support of the business' growth aspirations. The fact the business generates positive operating EBITDA before growth marketing creates greater protection for the business with the Directors able to scale back investment in areas such as marketing if required to increase liquidity. The HSBC facility adds further protection.

Section 172 statement

During financial year ending 30 November 2021, SportPursuit Limited became a large company, as defined by the Companies Act 2006.

As a large company, section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision-making process. The Directors continue to have regard to the interests of the Group's employees and other stakeholders, the impact of its activities on the community, the environment and the Group's reputation for good business conduct when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Group for its members in the long term. We explain below how the Board engages with stakeholders.

- The Directors conduct Business Reviews or Board meetings every month between the Executive and Non-Executive Directors covering all major events and decisions related to the business.

- The Company has 5 Executive Directors (since June 2021) who have day to day engagement with and oversight of all major functions, ensuring a close connection between the day-to-day operations of the business and the Board of Directors. The Executive Directors encourage open communication and feedback from their teams through regular staff surveys (including bi-monthly "Pulse Checks" to keep up-to-date on everyone's wellbeing), one-to-ones, monthly full company meetings, peer-to-peer feedback and an open communication policy across the Company;

- Directors have encouraged the team members to develop internal groups to focus on key interest areas within the teams, these internal groups each have a Director representative involved to help raise opportunities and issues at Board level. At present the main groups operating in the Group are:

    - Eco
    - Diversity and inclusion
    - Social
    - Flexible work, focussed on working environment and flexibility

- The Group maintains a pro-active relationship with its 3rd Party Logistics Partner, with multiple points of contact liasing almost daily;

Section 172 statement (continued)

- The Group ensures close interactions with suppliers, through very frequent dialogue led by the Category Managers, email updates shared with suppliers on Group initiatives and engagement at Director level on key issues such as Brexit which have a material impact on the Group's relationship with its suppliers;

- The Group is also closely involved in a number of industry bodies, including:
    - Board member of the Outdoor Industry Association
    - Member of Running Industry Alliance

- Alongside its internal work, the Group and the team are closely involved in a number of initiatives to help minimise the environmental impact of the Group. These indicatives include:
    - Tree planting programme in conjunction with Size of Wales which has now planted over 275,000 trees
    - Member of the Outdoor Retailers Climate Commitment alongside other leading outdoor retailers in Europe

The key Board decisions made in the year are set out below:

Significant events/decisions	Key s172 matter(s) affected	Actions and impact
Flexible working	Shareholders, employees	• During COVID-19 head office staff worked effectively from home. • Staff were consulted on preferred ways of working and trials conducted since September 2021 on a hybrid solution. To date, the trials have delivered positive results and positive feedback from the team. • Based on feedback from the team additional flexibility is being trialled including core hours (10-4), flexible bank holidays (which can be used as holiday whenever the team like) and a work from anywhere policy. • In 2022 the Group will move to a new smaller office in the same complex to reduce office costs and free up more cash to invest in staff engagement and collaboration.
Acquisition by bd-capital	Shareholders, staff	• In June 2021 the Group was acquired by bd-capital, buying out the existing venture capital investors. • Major shareholders were involved throughout the sale process. • These changes had no major impact on any individual member of the team or on the day-to-day operation of the Group. • As part of the sale process management and bd-capital agreed on an improved package for all staff, adding 2 days holiday per annum.
Working with second third party warehouse in Germany to manage significantly increased complexity and cost caused by Brexit	Shareholders, suppliers, customers, third party warehouse provider	• Shareholders informed about significant increases in complexity and cost. • Shareholders consulted on potential solutions. • Supplier engagement to understand their Brexit plans and how the Group could help reduce the impact on Suppliers and Customers. • Collaborative work with third party warehouse provider to open a second warehouse in Germany to support the Group and minimise disruption for Customers.

This report was approved by the board and signed on its behalf.

....

A J Pikett
Director

Date: 31 May 2022

SportPursuit Limited

Directors' Report
For the Year Ended 30 November 2021

The Directors present their report and the financial statements for the year ended 30 November 2021.

Principal activity

The principal activity of the Company continues to be that of a sporting and outdoor goods retailer trading primarily online.

Business review

On 14 June 2021, bd-c Chase Bidco acquired 100% of the issued share capital of the Company.

Results and dividends

The profit for the year, after taxation, amounted to £2,436,386 (2020 - £3,061,369).

The Directors do not recommend the payment of a dividend (2020 - £Nil).

Directors

The Directors who served during the year were:

D R Jones
A J Pikett
V Walton
J R Marsh (resigned on 14 June 2021)
J L Falkenburg (resigned on 14 June 2021)
M F Brennan (resigned on 14 June 2021)
E Barroll Brown (resigned on 14 June 2021)
L Pikett (appointed on 14 June 2021)
A Russinov (appointed on 14 June 2021)
A J M Dawson (appointed on 14 June 2021)
J Feinmesser (appointed on 27 July 2021)

Going concern

See note 2.4 for information on going concern.

Matters covered by the Strategic report

As permitted certain matters which are required to be disclosed in the Directors report have been omitted as they are included within the Strategic report. These matters relate to financial risk management and future developments.

Streamlined energy and carbon reporting

The business is a low energy user in that for the year it has consumed lower than 40,000 kWh and as such has not provided full SECR disclosures applicable for businesses that have consumed in excess of this.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Accounting Standards in confirmity with the requirements of the Companies Act 2006 and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether applicable International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf:

....
A J Pikett
Director

Date: 31 May 2022

Independent Auditor's Report to the Members of SportPursuit Limited

Opinion on the financial statements

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 November 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SportPursuit Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 November 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of Group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of Parent Company is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' report.

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

- adequate accounting records have not been kept 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- based on our understanding and accumulated knowledge of the legal and regulatory framework applicable to the Company and the industry in which it operates, we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, employment law, tax legislation, UK adopted International Accounting Standards (Group financial statements) and FRS101 (Parent Company Financial statements);
- the results of our enquiries of management about their own identification of the risk of irregularities;
- any matters we identified through the review of the Group and Company's policies, procedures and internal controls; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Our procedures included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- identifying and testing journal entries considered to be non-routine or unusual;
- testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- challenging assumptions and judgements made by management, in particular in relation to inventory provisions and capitalisation of intangible assets;
- testing a sample of inventories and ensuring that they are carried at lower of cost or net realisable value at the reporting date;
- testing a sample of costs capitalised as intangibles to ensure that they meet the recognition criteria as defined under the relevant accounting standards;
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- review of minutes of Board meetings throughout the period.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Group and the Parent 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 Group and Parent 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 Group and the Parent Company and the Group and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Jessica Darke
69A001D72C9340B...

