Company Registered Number: 07862446

MAPIL TOPCO LIMITED

Annual Report and Financial Statements

for the 52 weeks ended 26 September 2021

Contents

	Page
Officers and professional advisers	1
Strategic report	2 - 5
Directors' report	6 - 8
Statement of directors' responsibilities	9
Independent auditor's report to the members of Mapil Topco Limited	10 - 12
Consolidated income statement and statement of other comprehensive income	13
Consolidated and company statement of financial position	14
Consolidated and company statement of changes in equity	15
Consolidated statement of cash flows	16
Notes to the consolidated financial statements	17 - 39

Officers and Professional Advisers

Directors

A Bruce
A Clemmow (resigned 24 March 2021)
H Crwys-Williams (appointed 10 March 2021)
M Davy (resigned 15 December 2021)
M Dunn (resigned 13 December 2021)
C Watson (resigned 15 December 2021)

Registered office

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

Banker

HSBC Bank plc
165 High Street
Southampton, SO14 2NZ

Solicitor

Travers Smith LLP
10 Snow Hill
London, EC1A 2AL

Auditor

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

Strategic Report

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

Principal Activity

The Group consists of two core trading brands, Wiggle and Chain Reaction which together are referred to as "WiggleCR". Both well established brands offer a unique customer proposition via their own dedicated website but with shared support functions and distribution infrastructure. WiggleCR is a leading, global, online cycling and multisport business. WiggleCR develops its own cycling and fitness products and brands, which are retailed online alongside a carefully selected range of the best third party brands to provide a comprehensive and competitive range of products and services to approximately two million customers worldwide.

WiggleCR operates in an attractive and growing global fitness market of more than £100bn. The business generated more than £360m in revenue in the 52 weeks to 26 September 2021 with 36% of revenues coming from international territories, outside of the UK. WiggleCR operates 14 websites in local language and ships to more than 100 countries.

Core to WiggleCR's product range is a highly successful and fast growing range of owned brands, designed and developed by expert in-house teams to serve the needs of a committed and passionate customer base. These owned brands include dhb – premium, performance clothing, footwear and protection for cycling, run and watersports; Nukeproof – a disruptive mountain biking brand encompassing bikes, bike components and clothing; Vitus – bikes for riders of all disciplines at exceptional prices and Föhn – premium outdoor clothing. Further own brand ranges offer cycling components and essentials to customers on the Wiggle and Chain Reaction websites including Brand X, Prime and Lifeline Tools.

In addition to the online businesses the Group operates a retail store in Northern Ireland and also wholesales cycling goods to retail outlets globally via a trading entity, Hotlines Europe Limited.

Change in Financial Period

During the prior period, the company changed its financial reporting period end from 27 December 2020, to 27 September 2020. This change was made in order to align the period end with that of Signa Sports United GmbH ("SSU") as part of the potential acquisition of WiggleCR by SSU. See below for further details of this transaction.

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

Strategy and Business Review

During the 52 weeks of 2021, the Group has made good progress against its strategic priorities to deliver sustainable, profitable growth.

Revenue Growth

The Group aims to build its owned brand portfolio to more than £100m in annual revenues and made good progress against this objective during 2021, delivering sales of £90.6m in the 52 weeks to September, representing 18% growth vs the same period in 2020. Owned brands will continue to grow as a proportion of the business driven by investment in product range, marketing and by expanding routes to market by further utilisation of the Hotlines distribution business. The Group has also identified significant growth opportunities in the run, outdoor and gym categories where major proposition improvements are in progress with the potential to deliver significant revenue growth.

Margin Expansion

The Group has made good progress in improving the profitability of sales through 2021 with gross margins improving, driven by an increase in the mix of highly profitable owned brands, improved stock management and better buying.

Business Efficiency

In early 2020, the Group completed several restructuring activities aligning the size and shape of the head office functions and overhead costs to better support the ongoing strategy of the business. These activities laid the foundation for a robust and efficient business able to react quickly and effectively to the events of 2020 enabling top line and margin growth whilst maintaining delivery cost ratios and keeping overheads flat year on year. In December 2020 the bike workshop in Belfast was closed with all bike build and dispatch operations moving to the Citadel distribution hub in Wolverhampton. This completes the rationalisation of the Group's physical operations and provides growth capacity and cost efficiency in the bike build operation whilst also opening the path to further improvement in the customer proposition.

Strategic Report (continued)

Strategy and Business review (continued)
Business Efficiency (continued)
The result of these events and initiatives, together with the stronger outdoor sports market linked to Covid restrictions, was to increase Operating profit before interest, depreciation, amortisation, impairment and gain on disposal (EBITDA) from a profit of £14.5m for the 39 week period ended September 2020 to a profit of £34.1m for the 52 week period to 26 September 2021.

At 26 September 2021, the Group had net liabilities of £226.4m *(2020: £224.8m)*.

Covid-19
As set out above, the business responded well to the challenges of coronavirus and continued to operate effectively throughout the pandemic, by successfully moving all head office functions to home working and by carefully adapting the working environment and working practices in the warehouses to safeguard the health and wellbeing of all colleagues. Sales since the start of the pandemic have increased significantly and were consistently well above 2019 levels. This trend has continued well into the 2020/21 year. Whilst demand has naturally reduced during 2021 as lockdown measures have been lifted and consumers have greater options on where to spend their money, we are confident that lasting positive habits have been formed by many new customers who, along with our existing base of loyal customers, are more keen than ever to lead an active and healthy lifestyle. This, combined with the acceleration of the shift to online shopping brought about by the pandemic have reaffirmed the relevance of WiggleCR's offering.

Brexit
On 1 January 2021 the United Kingdom left the EU and the EU Customs Union and moved to trading under the UK-EU Trade Deal. The implications of the changes brought about by this are as follows:
-increased import duty costs on goods brought into the UK from the EU where they originate outside of the EU;
-introduced duty costs and other irrecoverable taxes on some sales made to EU customers; and
-increased the costs of delivery charged by carriers on all orders shipped to the EU.
The costs have been mitigated where possible or, where not possible, some have been passed on to the consumer. Despite these increased costs, the business has continued to trade profitably in 2021 with only a very minor operational impact.

Future Performance
For details on the future performance of the business see the Strategy and Business Review above.

Acquisition of WiggleCR by Signa Sports United GmbH
On the 11th June 2021 it was announced that an agreement has been reached by Bridgepoint to sell the WiggleCR business to Signa Sports United (SSU). The sale was subject to a successful listing of the SSU business on the New York Stock Exchange, regulatory approval, and a final vote by the shareholders of SSU. The listing of SSU was announced on 14 December 2021, refer to Note 21 for how this has impacted Wiggle CR.