Jessica Darke (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 31 May 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SportPursuit Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 30 November 2021

	Note	2021 £	2020 £
Revenue	4	**55,060,781**	53,320,325
Cost of sales		**(41,942,265)**	(42,190,545)
Gross profit		**13,118,516**	11,129,780
Administrative expenses		**(8,139,029)**	(8,354,631)
Exceptional items	12	**(1,044,600)**	-
Operating profit	5	**3,934,887**	2,775,149
Interest payable and similar expenses	9	**(697,224)**	(286,466)
Fair value movements		**(454,772)**	(776,372)
Profit before taxation		**2,782,891**	1,712,311
Taxation (charge)/credit	11	**(346,505)**	1,349,058
Profit for the financial year		**2,436,386**	3,061,369
Currency translation differences		**42**	(246)
Other comprehensive income/(loss) for the year		**42**	(246)
Total comprehensive income for the year		**2,436,428**	3,061,123

Exceptional items relate to costs incurred as a result of bd-c Chase Bidco Ltd's acquisition of the Company.

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income. All amounts relate to continuing activities.

The notes on pages 24 to 61 form part of these financial statements.

SportPursuit Limited
Registered number:07599287

Consolidated Statement of Financial Position
as at 30 November 2021

	Note	2021 £	As restated (note 33) 2020 £
Non-current assets			
Intangible assets	13	**734,151**	76,124
Property, plant and equipment	14	**200,512**	183,898
Deferred tax asset	25	**1,093,682**	1,449,718
		2,028,345	1,709,740
Current assets			
Inventories*	16	**18,036,746**	11,186,128
Trade and other receivables	17	**2,884,901**	2,319,540
Cash and cash equivalents	18	**8,413,314**	10,111,547
Total current assets		**29,334,961**	23,617,215
Total assets		**31,363,306**	25,326,955

SportPursuit Limited
Registered number:07599287

Consolidated Statement of Financial Position (continued)
as at 30 November 2021

	Note	2021 £	As restated (note 33) 2020 £
Equity and liabilities			
Share capital	26	**326**	277
Share premium	29	**12,438,552**	12,434,387
Accumulated losses	29	**(5,869,147)**	(8,305,575)
Total equity		**6,569,731**	4,129,089
Liabilities			
Non-current liabilities			
Borrowings	21	**4,081,198**	870,968
Warrant provisions	22	**-**	776,372
Total non-current liabilities		**4,081,198**	1,647,340
Current liabilities			
Trade and other payables	19	**20,617,751**	18,350,486
Lease liabilities	20	**94,626**	38,750
Borrowings	21	**-**	1,161,290
Total current liabilities		**20,712,377**	19,550,526
Total liabilities		**24,793,575**	21,197,866
Total equity and liabilities		**31,363,306**	25,326,955

*Inclusive of right of return asset, see note 16.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A. J. Pikett

....

A J Pikett
Director

Date: 31 May 2022

The notes on pages 24 to 61 form part of these financial statements.

SportPursuit Limited
Registered number:07599287

Company Statement of Financial Position
as at 30 November 2021

	Note	2021 £	As restated (note 33) 2020 £
Non-current assets			
Intangible assets	13	**698,436**	23,164
Property, plant and equipment	14	**200,512**	183,898
Investments	15	**2,387**	2,364
Deferred tax asset	25	**1,093,682**	1,449,718
		1,995,017	1,659,144
Current assets			
Inventories*	16	**18,024,235**	11,183,387
Trade and other receivables	17	**2,888,897**	2,324,786
Cash and cash equivalents	18	**8,396,445**	10,104,192
Total current assets		**29,309,577**	23,612,365
Total assets		**31,304,594**	25,271,509

SportPursuit Limited
Registered number:07599287

Company Statement of Financial Position (continued)
as at 30 November 2021

	Note	2021 £	As restated (note 33) 2020 £
Equity and liabilities			
Share capital	26	**326**	277
Share premium	29	**12,438,552**	12,434,387
Accumulated losses	29	**(6,285,614)**	(8,338,908)
Total equity		**6,153,264**	4,095,756
Liabilities			
Non-current liabilities			
Borrowings	21	**4,081,198**	870,968
Warrant provisions	22	**-**	776,372
Total non-current liabilities		**4,081,198**	1,647,340
Current liabilities			
Trade and other payables	19	**20,975,507**	18,328,373
Lease liabilities	20	**94,626**	38,750
Borrowings	21	**-**	1,161,290
Total current liabilities		**21,070,133**	19,528,413
Total liabilities		**25,151,331**	21,175,753
Total equity and liabilities		**31,304,595**	25,271,509

*Inclusive of right of return asset, see note 16.

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the Parent Company for the year was £2,053,294 (2020 - £3,015,816).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A. J. Pikett
....
A J Pikett
Director

Date: 31 May 2022

The notes on pages 24 to 61 form part of these financial statements.

SportPursuit Limited

Consolidated Statement of Changes in Equity
For the Year Ended 30 November 2021

	Share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 December 2020	277	12,434,387	(8,305,575)	4,129,089
Comprehensive income for the year				
Profit for the year	-	-	2,436,386	2,436,386
Currency translation differences	-	-	42	42
Total comprehensive income for the year	-	-	2,436,428	2,436,428
Transactions with owners				
Shares issued during the year	49	4,165	-	4,214
Total transactions with owners	49	4,165	-	4,214
At 30 November 2021	326	12,438,552	(5,869,147)	6,569,731

Consolidated Statement of Changes in Equity
For the Year Ended 30 November 2020

	Share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 December 2019	277	12,434,387	(11,366,698)	1,067,966
Comprehensive income for the year				
Profit for the year	-	-	3,061,369	3,061,369
Currency translation differences	-	-	(246)	(246)
Total comprehensive income for the year	-	-	3,061,123	3,061,123
At 30 November 2020	277	12,434,387	(8,305,575)	4,129,089

The notes on pages 24 to 61 form part of these financial statements.

SportPursuit Limited

Company Statement of Changes in Equity
For the Year Ended 30 November 2021

	Share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 December 2020	277	12,434,387	(8,338,908)	4,095,756
Comprehensive income for the year				
Profit for the year	-	-	2,053,294	2,053,294
Total comprehensive income for the year	-	-	2,053,294	2,053,294
Transactions with owners				
Shares issued during the year	49	4,165	-	4,214
Total transactions with owners	49	4,165	-	4,214
At 30 November 2021	326	12,438,552	(6,285,614)	6,153,264

Company Statement of Changes in Equity
For the Year Ended 30 November 2020

	Share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 December 2019	277	12,434,387	(11,354,724)	1,079,940
Comprehensive income for the year				
Profit for the year	-	-	3,015,816	3,015,816
Total comprehensive income for the year	-	-	3,015,816	3,015,816
At 30 November 2020	277	12,434,387	(8,338,908)	4,095,756

The notes on pages 24 to 61 form part of these financial statements.

SportPursuit Limited

Consolidated Statement of Cash Flows
For the Year Ended 30 November 2021

	2021	As restated (note 33) 2020
	£	£
Cash flows from operating activities		
Profit for the financial year	**2,436,386**	3,061,369
Adjustments for:		
Amortisation of intangible assets	**165,216**	50,043
Depreciation of property, plant and equipment	**159,802**	254,611
Interest payable	**697,224**	286,466
Taxation charge/(credit)	**346,505**	(1,349,058)
Increase in inventories	**(6,850,618)**	(4,103,245)
Increase in trade and other receivables	**(722,937)**	(654,219)
Increase in trade and other payables	**354,951**	5,519,959
Fair value movement	**454,772**	776,372
Corporation tax paid	**9,465**	-
Foreign exchange loss/(gain)	**-**	(76,981)
Net cash (used in)/generated from operating activities	**(2,949,234)**	3,765,317
Cash flows from investing activities		
Capitalisation of intangible fixed assets	**(823,243)**	-
Purchase of property, plant and equipment	**(42,011)**	(48,915)
Net cash used in investing activities	**(865,254)**	(48,915)
Cash flows from financing activities		
Issue of ordinary shares	**4,214**	-
Repayment of borrowings	**(2,032,258)**	(967,742)
Proceeds from trade finance facility	**10,389,631**	8,227,139
Repayments of trade finance facility	**(8,466,657)**	(6,711,019)
Repayment of leasing arrangements	**(140,000)**	(159,611)
Increase in loans from parent company	**3,894,774**	-
Repayment of warrants	**(1,231,144)**	-
Interest paid	**(302,305)**	(209,729)
Net cash generated from financing activities	**2,116,255**	179,038
Net (decrease)/increase in cash and cash equivalents	**(1,698,233)**	3,895,440

SportPursuit Limited

Consolidated Statement of Cash Flows (continued)
For the Year Ended 30 November 2021

	2021 £	As restated 2020 £
Cash and cash equivalents at beginning of year	**10,111,547**	6,216,107
Cash and cash equivalents at the end of year	**8,413,314**	10,111,547
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**8,413,314**	10,111,547
	8,413,314	10,111,547

The notes on pages 24 to 61 form part of these financial statements.

1. General information

SportPursuit Limited ('the Company') is a private company limited by shares, incorporated in England and domiciled in the United Kingdom. Its registered office and principal place of business is Unit 1.18 Canterbury Court, Kennington Park, 1-3 Brixton Road, London, SW9 6DE. The Company's shares are privately held.

2. Accounting policies

The significant accounting policies adopted in the preparation of financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of consolidation

The consolidated financial statements present the results of the Parent Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.2 Basis of preparation of financial statements

The Group's financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The Company's financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Impact of new international reporting standards, amendments and interpretations

- COVID-19 Related Rent Concessions - Amendment to IFRS 16

  Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:
  (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
  (b) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and
  (c) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The Group received no such concessions in the year.

2. Accounting policies (continued)

Basis of preparation of financial statements (continued)

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

  These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021. The amendments provide relief to the Group in respect of certain loans whose contractual terms are affected by interest benchmark reform.

The following amendments are effective for periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (IFRIC) issued a Tentative Agenda Decision, analysing the applicability of the amendments to three scenarios. However, given the comments received and concerns raised on some aspects of the amendments, in April 2021, IFRIC decided not to finalise the agenda decision and referred the matter to the IASB. In its June 2021 meeting, the IASB tentatively decided to amend the requirements of IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year.

2. Accounting policies (continued)

New standards, interpretations and amendments not yet effective (continued)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group will assess the impact of the final amendments to IAS 1 on classification of its liabilities once the those are issued by the IASB. The Group does not believe that the amendments to IAS 1, in their present form, will have a significant impact on the classification of its liabilities.

Other

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

2.3 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2. Accounting policies (continued)

2.4 Going concern

SportPursuit meets its day-to-day working capital requirements through its operating cash flows and HSBC trade finance facility. Its forecasts and projections, taking into account possible fluctuation in trading performance, indicate that the business will be able to operate within the facilities available.

The COVID-19 global pandemic resulted in a shift in consumers purchasing online, with the business particularly benefiting given its categories served (sports and outdoor). As governments across the world got to grips with the pandemic, restrictions on movement eased and consumer behaviour normalised, although the revenue levels achieved by the business during the pandemic were maintained. This has left the business with a strong balance sheet and a larger high repeat customer base and therefore in a suitable position to weather the economic headwinds seen following Russia's invasion of Ukraine, driving up inflationary pressure and the current cost of living crisis.

As part of our annual planning, the Directors have carried out a detailed stress testing in order to consider how much performance would need to degrade before cash would be constrained, along with the likelihood of such a scenario occurring. After undergoing this exercise, the Directors are comfortable that the likelihood of a scenario that would result in the business not having sufficient cash reserves in the 12 month period following the approval of the financial statements is remote. As such, the directors have not identified a material uncertainty that may give rise to significant doubt over going concern.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the business has adequate cash resources available to continue for the 12 month period following the approval of the financial statements and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP. The financial statements have been rounded to the nearest pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to working capital are presented in the consolidated statement of comprehensive income within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. Accounting policies (continued)

2.6 Financial assets and liabilities

Financial assets

Amortised cost

These assets arise principally from the provision of goods and services to customers (trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group's financial assets measured at amortised cost comprise trade and other receivables, amounts owed by group undertakings and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents comprise cash in hand and readily accessible cash held with banks and the Group's payment service providers.

Financial liabilities

Amortised cost

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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

Fair value

Fair value gains recognised in the consolidated statement of comprehensive income are recognised through the re-measurement of warrants to fair value at the balance sheet date.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on net basis, or realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.7 Revenue recognition

Revenue from customers is measured based on the five-step model under IFRS 15: 'Revenue from Contracts with customers':

1) identify the contract with the customer;
2) identify the performance obligation in the contract;
3) determine the transaction price;
4) allocate the transaction price to separate performance obligations in the contract; and
5) recognise revenues when (or as) each performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received, or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Goods supplied provide customers with a right of return within a specified period and this gives rise to variable consideration under IFRS 15. Postage and packaging receipts are also included in revenue to the extent that the Group acts as principal in the transaction and they are recoverable from the customer.

It is the Group's policy to sell its products to the retail customer with a right to return within a defined period. The Group uses the expected value method to estimate the value of goods that will be returned because this method best predicts the amounts of variable consideration to which the Group will be entitled. A separate right of return asset is recognised within inventory which represents the product to be returned from the customer. The sales refund liability due to customers on return of their goods is recognised as a component of trade payables and other liabilities.

Deferred revenue is recognised on goods which have been paid for, but not yet received by the customer. The performance obligation in respect of revenue for the Group and Company is point of delivery and as such, the deferred revenue shall be recognised in the statement of comprehensive income once delivery has been completed.

2.8 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax charge for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2. Accounting policies (continued)

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Capitalised website development costs

Expenditure directly attributable to internal software development projects is capitalised if it can be demonstrated that:

- it is technically feasible to develop the software for it to be used;
- adequate resources are available to complete the development and use the software;
- there is an intention to complete the development and use the software;
- the Group has the ability to use the software;
- use of the software will generate future economic benefits; and
- expenditure attributable to the development project can be measured reliably.

Where the above criteria are met, costs are capitalised through to the point at which the asset is deemed capable of operating in the way intended by management.