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

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

Currency risk
The Group's costs are predominantly in GBP with 71% of payments being denominated in GBP, whilst only 64% of turnover and 58% of cash receipts are denominated in GBP. The principal foreign currencies where more is received than paid are Euros, Australian Dollars and Japanese Yen. This means that when GBP strengthens against these currencies, the GBP value of sales reduces. The principal foreign currency where more is paid than received is the US Dollar. This means that when GBP strengthens against this currency the GBP value of costs reduces. The Group manages this exposure as part of its day to day management of trading margins and profitability.

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

Strategic Report (continued)

Financial Risk Management Objectives and Policies (continued)
Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

Interest rate risk
The Group's bank borrowings are in fixed and floating rate interest loans, the Group's shareholder loans are fixed rate interest loans. Details of the interest rates are provided in note 14.

Leverage risk
The Group's borrowings are across bank facilities and loan notes. Net debt is the total amount of cash and cash equivalents less interest-bearing loans and borrowings and finance lease liabilities. Net debt at 26 September 2021 is £363.6m *(2020: £322.9m)* of which £19.2m *(2020: £24.4m)* is net bank debt.

All interest accrued on other loans is fixed, non-cash and only payable on maturity. The Group's bank borrowings are in fixed and floating interest rate loans. Details of the interest rate profile are provided in note 14.

Energy and carbon emissions
As a Group we are committed to becoming more sustainable by reducing our energy and carbon emissions. During the period, the Group has completed the following actions - installed light timers to improve energy management and eradicate out of hours consumption; consolidated UK warehouse operations to one unit, reducing the Group's electricity consumption by c.8%. The Group have continued to replace all non-LED lighting to more efficient LED equivalents in the majority of offices and warehouses, *focussing on the Head Office.*

Having successfully installed light timers to improve energy management we are looking at lux level sensors to further reduce energy usage and cost.

The Streamlined Energy and Carbon Report (SECR) will be completed annually for the period 1 October to 30 September each year. 2021 is the Group's first year of reporting under this period, and the energy and carbon emissions summary below represent this period. The prior year reporting represented 1 January to 31 December 2020. The reason for the change in reporting period is to align to the accounting year end and the availability of required data prior to signing the accounts.

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

- total gross emissions in metric tonnes CO_2e (mandatory emissions) per square meter floor area of asset register; and
- total gross emissions in metric tonnes CO_2e (mandatory emissions) per million orders.

Breakdown of emissions associated with the reported energy use (tCO_2e):

	Year ending 30 September	Year ending 31 December
Emission source	2021	2020
Mandatory requirements:		
Scope 1		
Gas	39.6	41.7
Transport - Company owned vehicles	23.9	26.2
Scope 2		
Purchased electricity	414.3	430.4
Scope 3		
Transport - Business travel in employee-owned vehicles	n/a	n/a
Total gross emissions	**477.8**	**498.3**
Intensity ratios (mandatory emmission only)		
Tonnes of CO_2e per square meter floor area	0.012	0.012
Tonnes of CO_2e per million orders	111.6	95.7

Emmissions have been calculated using DEFRA conversion figures for 2020 depending on the fuel type converted into Tonnes of CO_2e.

Year ending 31 December 2020 saw unprecedented levels of orders due to the Covid 19 pandemic - this increased warehouse energy consumption due to temporary additional shift patterns, but given the high level of orders reduced the Tonnes of CO_2e per million orders ratio and therefore this has increased with a reduction in orders. Enforced home working has continued to lead to lower energy consumption in offices and the closure of one of the warehouses in Dec 2020 has led to decrease in electricity and *over overall emissions in the period.*

Strategic Report (continued)

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006
The board of directors of Mapil Topco Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and having regards to the stakeholders and matters set out in s172(1)(a-f) of the Act. Further details of the key events and decisions taken in this regard are detailed in the Strategic Report above, along with the main elements of the Group's strategic plans that will promote this success in the long term.

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

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

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

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

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

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

This Strategic Report was approved by the Board on 07 March 2022

By order of the Board:

A Bruce
Director

1000 Lakeside, Suite 310
Third Floor N E Wing
Portsmouth

Directors' Report

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

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

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

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

Results and Dividend

The results for the period are shown on page 13. No dividends have been paid during the period *(39 weeks ended 27 September 2020: £nil)* and the directors do not recommend the payment of a dividend *(39 weeks ended 27 September 2020: £nil)*.

Going Concern

Notwithstanding net current liabilities of £226.4m as at 26 September 2021, a loss for the year then ended of £1.6m and operating cash outflows for the year of £2.8m, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have considered the principal activities of the Group, the business risks and uncertainties and the financial performance for the period ended 26 September 2021 and up to the date of signing these accounts. The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, and the funding available to the company as detailed below, that the company will have sufficient funds to meet its liabilities as they fall due for that period.

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

Acquisition and Funding

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

Given the proximity of the transaction to the signing of these financial statements the exact nature of any debt or equity instruments that will replace the settled debt is yet to be finalised and formalised. As a result, and in recognition of this fact SIGNA Sports United GmbH, acting as parents of Mapil Topco Limited, has provided a letter of support indicating that SIGNA Sports United GmbH will not be seeking repayment of the amounts currently due to the group, which at 26 September 2021 amounted to £nil, and providing additional financial support up to £25m during that period. As with any Group placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Directors' Report (continued)

Going concern (continued)

Profitability

The comparative period represents 39 weeks to September 2020, whilst the current period represents 52 weeks to September 2021, therefore the periods are not comparable when assessing on a like for like basis. Operating profit before depreciation, amortisation, impairment and gain on disposal (Adjusted EBITDA) increased from a profit of £14.5m for the 39 week period ended September 2020 to a profit of £23.5m for the 39 week period ended September 2021 and £34.2m for the full 52 week period ended September 2021. The key drivers are an increase in sales volumes during the Covid-19 pandemic along with careful margin and cost management, underpinned by the strategic and operational improvements that have been delivered during the course of the last two years. Closing cash at the 26 September 2021 was £46.9m, which comprised a net cash inflow from operating activities in the year of £11.5m, a cash outflow from investing activities of £4.2m, and a cash outflow from financing activities of £8.4m. The closing cash at the 31 December 2021 was £15.6m. The Group has net current trading assets at the period end (being net current assets excluding amounts owed to shareholders detailed in note 13) totalling £54.0m.

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

Cash flow Projections

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

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

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

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

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

Directors

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

A Bruce
A Clemmow (resigned 24 March 2021)
H Crwys-Williams (appointed 10 March 2021)
M Davy (resigned 15 December 2021)
M Dunn (resigned 13 December 2021)
C Watson (resigned 15 December 2021)

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

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

People and colleagues

Equal opportunities

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

Employee engagement and participation

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

Health and Safety

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

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

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

Directors' Report (continued)

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

Charitable and Political Contributions
The Group is committed to supporting the local community, both in respect of employment and social responsibility. We encourage employees to take part in various community initiatives and charity events. The Group made no political or charitable contributions during the period *(39 weeks ended 27 September 2020: £nil)*.