For periods through to and including the year ended 30 November 2020, all expenditure on internally developed software was expensed as incurred because the Group had not, at the time, developed a system sufficient to satisfy the last of the above criteria. With the Group having now developed such a system, from 1 December 2020 expenditure meeting the remaining criteria is capitalised.

Capitalised costs typically include those relating to new elements, replacements and new functionality. Development expenditure incurred on the research phase of internal projects along with that not satisfying the above criteria is recognised in the income statement as incurred. Such expenditure includes:

- costs relating to enhancements, maintenance and bug fixes;
- costs relating to marketing and advertising such website product creation, on-site merchandising, and email production for specific campaigns; and
- brand development costs.

Capitalised software development costs are amortised on a straight-line basis over the periods the Group expects to benefit from using the software developed.

All classes of intangible fixed assets held have an estimated useful live of 5 years. Amortisation is calculated to write off the cost in equal installments over their estimated useful lives. The amortisation expense is included within administrative expenses in the Consolidated Statement of Comprehensive Income.

2. Accounting policies (continued)

2.14 Property, plant and equipment

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 20% straight line
Fixtures, fittings and equipment	- 25% straight line
Computer equipment	- 33% straight line
Buildings - Right of use	- Over the life of the lease (see note 14)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

The depreciation charge in relation to buildings is allocated over the life of the lease in line with IFRS 16.

2.15 Leases

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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.

Non-property leases are subsequently measured at cost less depreciation, calculated on the straight-line over the non-cancellable term of the lease.

In addition, the right of use asset is periodically reduced by impairment losses, if any. The right of use asset will indirectly also be adjusted for certain remeasurements of the lease liability, by virtue of the cash flows and term of the lease being adjusted.

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. For leases that are not financed through debt, the incremental borrowing rate is derived from the real estate property yields, and considers the terms of the lease and economic factors.

2. Accounting policies (continued)

Leases (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, 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 Group is reasonably certain to exercise, lease 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, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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 in 'property, plant and equipment' and lease liabilities separately on the Statement of Financial Position.

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases, 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. Low-value leases are not recognised as a right of use asset and are identified in line with the provisions under IFRS 16 and the de-minimis limit therein. Leases for a period of equal to or shorter than one year are also not recognised as a right of use asset.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, inventories are assessed for impairment. If inventories is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

It is the Group's policy to sell its products to the retail customer with a right to return within a defined period. The Group uses the expected value method to estimate the value of goods that will be returned because this method best predicts the amounts of variable consideration to which the Group will be entitled. A separate right of return asset is recognised which represents the product to be returned from the customer.

2. Accounting policies (continued)

2.17 Trade and other receivables

Short-term receivables are measured at transaction price, less any impairment and are subsequently measured at amortised cost using the effective interest method.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Trade and other payables

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date. The holiday pay accrual as at 30 November 2021 and 30 November 2020 was not material to the financial statements and has not been recognised.

2.21 Equity

Equity comprises the following:

"Share capital" represents the nominal equity of shares.
"Share premium" represents the excess over nominal value paid for equity shares.
"Retained earnings" represents retained profits and losses.

All transactions with owners of the Company are recorded separately within equity.

2.22 Warrant instruments

Warrants issued over the Ordinary Share capital of the Company are classified as derivative financial liabilities and measured at fair value through profit and loss. The fair value is measured at the balance sheet date with the resulting movement recognised through the statement of comprehensive income and a warrant provision recognised on the statement of financial position, classified within non-current liabilities based on the lives of the underlying warrant agreements.

Further information on fair value measurement and on these instruments is provided in notes 3, 22 and 23.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimate are continually re-assessed and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Significant management judgements

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on the financial statements.

1. Capitalised website development costs. Management judgement is required in determining whether expenditure in relation to internal software development costs is eligible for capitalisation. Management review expenditure incurred against the accounting policy capitalisation criteria to make this assessment. This requires working closely with colleagues in the Tech Team to ensure the nature of the projects, technical feasibility and other key aspects of the work are considered in conjunction with the requirements of the accounting policy.

Estimation uncertainty

Information about the estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below. Actual results may be substantially different.

1. Stock provision - A provision is made for slow-moving stock where expected net realisable value is considered to be lower than cost. The provision is made based on both the length of time an item has been in stock as well as how quickly it will sell through using the last 12 months rate of sales.

2. Fair value measurement of financial liabilities held at fair value through profit and loss – there are items included in the Group's financial statements that require measurement at and disclosure of, fair value.

The Group measured the following items at fair value in the prior year:

- Warrant instruments (note 22)

The fair value measurement utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

In the current year, when the warrants crystallised, the value of the warrants was a known value and therefore could be reliably calculated based on the consideration paid for the Company, as disclosed in note 23.

For more detailed information in relation to the fair value measurement of the items above, together with the factors that impact the valuation, please refer to the applicable notes.

3. Deferred tax asset - A deferred tax asset is recognised to the extent that management believe that the asset will be utilised within two financial years based on current financial forecasts.

4. Revenue

The Group's revenue disaggregated by primary geographical markets is as follows:

	Group 2021 £	Group 2020 £
United Kingdom	**38,542,546**	35,548,262
Rest of Europe	**15,417,019**	16,136,303
Rest of the world	**1,101,216**	1,635,760
	55,060,781	53,320,325

All revenue recognised during the year is generated from the sale of sporting and outdoor goods and is recognised at the point when final delivery is made to the customer.

Contract balances:

	Group contract liabilities 2021 £	Group contract liabilities 2020 £	Company contract liabilities 2021 £	Company contract liabilities 2020 £
Deferred Revenue at the beginning of the year	**(3,241,293)**	(1,717,895)	**(3,045,329)**	(1,696,970)
Amounts included in contract liabilities that were recognised as revenue during the year	**3,241,293**	1,717,895	**3,045,329**	1,696,970
Cash received in advance of performance and not recognised as revenue during the year	**(2,555,844)**	(3,241,293)	**(2,520,067)**	(3,045,329)
Deferred Revenue at end of the year	**(2,555,844)**	(3,241,293)	**(2,520,067)**	(3,045,329)

Deferred revenue is recognised on goods which have been paid for, but not yet received by the customer. The performance obligation in respect of revenue for the Group and Company is point of delivery and as such, the deferred revenue shall be recognised in the statement of comprehensive income once delivery has been completed.

5. Operating profit

The operating profit is stated after charging/(crediting):

	Group 2021 £	Group 2020 £
Amortisation of intangible fixed assets (note 13)	**165,216**	50,043
Depreciation of property, plant and equipment (note 14)	**159,802**	254,611
Exchange (gain)/loss	**(387,177)**	103,854
Auditors' remuneration (note 6)	**132,500**	61,750
Staff costs (note 7)	**3,908,134**	5,460,694

6. Auditor's remuneration

	Group 2021 £	Group 2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**60,000**	50,000
Non-audit services		
Accounts preparation	**8,500**	7,250
Other advisory services	**64,000**	4,500
	132,500	61,750

The Company also bears the audit cost of its subsidiary, North Lane Group Ltd.

7. Employees

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

	Group 2021 £	Group 2020 £
Wages and salaries	**4,124,062**	4,728,619
Social security costs	**392,957**	494,939
Cost of defined contribution scheme (note 30)	**214,358**	237,136
	4,731,377	5,460,694

Included within staff costs is £823,243 (2020 - £Nil) of wages and salaries which were capitalised as website development costs during the year and are shown within intangible assets (see note 13).

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

	Group 2021 No.	Group 2020 No.
Administrative	**86**	89

8. Directors' remuneration

	Group 2021 £	Group 2020 £
Directors' emoluments	**751,831**	842,275
Company contributions to defined contribution pension schemes	**17,439**	43,588
	769,270	885,863

The highest paid Director received remuneration of £219,626 (2020 - £292,674).

The number of Directors receiving pension contributions were 5 (2020 - 3) and the pension contribution to the highest-paid Director in 2021 was £3,895 (2020 - £13,100).

During the period 3 directors purchased shares in the ultimate parent company, see note 28.

Key management personnel are deemed to be the Directors and their remuneration is disclosed above.

9. Interest payable and similar expenses

	Group 2021 £	Group 2020 £
Bank interest payable	**91,941**	51,124
Other loan interest payable	**357,388**	169,590
Amortisation of debt arrangement fee (note 21)	**-**	57,292
Interest expenses on leasing arrangements	**61,471**	8,460
Intercompany interest payable	**186,424**	-
	697,224	286,466

In the current year as part of the sale agreement between the Company and bd-c Chase Bidco on 14 June 2021, the Company incurred additional interest of £262,731 as a result of the loan being settled early. This amount is included within other loan interest payable.

10. Fair value movement

The fair value movement recognised arises on the measurement of warrant instruments recognised at fair value through profit and loss which were settled during the year. These were debt instruments which therefore represented financing items. Further information has been provided in notes 22 and 23.

11. Taxation

	Group 2021 £	Group 2020 £
Corporation tax		
Current tax on profits for the year	**1,129**	10,660
Adjustments in respect of previous years	**(10,660)**	-
Total current tax	**(9,531)**	10,660
Deferred tax		
Origination and reversal of timing differences	**980,545**	(1,349,129)
Adjustments in respect of previous years	**(126,695)**	-
Effect of tax rate change	**(497,814)**	(10,589)
Total deferred tax (note 25)	**356,036**	(1,359,718)
Taxation charge/(credit) on profit on ordinary activities	**346,505**	(1,349,058)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Group 2021 £	Group 2020 £
Profit on ordinary activities before tax	**2,782,891**	1,712,311
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**528,749**	325,752
Effects of:		
Fixed asset differences	**2,370**	-
Expenses not deductible for tax purposes	**213,152**	192,300
Adjustments to tax charge in respect of prior years	**(137,355)**	-
Other permanent differences	**1,885**	-
Foreign tax	**(1,903)**	-
Deferred tax not recognised	**-**	(1,661,098)
Remeasurement of deferred tax for changes in tax rates	**(262,484)**	(206,012)
Other	**2,091**	-
Total tax charge for the year	**346,505**	(1,349,058)

11. Taxation (continued)

Factors that may affect future tax charges

The Group has recognised a deferred tax asset of £1,093,682 (2020 - £1,449,718) on the basis of actual profits achieved post year end and forecast profit, which is reflected in note 25.

The substantively enacted tax rate remained at 19% as at the Balance Sheet date of 30 November 2021. It was announced on 3 March 2021 that the main rate of UK corporation tax will increase from 19% to 25% from 1 April 2023. For profits up to £50,000, the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions will also be introduced for profits between the lower and upper limits. The Government included the above changes in the Finance Bill 2021 that had its third reading on 24 May 2021 and is now considered substantively enacted.

12. Exceptional items

	Group 2021 £	Group 2020 £
Exceptional items	**1,044,600**	-

Exceptional costs are the professional fees incurred in relation to the acquisition of the Company by bd-c Chase Bidco Ltd on 14 June 2021.

13. Intangible assets

Group

	Capitalised website development costs £	Intellectual property £	Total £
Cost			
At 1 December 2020	**233,459**	**86,244**	**319,703**
Additions	**823,243**	**-**	**823,243**
At 30 November 2021	**1,056,702**	**86,244**	**1,142,946**
Amortisation			
At 1 December 2020	**210,295**	**33,284**	**243,579**
Charge for the year	**147,971**	**17,245**	**165,216**
At 30 November 2021	**358,266**	**50,529**	**408,795**
Net book value			
At 30 November 2021	**698,436**	**35,715**	**734,151**
At 30 November 2020	23,164	52,960	76,124

13. Intangible assets (continued)

In respect of prior year:

Group

	Capitalised website development costs £	Intellectual property £	Total £
Cost			
At 1 December 2019 and 30 November 2020	**233,459**	**86,244**	**319,703**
Amortisation			
At 1 December 2019	**177,505**	**16,031**	**193,536**
Charge for the year	**32,790**	**17,253**	**50,043**
At 30 November 2020	**210,295**	**33,284**	**243,579**
Net book value			
At 30 November 2020	**23,164**	**52,960**	**76,124**
At 30 November 2019	55,954	70,213	126,167

13. Intangible assets (continued)

Company

	Capitalised website development costs £
Cost	
At 1 December 2020	**233,459**
Additions	**823,243**
At 30 November 2021	**1,056,702**
Amortisation	
At 1 December 2020	**210,295**
Charge for the year	**147,971**
At 30 November 2021	**358,266**
Net book value	
At 30 November 2021	**698,436**
At 30 November 2020	23,164

13. Intangible assets (continued)

In respect of prior year:

Company

	Capitalised website development costs £
Cost	
At 1 December 2019 and 30 November 2020	**233,459**
Amortisation	
At 1 December 2019	**177,505**
Charge for the year	**32,790**
At 30 November 2020	**210,295**
Net book value	
At 30 November 2020	**23,164**
At 30 November 2019	55,954

The Directors conducted an impairment review of the Group and Company's intangibles at 30 November 2021. Following this review it was not considered necessary to provide for impairment (30 November 2020 - no impairment).

14. Property, plant and equipment

Group and Company

	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Buildings - Right of use £	Total £
Cost					
At 1 December 2020	182,938	213,842	203,342	870,923	1,471,045
Additions	-	2,303	39,708	-	42,011
Lease extension	-	-	-	134,405	134,405
At 30 November 2021	182,938	216,145	243,050	1,005,328	1,647,461
Depreciation					
At 1 December 2020	124,870	182,532	147,572	832,173	1,287,147
Charge for the year	34,277	19,090	32,207	74,228	159,802
At 30 November 2021	159,147	201,622	179,779	906,401	1,446,949
Net book value					
At 30 November 2021	23,791	14,523	63,271	98,927	200,512
At 30 November 2020	58,068	31,310	55,770	38,750	183,898

In the current year, the Company entered into a one year lease extension on its office building and premises to 30 May 2022. The lease extension on the existing right of use asset has been accounted for as a lease extension under the requirements of IFRS 16.