Listed Debt
At 26 September 2021 the Group held listed loan notes of £199.1m *(27 September 2020: £133.5m)* on The International Stock Exchange in the Channel Islands.The listed debt was repaid on 14th December 2021. All of the listed debt was held by the Group's ultimate shareholders until repayment.

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

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

The Directors' Report was approved by the Board on 07 March 2022

By order of the Board:

A Bruce
Director

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

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

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

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare both the Group and the parent Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

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

Opinion

We have audited the financial statements of Mapil TopCo Limited ("the Company") for the year ended 26 September 2021 which comprise the consolidated income statement and statement of other comprehensive income, consolidated and company statement of financial position, consolidated and company statement of changes in equity and consolidated statement of cash flows and related notes, including the accounting policies in note 2.

In our opinion:

• the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 26 Septembe 2021 and of the Group's loss for the year then ended;

• the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with th requirements of the Companies Act 2006.

• the parent Company financial statements have been properly prepared in accordance with international accounting standards i conformity with the requirements of, and as applied in accordance with the provisions of, the Companies Act 2006; and

•the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

•we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

• we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or condition that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

• Enquiring of directors and management as to the Group's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;

• Reading Board minutes;

• Considering remuneration incentive schemes and performance targets including the Long-term Incentive Plan scheme and bonus plan;

• Considering banking covenant requirements and forecast headroom on maintenance covenants;

• Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. We do not believe there is a fraud risk related to revenue recognition over the recording of online retail transactions because there is limited pressure, rationalisation and opportunity for Management to commit fraud in relation to revenue recognition, and revenue recognition does not require any material estimates or judgments. We therefore regard the fraud risk associated with revenue recognition to relate to the manipulation of revenue through Management Override of Control, in particular the posting of erroneous journals.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

• Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included credit postings to revenue, cost of sales and/or expense accounts with an unexpected debit posting, and both credit and debit postings to cash where the other side was unexpected.

• Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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

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

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

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

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.
Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received froı branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Natasha Jones

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

08 March 2022

Consolidated Income Statement and Statement of Other Comprehensive Income

For the 52 weeks ended 26 September 2021

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

	Note	52 weeks ending 26 September 2021 £'000	39 weeks ending 27 September 2020 £'000
Revenue	3	360,338	291,602
Cost of sales		(227,189)	(199,938)
Gross profit		133,149	91,664
Selling and distribution expenses		(49,311)	(37,065)
Administrative expenses		(49,682)	(40,121)
Operating profit before depreciation, amortisation, impairment and gain on disposal		34,156	14,478
Depreciation, amortisation and impairment	4	(10,529)	(14,814)
Gain on disposal		1,483	8
Operating profit / (loss)		25,110	(328)
Exchange gain / (loss) on bank debt and other foreign currency balances	6	4,304	(4,059)
Other interest payable and similar charges	6	(5,219)	(3,155)
Interest payable to shareholders and investors	6	(38,750)	(26,148)
Loss before tax		(14,555)	(33,690)
Taxation	7	12,969	444
Loss for the period		(1,586)	(33,246)

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

The notes on pages 17 to 39 are an integral part of these financial statements.

Consolidated and Company Statement of Financial Position

At 26 September 2021

(2020: At 27 September 2020)

	Note	Group 26 September 2021 £'000	Group 27 September 2020 £'000	Company 26 September 2021 £'000	Company 27 September 2020 £'000
Non-current assets					
Investments	10	-	-	-	-
Intangible assets	8	98,771	98,906	-	-
Tangible assets	9	25,463	25,977	-	-
Deferred tax assets	7	14,461	-	-	-
Total non-current assets		138,695	124,883	-	-
Current assets					
Inventory	11	60,669	53,214	-	-
Trade and other receivables	12	9,837	10,375	122	6
Cash and cash equivalents		46,864	49,306	-	-
Total current assets		117,370	112,895	122	6
Current liabilities					
Creditors: amounts falling due within one year	13	(69,358)	(89,737)	(7,484)	(6,126)
Total current liabilities		(69,358)	(89,737)	(7,484)	(6,126)
Net current assets / (liabilities)		48,012	23,158	(7,362)	(6,120)
Total assets less current liabilities		186,707	148,041	(7,362)	(6,120)
Non-current liabilities					
Creditors: amounts falling due after more than one year	14	(408,878)	(371,157)	(82,317)	(76,770)
Provisions for liabilities and charges	15	(2,741)	(1,661)	-	-
Deferred tax liability	7	(1,451)	-	-	-
Total non-current liabilities		(413,070)	(372,818)	(82,317)	(76,770)
Net liabilities		(226,363)	(224,777)	(89,679)	(82,890)
Capital and reserves					
Share capital	16	46	46	46	46
Share premium	16	127,697	127,697	127,697	127,697
Capital contribution		72,430	72,430	34,843	34,843
Profit and loss		(426,536)	(424,950)	(252,265)	(245,476)
Total equity		(226,363)	(224,777)	(89,679)	(82,890)

The notes on pages 17 to 39 are an integral part of these financial statements.

These financial statements were approved by the board of Directors on 07 March 2022.

Signed on behalf of the board of Directors

A Bruce

Director

Consolidated and Company Statement of Changes in Equity

At 26 September 2021

Group	Share capital £'000	Share premium £'000	Capital contribution reserve £'000	Retained earnings £'000	Total equity £'000
At 29 December 2019	46	127,697	72,430	(391,704)	(191,531)
Loss for the period	-	-	-	(33,246)	(33,246)
Total comprehensive income	-	-	-	(33,246)	(33,246)
At 27 September 2020	46	127,697	72,430	(424,950)	(224,777)
Loss for the period	-	-	-	(1,586)	(1,586)
Total comprehensive income	-	-	-	(1,586)	(1,586)
At 26 September 2021	46	127,697	72,430	(426,536)	(226,363)

Company	Share capital £'000	Share premium £'000	Capital contribution reserve £'000	Retained earnings £'000	Total equity £'000
At 29 December 2019	46	127,697	34,843	(240,253)	(77,667)
Loss for the period	-	-	-	(5,223)	(5,223)
Total comprehensive income	-	-	-	(5,223)	(5,223)
At 27 September 2020	46	127,697	34,843	(245,476)	(82,890)
Loss for the period	-	-	-	(6,789)	(6,789)
Total comprehensive income	-	-	-	(6,789)	(6,789)
At 26 September 2021	46	127,697	34,843	(252,265)	(89,679)

The notes on pages 17 to 39 are an integral part of these financial statements.