14. Property, plant and equipment (continued)

In respect of prior year:

Group and Company

	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Buildings - Right of use £	Total £
Cost					
At 1 December 2019	**182,938**	**207,555**	**160,714**	**793,423**	**1,344,630**
Additions	**-**	**6,287**	**42,628**	**-**	**48,915**
Lease extension	**-**	**-**	**-**	**77,500**	**77,500**
At 30 November 2019	**182,938**	**213,842**	**203,342**	**870,923**	**1,471,045**
Depreciation					
At 1 December 2019	**85,044**	**162,433**	**122,976**	**662,083**	**1,032,536**
Charge for the year	**39,826**	**20,099**	**24,596**	**170,090**	**254,611**
At 30 November 2020	**124,870**	**182,532**	**147,572**	**832,173**	**1,287,147**
Net book value					
At 30 November 2020	**58,068**	**31,310**	**55,770**	**38,750**	**183,898**
At 30 November 2019	97,894	45,122	37,738	131,340	312,094

In the prior year, the Company entered into a one year lease on its office building and premises to 30 May 2021. The new lease on the existing right of use asset was accounted for as a lease extension under the requirements of IFRS 16.

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2020	2,364
Additions	23
At 30 November 2021	2,387

Subsidiary undertakings

The following are subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Sportpursuit S.L.	Calle Monte Esquinza 30, Bajo Izquierda, 28010, Madrid, Spain	Local sourcing of sporting and outdoor goods and post-sale customer support.	Ordinary	100%
North Lane Group Ltd	Unit 1.18 Canterbury Court, Kennington Park, 1-3 Brixton Road, London, United Kingdom, SW9 6DE	Design, production and direct to consumer eCommerce sales of sporting and outdoor goods.	Ordinary	100%
SportPursuit Israel Ltd	Harakevet 9,Jerusalem, 9350223, Israel	Provide financial accounting and legal services to the Group.	Ordinary	100%

16. Inventories

	Group 2021 £	Group As restated 2020 £	Company 2021 £	Company As restated 2020 £
Finished goods and goods for resale	**17,219,666**	10,430,476	**17,211,170**	10,428,756
Right of return asset	**817,080**	755,652	**813,065**	754,631
	18,036,746	11,186,128	**18,024,235**	11,183,387

The Directors have reviewed the opening and closing provisions against inventory and have concluded that they are fairly stated. Overall inventory provisions have increased from £216k in 2020 to £441k in 2021. Changes in provisions are recognised in cost of sales.

It is the Group's policy to sell its products to the retail customer with a right to return within a defined period. A separate right of return asset is therefore recognised which represents the right to recover product from the customer.

Please see note 33 for details of the restatement.

17. Trade and other receivables

	Group 30 November 2021 £	Group As restated 30 November 2020 £	Company 30 November 2021 £	Company As restated 30 November 2020 £
Trade receivables	**2,472**	933	**2,472**	933
Amounts owed by group undertakings (note 32)	**23,426**	-	**44,743**	5,681
Deposits and other receivables	**1,775,165**	712,456	**1,762,669**	712,219
Prepayments	**1,083,838**	1,606,151	**1,079,013**	1,605,953
	2,884,901	2,319,540	**2,888,897**	2,324,786

The Directors consider that the carrying value of trade and other receivables approximate their fair value. No credit losses were experienced in the year, and no provision has been included by management for doubtful debts.

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

Please see note 33 for details of the restatement.

18. Cash and cash equivalents

	Group 30 November 2021 £	Group 30 November 2020 £	Company 30 November 2021 £	Company 30 November 2020 £
Cash at bank, in hand and in transit from payment service providers	**8,413,314**	10,111,547	**8,396,445**	10,104,192
	8,413,314	10,111,547	**8,396,445**	10,104,192

19. Trade and other payables

	Group 30 November 2021 £	Group 30 November 2020 £	Company 30 November 2021 £	Company 30 November 2020 £
Trade finance facility	**4,971,112**	3,048,138	**4,971,112**	3,048,138
Trade payables	**8,860,591**	7,481,757	**8,829,041**	7,455,129
Amounts owed to group undertakings	**-**	-	**436,680**	26,591
Taxation and social security	**1,347,976**	711,388	**1,347,976**	711,388
Accruals and deferred income	**3,611,697**	5,360,321	**3,575,920**	5,352,359
Sales refund liability	**1,387,360**	1,326,055	**1,377,729**	1,322,862
Other payables	**439,015**	412,167	**437,049**	411,906
Corporation tax	**-**	10,660	**-**	-
	20,617,751	18,350,486	**20,975,507**	18,328,373

The Directors consider that the carrying value of trade and other payables approximate their fair value. No amounts within trade and other payables are expected to be settled in more than 12 months.

The Company has a Trade Finance Facility to support growth in the business through funding stock purchases for up to 6 months. Interest is charged at a rate of 2.5% per annum over the BoE Base Rate for loans in GBP, or 2.5% over the Currency Base Rate for the currency applicable to the loan. The facility is secured via a fixed and floating charge over the assets of the business. The facility was amended in September 2021 to increase the amount available to £6m. The facility is reviewed for renewal every year in August.

Amounts owed to group undertakings are non-interest bearing and repayable on demand.

20. Leases

Group and Company

Lease liabilities are presented in the statement of financial position as follows:

	30 November 2021 £	30 November 2020 £
Current	**94,626**	38,750
	94,626	38,750

The only lease on which the Group and Company have recognised a right of use asset is that of the Parent Company's office building and premises. The Group classifies the right of use asset arising on this lease in a consistent manner to its property, plant and equipment (see note 14).

In the prior year, the Group entered into a one year lease extension on its office building and premises to 30 May 2021. Then in the current year, the Group entered into another one year lease on its office building and premises to 30 May 2022. The new lease on the existing right of use asset has been accounted for as a lease extension under the requirements of IFRS 16. The lease rolled forward provisions around keeping the property in a good state of repair and returning the property in its original condition at the end of the lease. Furthermore, the group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The incremental borrowing rate used to calculate the present value of the lease was 7% (2020 - 7%).

The table below describes the nature of the Group's leasing activities by type of right of use asset recognised on the statement of financial position.

Right of use asset	No of right of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Office Building	1	0.5 years	0.5 years	0	0	0	1

20. Leases (continued)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 November 2021 were as follows:

	Within 1 year £
30 November 2021	
Lease payments	94,626
Net present values	94,626
30 November 2020	
Lease payments	38,750
Net present values	38,750

21. Loans and borrowings

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Non-current				
Other loans	-	870,968	-	870,968
Parent company loan	4,081,198	-	4,081,198	-
Current				
Other loans	-	1,161,290	-	1,161,290
	4,081,198	2,032,258	4,081,198	2,032,258
Due after more than one year				
Repayable between one and two years	-	870,968	-	870,968
Repayable after more than five years	4,081,198	-	4,081,198	-
	4,081,198	870,968	4,081,198	870,968

On 4 September 2019, the Group and Company entered into a term loan facility agreement with Columbia Lake Partners. As at 30 November 2020, the Group and Company had drawn down £3,000,000 of the facility. The balance accrued interest at a fixed rate of 10.5% and was secured by way of a fixed and floating charge over the trade and assets of the Group. The loan was repayable over three years and there were no covenants associated with the term loan. The loan was settled in the current year as part of the sale agreement between the Company and bd-c Chase Bidco on 14 June 2021. The deal was not completed until after signing of the prior year accounts, therefore the non-current position in the prior year was correct based on information available to management at the date of signing.

In conjunction with the term loan facility agreement with Columbia Lake Partners, 32,222 warrant certificates were granted over Ordinary Shares in the Company. Further information on the derivative financial liability recognised in respect of warrants is provided in notes 22 and 23.

The loan facility of £Nil (2020 - £2,032,258) was presented gross of an arrangement fee of £62,500 as at 30 November 2020. This was deducted from the cash proceeds of the loan at inception and as at this date had been fully amortised through interest payable and similar expenses.

As part of the sale agreement between the Company and bd-c Chase Bidco on 14 June 2021, the Company entered into a loan amount with it's new parent company of £4,081,198, which is not payable for 10 years. The loan accrues interest at a rate of 10%.

22. Warrant provisions

	2021 £	2020 £
Group and Company		
At the beginning of the year	**776,372**	-
Fair value movement	**454,772**	776,372
Cash payment	**(1,231,144)**	-
At the end of the year	**-**	776,372

A derivative financial liability had been recognised in the prior year in relation to warrant instruments issued to previous and existing debt holders. Under the requirements of IFRS 9, these instruments are classified as financial liabilities recognised at fair value through profit and loss.

Management had performed fair value exercises as at the prior year balance sheet date and the point at which the warrants crystallised with the resulting fair value movement being recognised in the statement of comprehensive income. On 14 June 2021, these warrants crystallised and became payable in full as a result of sale of the Company's shares to bd-c Chase Bidco, a transaction which constituted an exit event.

Further information in relation to the fair value measurement of these instruments has been provided in note 23.

23. Financial instruments

	Group 30 November 2021 £	Group 30 November 2020 £
Financial assets		
Financial assets measured at amortised cost	**10,202,370**	10,824,936
Financial liabilities		
Financial liabilities measured at amortised cost	**(19,407,769)**	(15,096,322)
Other financial liabilities measured at fair value through profit or loss	**-**	(776,372)
	(19,407,769)	(15,872,694)

Financial assets measured at amortised cost comprise trade receivables, other receivables and deposits, amounts owed by group undertakings and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade payables, other payables, amounts owed to group undertakings, accrued expenses, borrowings and trade finance facility.

The only financial instruments held by the Group and measured at fair value through profit and loss were the warrant instruments, as disclosed in note 22. The fair value recognised on these instruments has been measured using a valuation technique with unobservable inputs and therefore the fair value recognised falls under level 3 of the IFRS 13 fair value hierarchy. There are no financial instruments under level 1 or 2.

In the prior year, management used an enterprise value income approach as their valuation technique in measuring the fair value of the warrant instruments. The inputs to this valuation technique were revenue and revenue multiple.

The valuation used revenue per the statutory accounts for the year ended 30 November 2020. The revenue multiple was derived using relevant comparison companies and is considered to be a significant unobservable input. The revenue multiple used in this case was 1.30, which is the average revenue multiple for a selection of six publicly traded, deal led retailers. The revenue multiple for these companies ranged from 0.6x to 2.8x. A company valuation using the lowest multiple in this range resulted in a warrant valuation of £nil, and a valuation using the highest multiple in this range resulted in a warrant valuation of £3.1m.

In the current year, when the warrants crystallised, the value of the warrants was a known value and therefore could be reliably calculated based on the consideration paid for the Company, as disclosed in note 22.

24. Capital management policies and procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern in order to maintain an efficient capital structure whilst achieving the growth aspirations of the management and shareholders. In doing so, the Group's strategy is to maintain appropriate levels of liquidity headroom to ensure financial stability and flexibility. To achieve this strategy, the Group regularly monitors the carrying amount of cash and cash equivalents less borrowings.

Capital for the reporting period under review is summarised as follows:

	Group 2021 £	Group 2020 £
Cash and cash equivalents	**8,413,314**	10,111,547
Trade finance facility	**(4,971,112)**	(3,048,138)
Other loan	**-**	(2,032,258)
Parent company loan	**(4,081,198)**	-
	(638,996)	5,031,151

In addition to the Trade finance facility listed above, HSBC also provides the Group with a guarantee of up to £500,00 to HMRC to cover liabilities incurred on the Group's duty deferment account.

25. Deferred taxation

Group and Company

	2021 £	2020 £
At beginning of year	**1,449,718**	90,000
(Charged)/credited to statement of comprehensive income	**(356,036)**	1,359,718
At end of year	**1,093,682**	1,449,718

25. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Fixed asset temporary differences	**2,780**	(1,587)	**2,780**	(1,587)
Short term temporary differences	**90,665**	24,076	**90,665**	24,076
Tax losses carried forward	**1,000,237**	1,427,229	**1,000,237**	1,427,229
	1,093,682	1,449,718	**1,093,682**	1,449,718

Factors that may affect future tax charges

The Group has recognised a deferred tax asset of £1,093,682 (2020 - £1,449,718) on the basis of actual profits achieved post year end and forecast profit, which is reflected in note 25.

The substantively enacted tax rate remained at 19% as at the Balance Sheet date of 30 November 2021. It was announced on 3 March 2021 that the main rate of UK corporation tax will increase from 19% to 25% from 1 April 2023. For profits up to £50,000, the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions will also be introduced for profits between the lower and upper limits. The Government included the above changes in the Finance Bill 2021 that had its third reading on 24 May 2021 and is now considered substantively enacted.

26. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
3,262,009 (2020 - 991,206) Ordinary shares of £0.0001 each	**326**	99
0 (2020 - 488,845) Ordinary Class A shares of £0.0001 each	-	49
0 (2020 - 451,415) Ordinary Class B shares of £0.0001 each	-	45
0 (2020 - 100,000) Ordinary Class C shares of £0.0001 each	-	10
0 (2020 - 708,455) Ordinary Class D shares of £0.0001 each	-	71
0 (2020 - 34,768) Ordinary Class E shares of £0.0001 each	-	3
	326	277

Each ordinary share carries one vote. The ordinary shares rank equally with the other classes of share as respects dividends. The ordinary shares are not redeemable.

On 2 June 2021, the Company issued:

- 64,305 Ordinary shares of £0.0001 for total consideration of £643
- 804 Ordinary shares of £0.0001 for total consideration of £442.

These Ordinary share additions were redesignated to Ordinary F shares on the same date.