Consolidated Cash Flow Statement

for the 52 weeks ended 26 September 2021

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

	52 weeks ending 26 September 2021 £'000	39 weeks ending 27 September 2020 £'000
Cash flows from operating activities		
Loss for the period from continuing operations	(1,586)	(33,246)
Adjustments for:		
Depreciation, amortisation and impairment	10,529	14,814
Increase / (Decrease) in provision for dilapidations	1,080	(286)
Gain on disposals	(1,484)	(8)
Net foreign exchange (gain) / loss	(4,304)	4,059
Net finance cost	42,917	29,303
Tax credit	(12,969)	(444)
Movements in working capital:		
(Increase) / Decrease in inventories	(7,455)	6,659
Decrease / (Increase) in trade and other receivables	604	(1,342)
(Decrease) / Increase in trade and other payables	(15,855)	27,673
Cash flows from operations	11,477	47,182
Tax paid	(9)	(23)
Interest paid	(1,664)	(267)
Net cash flows from operating activities	**9,804**	**46,892**
Cash flows from investing activities		
Payments for intangible assets, property, plant and equipment	(7,098)	(2,336)
Proceeds from sale of property, plant and equipment	2,853	8
Net cash flows used in investing activities	**(4,245)**	**(2,328)**
Cash flows from financing activities		
Repayment of bank loans	(6,280)	-
Payment of lease liabilities	(2,071)	(1,510)
Net cash flows used in financing	**(8,351)**	**(1,510)**
Net (decrease) / increase in cash and cash equivalents	**(2,792)**	**43,054**
Net (decrease) / increase in cash and cash equivalents	**(2,792)**	**43,054**
Cash and cash equivalents at beginning of period	49,306	5,860
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	350	392
Cash and cash equivalents at end of period	**46,864**	**49,306**

The notes on pages 17 to 39 are an integral part of these financial statements.

Notes to the financial statements

1. **General information**

Mapil Topco Limited (the "Company") incorporated in the United Kingdom on 28 November 2011 with company number 07862446. The registered address of the Company is 1000 Lakeside, Suite 310, Third Floor, N E Wing, Portsmouth, PO6 3EN, United Kingdom. On 7 December 2011, the Company acquired Mapil Midco 1 Limited whose primary trading subsidiary undertaking was Wiggle Limited. On 7 July 2016, the Group acquired the Chain Reactions Cycles Group and the brand became WiggleCRC (subsequently WiggleCR from November 2021). Wiggle Limited is the main trading entity of the Group. In addition the Company wholly owns the subsidiaries listed in note 11, which together form Mapil Topco Limited (the "Group").

2. **Summary of significant accounting policies**

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

Statement of compliance

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

Change in Financial Period

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

Basis of preparation

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

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

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

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

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

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

Going Concern

Notwithstanding net current liabilities of £226.4m as at 26 September 2021, a loss for the year then ended of £1.6m and operating cash outflows for the year of £2.8m, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have considered the principal activities of the Group, the business risks and uncertainties and the financial performance for the period ended 26 September 2021 and up to the date of signing these accounts. The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, and the funding available to the company as detailed below, that the company will have sufficient funds to meet its liabilities as they fall due for that period.

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

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

Going Concern (continued)

Acquisition and Funding

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

Given the proximity of the transaction to the signing of these financial statements the exact nature of any debt or equity instruments that will replace the settled debt is yet to be finalised and formalised. As a result, and in recognition of this fact SIGNA Sports United GmbH, acting as parents of Mapil Topco Limited, has provided a letter of support indicating that SIGNA Sports United GmbH will not be seeking repayment of the amounts currently due to the group, which at 26 September 2021 amounted to £nil, and providing additional financial support up to £25m during that period. As with any Group placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Profitability

The comparative period represents 39 weeks to September 2020, whilst the current period represents 52 weeks to September 2021, therefore the periods are not comparable when assessing on a like for like basis. Operating profit before depreciation, amortisation, impairment and gain on disposal (Adjusted EBITDA) increased from a profit of £14.5m for the 39 week period ended September 2020 to a profit of £23.5m for the 39 week period ended September 2021 and £34.2m for the full 52 week period ended September 2021. The key drivers are an increase in sales volumes during the Covid-19 pandemic along with careful margin and cost management, underpinned by the strategic and operational improvements that have been delivered during the course of the last two years. Closing cash at the 26 September 2021 was £46.9m, which comprised a net cash inflow from operating activities in the year of £11.5m, a cash outflow from investing activities of £4.2m, and a cash outflow from financing activities of £8.4m. The closing cash at the 31 December 2021 was £15.6m. The Group has net current trading assets at the period end (being net current assets excluding amounts owed to shareholders detailed in note 13) totalling £54.0m.

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

Cash flow Projections

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

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

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

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

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

Subsidiaries

Business combinations are accounted for using the purchase method.

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

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

Revenue

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

Notes to the financial statements (continued)

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

Cost of sales

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

Pensions

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

Net finance costs

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

Foreign currency

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

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

Intangible assets

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

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

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

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

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

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

Property, plant and equipment

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

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

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

Impairment of non-financial assets

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

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

Financial Instruments

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

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

Effective interest method

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

Financial Assets

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

Financial assets at FVTPL

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

Loans and receivables

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

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

Financial liabilities

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

Financial liabilities at FVTPL

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

Other financial liabilities

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

Derecognition of financial liabilities

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

Notes to the financial statements (continued)

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

Leasing

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

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

Short-term leases and leases of low-value assets

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

Government grants

Government grants are included within deferred government grants in the balance sheet and credited to the profit and loss account on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The Group has elected to present grants related to income as a reduction to the related expense line. During the prior period, the Group claimed Government grants in relation to the Coronavirus Job Retention Scheme totalling less than £32,000 but these grants were fully repaid to the scheme within the period.

Inventory

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

Borrowing costs

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

Current taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.
Income tax relating to items recognised in comprehensive income or directly in equity is recognised in comprehensive income or equity and not in the income statement.

Notes to the financial statements (continued)

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

Deferred taxation

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

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.
The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Employee benefits

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

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

Significant accounting estimates and assumptions

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted for use by the International Accounting Standards Board ("IASB"), in conformity with the requirements of the International Financial Reporting Interpretations Committee ("IFRIC") interpretations and in conformity with the Companies Act 2006, which require estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the balance sheet date and also the amounts of revenue and expenditure recorded in the period. The directors believe the accounting policies chosen are appropriate to the circumstances and that the estimates and assumptions involved in its financial reporting are reasonable.
Accounting estimates made by the Group's management are based on information available to management at the time each estimate is made. Accordingly, actual outcomes may differ materially from current expectations under different assumptions and conditions. The estimates and assumptions for which there is a significant risk of a material adjustment to the financial statements within the next financial year are set out below.

Significant Estimates and Assumptions

Inventory

Provision is made for those items of inventory totalling £63.5m *(2020: £53.2m)* where the net realisable value is estimated to be lower than cost, and totals £2.8m *(2020: £2.7m)*. Net realisable value is based on both historical experience and assumptions regarding future selling prices, and is consequently a source of estimation uncertainty. The key estimation uncertainties relate to the level of price adjustment that would be required to stimulate demand on slower-selling lines; the estimate of future selling prices based on historical levels achieved and specific pricing plans; and the assumptions around demand levels for product types.

A sensitivity has been carried out on the carrying value of inventory. A 10% reduction in the current selling price of products would cause a £0.6m increase to the inventory provision; and a 10% increase in price would lead to a £0.6m decrease to the inventory provision.

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

Goodwill Impairment

The carrying amounts of the Company's and the Group's assets other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The value in use is remeasured based upon recent performance and the future financial plans, the key assumptions in calculating the value in use are the revenue and margin growth rates along with the cost percentages, discount rate and terminal growth rate. Impairment losses are recognised in the income statement. Brought forward impairments of £108.4m in relation to Goodwill and £192.9m in relation to subsidiary investments are recognised in the Group and Company balance sheets respectively.

Notes to the financial statements (continued)

3. Revenue by geographic location

	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
United Kingdom	230,661	171,746
Rest of Europe	52,720	56,287
Rest of World	76,957	63,569
	360,338	291,602

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

4. Expenses and auditor's remuneration

Operating profit is stated after charging:	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Depreciation of tangible assets	3,611	2,248
Amortisation of intangible assets	6,918	12,566
Research and development expenditure	193	189
	10,722	15,003
Gain on disposal of tangible assets	(1,483)	(8)
	9,239	14,996

Auditor's remuneration:	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Audit services	1,138	1,209
Other services relating to taxation and advisory services	102	182
	1,240	1,391

Notes to the financial statements (continued)

5. Employee numbers and costs

	52 weeks ending 26 Sep 2021	39 weeks ending 27 Sep 2020
Costs of Group employees (excluding directors) during the period amounted to:	£'000	£'000
Wages and salaries	28,802	20,376
Social security costs	2,470	2,108
Other Pension Costs	1,087	753
Healthcare Costs	123	96
	32,482	23,333

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

	52 weeks ending 26 Sep 2021 Number	39 weeks ending 27 Sep 2020 Number
Directors	2	2
Head office and administration	512	482
Warehouse	358	321
	872	805

Directors' emoluments

Compensation of key management personnel

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

	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Short-term employee benefits	591	387
Long-term employee benefits	-	184
Highest paid director	393	310

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

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

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

Notes to the financial statements (continued)

6. Finance income and finance cost

	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Foreign currency gain/(loss)		
Exchange gain / (loss) on bank debt and other foreign currency balances	4,304	(4,059)
Other interest payable and similar charges		
Bank interest and other similar charges	4,092	2,349
Interest on lease liability	1,052	775
Loan cost amortisation relating to bank loans	75	31
	5,219	3,155
Interest payable to shareholders and investors		
Payable to shareholders	38,714	26,127
Loan cost amortisation relating to shareholder and investor loans	36	21
	38,750	26,148
Total interest payable and similar charges	43,969	29,303

7. Taxation

	52 weeks ending 26 Sep 2021	39 weeks ending 27 Sep 2020
Recognised in the income statement	£'000	£'000
Current tax		
Current tax on income for the period	(60)	(20)
Adjustments in respect of prior periods	101	(78)
Total current tax	41	(98)
Deferred tax		
Origination and reversal of temporary differences	(360)	(1)
Adjustments in respect of prior periods	33	(351)
Recognition of previously unrecognised Capital Allowances	(9,832)	
Recognition of previously unrecognised tax losses	(2,851)	
Effect of tax rate change	-	6
Total deferred tax	(13,010)	(346)
Tax credit in the Income Statement	(12,969)	(444)

Notes to the financial statements (continued)

7. **Taxation** (continued)

Reconciliation of effective income tax credit

The charge for the period can be reconciled to the loss per the income statement as follows:

	52 weeks ending 26 Sep 2021 £'000	39 weeks ending 27 Sep 2020 £'000
Loss before tax	(14,555)	(33,690)
Weighted average tax rate	19.00%	19.00%
At the weighted average income tax rate	(2,766)	(6,401)
Income not taxable for tax purposes	-	(4)
Expenses not deductible for tax purposes	7,356	4,602
Fixed asset differences	-	35
Research and development credit	60	16
Impact of rate change	-	-
Recognition of previously unrecognised Capital Allowances	(11,610)	
Other movement in deferred tax	(495)	
Tax relieved due to utilisation of losses	(2,797)	
Recognition of previously unrecognised tax losses	(2,851)	1,737
Adjustments in respect of prior periods	134	(429)
	(12,969)	(444)

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

Management have made an assessment of the recognition of deferred tax assets in respect of tax losses carried forward and accelerated capital allowances as at 26 September 2021 in light of recent financial performance and the projections for future financial performance.

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

	Assets		(Liability)	
Deferred tax	Losses carried forward £'000	Accelerated capital allowances £'000	Intangibles arising on acquisition £'000	Total £'000
Asset / (Liability) at 27 September 2020	-	1,778	(1,778)	-
Movement in the period	2,851	9,832	327	13,010
Asset / (Liability) at 26 September 2021	2,851	11,610	(1,451)	13,010

Notes to the financial statements (continued)

8. Intangible assets

The Group	Construction in progress	Goodwill	Intellectual property	Software and licenses	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 27 September 2020	3,727	179,505	16,941	66,943	267,116
Additions	6,896	-	25	692	7,613
Transfer on completion	(1,655)	-	-	1,048	(607)
Reclassification	-	-	-	18	18
Disposals	(223)	-	(3)	(103)	(329)
At 26 September 2021	8,745	179,505	16,963	68,598	273,811
Accumulated amortisation					
At 27 September 2020	2,450	108,372	8,158	49,230	168,210
Amortisation and impairment	-	-	1,625	5,293	6,918
Disposals	-	-	(2)	(86)	(88)
At 26 September 2021	2,450	108,372	9,781	54,437	175,040
Net book value					
At 26 September 2021	6,295	71,133	7,182	14,161	98,771
At 27 September 2020	1,277	71,133	8,783	17,713	98,906

Borrowing costs amounting to £1,330,000 *(2020: £1,330,000)* have been capitalised in software and licenses at interest rates ranging from 4.45% to 7.12%. Accumulated amortisation on these balances amounts to £572,400 *(2020: £439,400)*.

Intellectual property includes brands, trademarks and customer databases.

Impairment testing for cash generating units containing goodwill

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

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

Notes to the financial statements (continued)

8. Intangible assets (continued)

Key assumptions used in calculating value in use

The discounted cash flow calculation is based on management's 5 year plan, with the first year being the 2022 Budget. A terminal value is applied to the last year.