On 14 June 2021, the Company issued:

- 165,262 Ordinary shares of £0.0001 for total consideration of £1,653
- 409 Ordinary shares of £0.0001 for total consideration of £82
- 1,609 Ordinary shares of £0.0001 for total consideration of £483
- 1,609 Ordinary shares of £0.0001 for total consideration of £885
- 253,322 B Preference shares of £0.0001 for total consideration of £25.

On 15 November 2021, the following were redesignated to Ordinary shares:

- 488,845 Ordinary A shares
- 451,415 Ordinary B shares
- 100,000 Ordinary C shares
- 708,455 Ordinary D shares
- 34,768 Ordinary E shares
- 65,109 Ordinary F shares
- 253,322 B Preference shares.

27. Financial risk management

The Group has exposure to three main areas of risk: foreign exchange currency exposure, liquidity risk and customer credit exposure.

Currency risk
The business is increasingly international resulting in potential currency risks particularly given the volatility of Sterling in recent years. However, the Group is able to gain some natural hedging from operating both international supply and customer orders, particularly in light of Brexit which has better aligned our Euro income and costs. The Group will continue to focus on mitigating this risk, using foreign exchange instruments where appropriate, as seen during the year where positions were taken to reduce risk on our US Dollar and Euro currency positions. In 2022, the Group will look at further hedging as the Board deems necessary. The foreign currency contracts are not deemed material by the Directors and therefore have not been disclosed in the consolidated financial statements.

Liquidity risk
The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. SportPursuit had £8.4m of cash at year end which the Directors believe is sufficient to continue to support the business growth aspirations. The fact the business generates positive operating EBITDA before growth marketing creates greater protection for the business with the Directors able to scale back investment in areas such as marketing if required to increase liquidity. The HSBC facility adds further protection.

The maturity profiles of financial liabilities have been disclosed under the respective disclosure notes.

Customer credit exposure
The Group does not offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. There are therefore no past due amounts at the year end.

28. Share incentive schemes

During the year 155,414 (2020 - Nil) share options were issued to employees with a vesting condition contingent upon an exit event and inclusive of a hurdle valuation. In June 2021 168,889 (2020 - Nil) share options were exercised. There were no unexcercised options outstanding at the year end (2020 - 108,735).

In both the prior and current years, the Directors assessed that any share option charge based on the outstanding shares would not be deemed material, so did not record any amount in respect of this.

On 3 June 2021 certain employees and Directors purchased 88,363 B Shares in bd-c Chase Topco Limited (the ultimate Parent Company) for consideration equal to the nominal value (£88,363). The fair value of the shares was not considered to be in excess of the nominal value at the grant date and as such no share based payment charge has been recorded.

29. Reserves

Share premium

Share premium includes the premium on issue of equity shares, net of any issue costs.

Accumulated losses

Accumulated losses represents cumulative profits or losses, net of dividends paid and other adjustments.

30. Pension commitments

The Company operates a defined contribution pension plan. The total expense relating to this plan in the current year was £214,358 (2020 - £237,136). As at the year end, an amount of £16,029 (2020 - £18,216) was payable to the pension fund.

31. Other financial commitments

In July 2020, SportPursuit entered into a letter of intent with Whistl regarding the setting up of a warehousing operation in Germany as part of our Brexit planning. The agreement included a minimum annual operating spend commitment for the calendar year 2022 of €372,000 from SportPursuit.

32. Related party transactions

During the year the Company incurred a charge of £6,000 (2020 - £6,000) from Scottish Equity Partners LLP, £Nil (2020 - £12,000) from Grafton Capital Limited and £Nil (2020 - £12,000) from Draper Esprit for board services. The balance outstanding at the year-end to Scottish Equity Partners LLP was £Nil (2020 - £Nil), Grafton Capital Limited was £Nil (2020 - £Nil) and Draper Esprit was £Nil (2020 - £Nil). Each party is related by virtue of being investors in the Company.

During the prior year SportPursuit partnered with Size of Wales, a UK based charity set up in 2010 whose purpose is to help protect four million hectares of tropical forest in Africa as well as raise awareness about the importance of tropical forests for the climate as well as for the wildlife and people who live in them. Elspeth Jones, a Director of Size of Wales in the prior year, is married to Daniel Rhys Jones, a Director of SportPursuit. Elspeth Jones was not a Director of Size of Wales during the current year, therefore Size of Wales is no longer considered a related party.

In the prior year, SportPursuit donated £22,927 to Size of Wales following a number of tree-planting campaigns across its websites.

During the year the Company received a loan of £4,081,198 from bd-c Chase Bidco Limited, the immediate parent company, and the Company recharged salary costs of £23,426 to bd-c Chase Bidco Limited. The amount of interest charged on the loan during the year was £186,424 and the net balance outstanding at the year end is £4,057,772.

33. Restatement

During the period, the Directors have restated to correctly present the deferred tax asset 2021 £1,093,682 (2020 - £1,449,718). This was previously presented as a current asset however is now disclosed as a non-current asset in accordance with IAS 1 in both the current and prior periods. This adjustment serves to reduce previously reported current assets by £1,449,718 and increase previously reported non-current assets by £1,449,718 however has no effect on previously reported net assets or profit for the financial year.

The Directors have also reviewed and restated to correctly present the right of return asset at Group level 2021 £817,080 (2020 - £755,652) and at Company level 2021 £813,065 (2020 - £754,631). It is the Group's policy to sell its products to the retail customer with a right to return within a defined period. A separate right of return asset is therefore recognised which represents the right to recover the product from the customer. This asset has previously been reported as component of trade and other receivables however given the nature of the asset this has been re-grouped and presented as a separate component of inventory in both years so as to accurately disclose the nature of the asset. This re-statement has no impact on previously reported net current assets, net assets or profit for the financial year. Within the consolidation statement of cashflows the adjustment has increased the previously reported movement in inventories within the cashflow statement by £173,261 and reduced the previously reported movement in trade and other receivables by £173,261 having no impact on total cash generated from operating activities.

Further, within the consolidated statement of cashflows the presentation of the Group's drawdowns and repayments on its trade finance facility has been corrected so as to present the previously reported net proceeds amount (£1,516,120) as gross proceeds of £8,227,139 and repayments of £6,711,019. The adjustment does not affect previously reported cash generated from financing activities.

34. Controlling party

On 14 June 2021, bd-c Chase Bidco Limited acquired SportPursuit Limited by acquisition of 100% of the issued share capital. bd-c Chase Bidco Limited is incorporated and registered within the UK with the same registered address as the Company) and is ultimately owned by bd-c Chase Topco Limited, a company incorporated and registered in Guernsey with a registered address of North Suite 2, Town Mills, Rue Du Pre, St Peter Port, Guernsey, GY1 1LT. As a result, the ultimate parent entity of the Company is now bd-c Chase Topco Limited.

SportPursuit Limited is the largest and smallest group for which consolidated accounts have been prepared. The accounts can be obtained from Companies House, Crown Way, Cardiff , CF14 3UZ. None of the other parent companies have prepared consolidated accounts for the period presented.

The Directors consider that the Company has no individual controlling party.