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

	2021	2020
Terminal growth rate	2.0%	2.0%
Pre-tax discount rate	15.9%	11.9%

Terminal growth rate

A terminal growth of 2% is consistent with long term projections of the online retail sector.

Discount rate

The discount rate has been calculated by using the Capital Asset Pricing Model (CAPM), which includes an Alpha factor to adjust the rate to reflect business specific risks. This is considered to be the most accurate measure of the risk associated with cash flow of the CGU.

Key assumptions in the 5 year plan include average annual revenue growth of a high single digit and an average small annual reduction to gross margin.

Sensitivity

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

9. Tangible fixed assets

<u>The Group</u>	Right of use asset	Leasehold land and buildings	Equipment and fixtures	Motor vehicles	Total
Cost	£'000	£'000	£'000	£'000	£'000
At 27 September 2020	21,953	11,438	8,978	320	42,689
Additions	1,373	400	1,855	27	3,655
Transfer from CIP	-	69	538	-	607
Movement in asset retirement provisions	-	500	-	-	500
Reclassification	-	377	(395)	-	(18)
Disposals	(1,333)	(1,276)	(193)	(131)	(2,933)
At 26 September 2021	21,993	11,508	10,783	216	44,500
Accumulated depreciation					
At 27 September 2020	3,251	5,394	7,784	283	16,712
Depreciation	2,135	690	769	17	3,611
Reclassification	-	47	(48)	-	(1)
Disposals	(752)	(255)	(147)	(131)	(1,285)
At 26 September 2021	4,634	5,876	8,358	169	19,037
Net book value					
At 26 September 2021	17,359	5,632	2,425	47	25,463
At 27 September 2020	18,702	6,044	1,194	37	25,977

Cost includes direct costs incurred in bringing assets into their present condition, which includes certain incremental labour costs. Borrowing costs amounting to £618,000 *(2020: £618,000)* have been included in leasehold land and buildings. Accumulated depreciation amounts to £319,300 *(2020: £263,200).*

Notes to the financial statements (continued)

10. Investments in subsidiaries

The Company	Investment	Capitalisation of debt	Total
Cost	**£'000**	**£'000**	**£'000**
At 27 September 2020 and 26 September 2021	66,718	126,165	192,883
Accumulated impairment			
At 27 September 2020 and 26 September 2021	66,718	126,165	192,883
Net book value			
At 27 September 2020 and 26 September 2021	-	-	-

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

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

Notes to the financial statements (continued)

10. Investments in subsidiaries (continued)

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

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

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

11. Inventories

	26 Sep 2021 £'000	27 Sep 2020 £'000
Finished goods and goods for resale	60,669	53,214

Inventories are carried at cost less a provision to take account of slow moving and obsolete items.
The cost of inventories recognised as an expense in continuing operations during the 52 weeks to 26 September 2021 was £227,189,000 *(39 weeks to 27 September 2020: £199,938,000).*

The carrying amount of any inventories that are carried fair value less cost to sell is £9,749,000 (2020: £10,336,936). The carrying value of inventories is presented net of a provision of £2,782,000 *(2020: £2,652,000)* in respect of write-downs to net realisable value.

Notes to the financial statements (continued)

12. Trade and other receivables

The Group	26 Sep 2021 £'000	27 Sep 2020 £'000
Trade receivables	533	354
Prepayments and accrued income	8,409	9,359
Corporation tax	358	292
Other taxes and social security	-	1
Other receivables	537	369
	9,837	10,375

The Company	26 Sep 2021 £'000	27 Sep 2020 £'000
Amounts due from group companies	122	6

All group receivables are repayable on demand. Management have analysed forecast future cash flows for the Group in determining that group receivable balances are recoverable.

13. Creditors: amounts falling due within one year

The Group	26 Sep 2021 £'000	27 Sep 2020 £'000
Amounts owed to shareholders	5,990	14,536
Trade creditors	32,766	44,917
Other taxes and social security	6,019	6,526
Lease liability	1,612	2,141
Accruals	14,456	10,009
Other creditors	8,515	11,608
	69,358	89,737

Amounts owed to shareholders includes interest of £3,898,000 *(2020: £12,511,000).*

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

Trade creditors are non-interest bearing and are payable on average within 38 days at 26 September 2021 *(2020: 43 days)*. Interest on Group loan balances are at a rate ranging between 11% and 20% per annum *(2020: 11% and 20%)*.

The Company	26 Sep 2021 £'000	27 Sep 2020 £'000
Amounts owed to Group companies	3,716	2,262
Amounts owed to shareholders	2,183	2,100
Other creditors & accruals	1,585	1,764
	7,484	6,126

Interest is charged on amounts owed to shareholders at a rate of 4% *(2020: 4%)*. Group loan balances are non-interest bearing.

Notes to the financial statements (continued)

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

The Group	**26 Sep 2021 £'000**	**27 Sep 2020 £'000**
Amounts owed to shareholders	240,773	199,102
Preference shares classified as liabilities	58,559	58,559
Dividends due on preference shares	23,758	18,211
Bank loans	66,110	73,710
Lease liability	19,678	20,502
Other	-	1,073
	408,878	371,157

Amounts owed to shareholders after amortisation includes loan and PIK notes totalling £199,123,000 *(2020: £133,467,000)* and accrued deferred interest of £41,676,000 *(2020: £65,635,000)*.

The Company	**26 Sep 2021 £'000**	**27 Sep 2020 £'000**
Preference shares classified as liabilities	58,559	58,559
Dividends due on preference shares	23,758	18,211
	82,317	76,770

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

As at 26 September 2021	**Preference shares and dividends £'000**	**Loans from shareholders £'000**	**Bank loans £'000**
Between one and two years	-	240,773	66,110
Between two and five years	-	-	-
More than five years	82,317	-	-

As at 27 September 2020	**Preference shares and dividends £'000**	**Loan from shareholders £'000**	**Bank loans £'000**
Between two and five years	-	199,102	73,710
More than five years	76,770	-	-

Bank Debt amendment

In March 2021 new quarterly Net Debt to EBITDA and Interest Cover covenants were agreed which replace the previous liquidity based covenant measures from July 2021 onwards. It was also agreed that interest payments would be settled in cash on a quarterly basis from July 2021 onwards and a capital repayment of £5.0m was made on 27 June 2021. Following the sale of company assets during the period, a further capital repayment of £1.3m was made on 7 September 2021.
This was treated as a substantial modification and the effect on the consolidated income statement was not material.

The maturity date of all shareholder loan notes is 30 June 2023.

Preference shares

During the period, the back stop date of the preference shares was extended to 6 December 2026. Due to this contractual repayment date, these are accounted for as a liability and are measured at amortised cost.

Notes to the financial statements (continued)

14. Creditors: amounts falling due after more than one year (continued)

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

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

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

As at 27 September 2020	Interest rate (PIK)	Interest rate (cash paid)	Maturity	Nominal Value Facility Currency 000's	Carrying amount £000's
Revolving Facility (GBP)	4.5%	Libor	Dec 2022	10,341	10,325
Revolving Facility (EUR)	4.5%	Euribor	Dec 2022	15,072	13,719
Facility B (EUR)	5%	Euribor	Dec 2022	54,567	49,666
Total Bank Loans					73,710

As at 27 September 2020	Interest rate (PIK)	Interest rate (cash paid)	Maturity	Nominal Value Facility Currency 000's	Carrying amount £000's
Loan Notes issued to shareholders (GBP)	11%	-	Jun 2023	93,762	93,762
Loan Notes issued to shareholders (GBP)	20%	-	Jun 2023	105,340	105,340
Total Loan Notes issued to shareholders					199,102

Notes to the financial statements (continued)

15. Provisions for liabilities and charges

	26 Sep 2021	27 Sep 2020
Dilapidations and asset retirement provision	**£'000**	**£'000**
Balance at beginning of the period	1,661	1,947
Increases to provisions in the period	575	(210)
Provisions utilised in the period	(22)	-
Remeasurement	527	(76)
	2,741	1,661

A dilapidations and asset retirement provision is made to cover the future cost of returning properties to the condition required by the lessor upon exit from the lease. It is based on management's assessment of the current state of properties in the Group's portfolio and an assessment of inflation and discount rates. These provisions are expected to be used within the next 13 years.

16. Share capital and reserves

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

The Group and the Company	Share capital	Share Premium	26 Sep 2021	27 Sep 2020
Called up, allotted and fully paid	**£'000**	**£'000**	**£'000**	**£'000**
58,559,127 Preference shares of £.0001 each	6	58,553	58,559	58,559
1,600,000 A Ordinary shares of £.01 each	16	1,584	1,600	1,600
338,080 B Ordinary shares of £.01 each	4	336	340	340
339,384 C Ordinary shares of £.0125 each	4	-	4	4
124,789,389 D Ordinary shares of £.0001 each	12	124,777	124,789	124,789
2,931,957 E Ordinary shares of £.0001 each	-	-	-	-
60,000 E2 Ordinary Shares of £.15 each	9	-	9	9
77,111 F Ordinary shares of £.01 each	1	-	1	1
100 G Ordinary shares of £.00001 each	-	1,000	1,000	1,000
2,000,000 Preferred Ordinary shares of £.0001 each	-	-	-	-
Total share capital	52	186,250	186,302	186,302
Less: Preference shares classified as liabilities (see note 14)	(6)	(58,553)	(58,559)	(58,559)
Shares classified as equity at 26 September 2021	46	127,697	127,743	127,743

The A Ordinary Shares, B Ordinary Shares and C Ordinary shares, D Ordinary Shares, E Ordinary Shares, E2 Ordinary Shares, F Ordinary Shares, G Ordinary Shares shall rank pari passu among themselves, but they constitute separate classes of shares. Only holders of the E Ordinary Shares, E2 Ordinary Shares and the F Ordinary Shares shall have voting rights.

Preference Shares shall rank ahead of the Ordinary Shares for all purposes.

Any return of capital will be made in the following order of priority:

1. in paying to the holders of Preference Shares the Issue Price per share and all accrued Preference Dividends;
2. to the extent the amount returned to the holders of the Midco 1 Surrey Loan Notes and Preference Shares is less than £238m in aggregate, in paying to the holders of Preferred Ordinary Shares (pro rata to their holdings of Preferred Ordinary Shares) such shortfall (for the avoidance of doubt, if the holders of the Midco 1 Surrey Loan Notes and Preference Shares receive an aggregate amount of £238m through the Midco 1 Surrey Loan Notes and Preference Shares, no return will be made to the holders of Preferred Ordinary Shares); and
3. any balance of capital remaining will be paid between the following shareholders:
   a. 97% to the holders of the E Ordinary Shares and E2 Ordinary Shares (pari passu as if one class of share);
   b. 0.8% to the holders of the A Ordinary Shares;
   c. 0.2% to the holders of the B Ordinary Shares; and
   d. 2% to the holders of the D Ordinary Shares.

The C Ordinary Shares, F Ordinary Shares and G Ordinary Shares all have very limited rights on a return of capital:

1. The C Ordinary Shares are entitled to receive £0.01 per share on a return of capital, but only after £100m of capital is returned on the A Ordinary Shares;
2. The F Ordinary Shares are entitled to receive £0.01 per share on a return of capital, but only after £100m of capital is returned on the E and E2 Ordinary Shares (in aggregate); and
3. The G Ordinary Shares are entitled to receive £0.01 per share on a return of capital, but only after £100m of capital is returned on the on the C and F Ordinary Shares (in aggregate).

Notes to the financial statements (continued)

16. Share capital and reserves (continued)

Capital contribution reserve

The capital contribution reserve consists of shareholder debt that has been waived in exchange for capital contributions.

Foreign currency reserve

The foreign currency reserve consists of the revaluation of non GBP functional currency in Group Companies.

17. Commitments, contingencies and leases

Guarantees

During the prior period, a guarantee facility was in place under the terms of the HSBC banking facility and this was utilised in order to meet the requirements of the Group's HMRC deferment account and PayPal settlement account. HMRC and PayPal guarantees in Wiggle Limited amounted to £270,000 and £630,000 respectively. No claims were made in respect of these guarantees and during the period, both guarantee arrangements were closed.

Cross Company Guarantees

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

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

Right-of-use assets	**Land and building £'000**	**Equipment and fixtures £'000**	**Motor vehicles £'000**	**Total £'000**
Balance at 27 September 2020	17,315	1,348	39	18,702
Additions	1,373	-	-	1,373
Disposals	(1,216)	(117)	-	(1,333)
Depreciation	(1,787)	(332)	(16)	(2,135)
Depreciation on disposals	650	102	-	752
Balance at 26 September 2021	16,335	1,001	23	17,359

Lease liabilities **Maturity analysis - contractual undiscounted cash flows**	**26 Sep 2021 £'000**	**27 Sep 2020 £'000**
Less than one year	2,558	3,194
One to five years	9,932	10,517
More than five years	15,033	16,242
Total undiscounted lease liabilities	27,523	29,953

Lease liabilities included in the statement of financial position	**26 Sep 2021 £'000**	**27 Sep 2020 £'000**
Current	1,612	2,141
Non-current	19,678	20,502
	21,290	22,643

Amounts recognised in profit and loss	**26 Sep 2021 £'000**	**27 Sep 2020 £'000**
Depreciation	2,135	1,551
Interest on lease liabilities	1,052	775
	3,187	2,326

Notes to the financial statements (continued)

17. Commitments, contingencies and leases (continued)

	26 Sep 2021	27 Sep 2020
Amounts recognised in the statement of cashflow	**£'000**	**£'000**
Total cash outflow for leases	3,123	1,510

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

18. Related party disclosures

Identity of related parties

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

	26 Sep 2021	27 Sep 2020
<u>The Group</u>	**£'000**	**£'000**
Shareholder loans and PIK notes	240,773	199,102
Preference shares classified as liabilities	82,317	76,770
	323,090	275,872

	26 Sep 2021	27 Sep 2020
<u>The Company</u>	**£'000**	**£'000**
Shareholder loans	2,183	2,100
Preference shares classified as liabilities	82,317	76,770
	84,500	78,870

Interest due on the loan from shareholders is paid by the issue of deferred interest at rates of 11% to 20% per annum. Interest is then also payable on the accrued deferred interest at rates of 11% to 20% per annum by the issue of further deferred interest.

Included in the loan from shareholders is £87,423,021 *(2020: £61,764,245)* of Mapil Midco 1 Limited and £111,700,446 *(2020: £71,703,116)* of Mapil Midco 2 Limited Unsecured Subordinated Redeemable Loan Notes listed on The International Stock Exchange.

Other transactions with controlling parties

At the period end there was £900,000 *(2020: £900,000)* outstanding in relation to management fees invoiced, and a further £1,087,500 (*2020: £825,000*) in relation to accrued management fees, payable to Bridgepoint.

Key management personnel

Key management includes the directors as identified in the Directors' report. The compensation paid or payable to key management for employee services is set out in note 5. Included within shareholder loans and PIK notes is £7,648,646 (*2020: £6,892,245*) owed to one of the directors.

Notes to the financial statements (continued)

19. Financial instruments

The Group	26 Sep 2021 £'000	27 Sep 2020 £'000
Financial assets		
Cash and bank balances	46,864	49,306
Loans and receivables at amortised cost	3,166	3,261
	50,030	52,567

The Group	26 Sep 2021 £'000	27 Sep 2020 £'000
Financial liabilities		
Held at amortised cost		
Trade and other payables	61,755	73,059
Bank loans	66,110	73,710
Shareholder loans	246,764	213,639
Preference shares classified as amortising financial liability	82,317	76,770
Lease liability	21,290	22,643
	478,236	459,821

Loans and receivables at amortised cost excludes prepayments amounting to £6,671,000 (2020: £7,114,000). The fair value of the shareholder loans has been calculated using the HSBC borrowing rate of 4.5% and totals £161,573,000 (2020: £154,645,000).

19.1 Capital management

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

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

19.2 Financial risk management objectives

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

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

19.3 Market risk

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

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

19.4 Foreign currency risk management

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

19. Financial instruments (continued)

19.4 Foreign currency risk management (continued)

Foreign currency sensitivity analysis

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

If GBP had been 10% stronger/weaker against EUR and all other variables were held constant, the Group's profit before tax would have increased/decreased by £4,773,405 *(2020: £5,468,871)* and this is due mainly to exposure on the loans and borrowings and trade creditor balances denominated in EUR, offset by cash balances held and trade prepayments denominated in EUR.

If GBP had been 10% stronger/weaker against JPY and all other variables were held constant, the Group's profit before tax would have decreased/increased by £131,784 *(2020: £86,095)* and this is due mainly to cash balances held in JPY offset by trade creditor balances denominated in JPY.

If GBP had been 10% stronger/weaker against AUD and all other variables were held constant, the Group's profit before tax would have decreased/increased by £193,487 *(2020: £187,526)* and this is due mainly to cash balances held in AUD offset by trade creditor balances denominated in AUD.

If GBP had been 10% stronger/weaker against USD and all other variables were held constant, the Group's profit before tax would have decreased/increased by £546,588 *(2020: £377,471)* and this is due mainly to cash balances held and trade prepayments denominated in USD offset by trade creditors balances denominated in USD.

19.5 Interest rate risk management

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. This risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings. The interest rate profile of loans and borrowings is described in note 14.

Interest rate sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit before tax for the period would have decrease/increased by £406,000 *(2020: £334,000)* and this is due mainly to exposure on floating rate borrowings.

19.6 Credit risk management

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

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

19.7 Liquidity risk management

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

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

19.8 Fair value measurements

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

Trade and other receivables

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

19. Financial instruments (continued)

19.8 Fair value measurements (continued)

Trade and other payables

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

Cash and cash equivalents

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

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

Shareholder debt is valued at its carrying amount.

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

19.9 Guarantees

Mapil Midco 2 Limited and its subsidiaries are obligors and joint guarantors of the HSBC banking facilities held in the name of a subsidiary, Mapil Bidco Limited. The values of those facilities at the balance sheet date are shown below.

	Currency	Nominal interest rate	Maturity	Face value 2021 Currency 000s
As at 26 September 2021				
Revolving Facility (GBP)	GBP	Libor+ 4.5%	Dec 2022	10,700
Revolving Facility (EUR)	EUR	Euribor+ 4.5%	Dec 2022	15,251
Facility B (EUR)	EUR	Euribor+ 5%	Dec 2022	47,977

20. Net debt

The Group	Cash and bank balances £'000	Bank loans and other NCI £'000	Finance leases £'000	Preference shares and shareholder loan notes £'000	Net debt £'000
Balance at 29 December 2019	5,860	(67,078)	(12,934)	(249,772)	(323,924)
Cash flow	43,054	-	(1,510)	-	41,544
Effects of Foreign Exchange	392	(4,453)	-	-	(4,061)
Other movements	-	(2,179)	(8,199)	(26,100)	(36,478)
Balance at 27 September 2020	49,306	(73,710)	(22,643)	(275,872)	(322,919)
Cash flow	(2,792)	6,280	(2,071)	-	1,417
Effects of Foreign Exchange	350	3,955	-	-	4,305
Other movements	-	(2,635)	3,424	(47,219)	(46,430)
Balance at 26 September 2021	46,864	(66,110)	(21,290)	(323,091)	(363,627)

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

21. Post balance sheet events

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

As a result of the sale of the business, all non-current shareholder debt (£240,773,000 as per Note 14), accrued interest held as current liabilities (£5,990,000 as per Note 13), bank loan notes of £66,112,000 (as per Note 14), £161,000 of accrued interest, held in other creditors (Note 13) and Preference Shares and dividends due on these of £82,317,000 (as per Note 14) have all been repaid in full by SSU.

The equity and loan instruments which will be issued to SSU in consideration for the settlement of shareholder debt and bank loan notes have not been legally executed at the date of signing the accounts. On 22 December, the Mapil Topco Group received a loan equivalent to €11,731,500 from Signa Sports United GMBH, without formal terms in place. The new debt or equity that replaces the previous debt discharged is expected to be of a similar quantum to that settled. Whilst the terms have yet to be finalised, no new debt will be called in or require settlement within the next two years.

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