

Company Registration No. 08248997 (England and Wales)

REPUBLIC.COM RETAIL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 APRIL 2022



REPUBLIC.COM RETAIL LIMITED

COMPANY INFORMATION

Directors	AA Adegoke AP O Dick
Company number	08248997
Registered office	Unit A Brook Park East Shirebrook NG20 8RY
Auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

REPUBLIC.COM RETAIL LIMITED

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REPUBLIC.COM RETAIL LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 24 APRIL 2022

The directors present the strategic report for the period ended 24 April 2022.

Fair review of the business

The Company has shown a strong performance in the period largely due to the strong reopening of stores after the last lockdown in March 2021, the comparative period being impacted by lockdowns as a result of Covid-19.

Key performance indicators

The directors consider revenue, gross profit margins and underlying earnings before interest, tax, depreciation and amortisation (EBITDA) to be key performance indicators for the Company. Underlying EBITDA is calculated by adding back the depreciation and amortisation charge of £51k (2021: £147k) and the loss on foreign currency translation of £33k (2021: profit of £65k) to the operating profit figure of £4,289k (2021: profit of £1,864k).

- Revenue for the period increased from £18,907k to £25,129k due to the prior period being impacted by Covid-19.
- The Company's underlying EBITDA has increased from £1,946k to £4,373k due to the prior period being impacted by Covid-19.
- The Company's net liabilities decreased from £36,767k to £32,413k due to the profit in the period.

REPUBLIC.COM RETAIL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

Principal risks and uncertainties

Liquidity and cash flow risk

Funding and liquidity for the Company's operations are provided through group bank loans, overdrafts and shareholders' funds.

The Company's objective is to maintain sufficient funding and liquidity for its requirements, but the availability of adequate cash resources from bank facilities and achieving continuity of funding in the current financial climate could be a risk to the Company in future years.

Relationships with suppliers could break down if we are unable to pay them in line with our contractual obligations.

Credit risk

The Company's key suppliers also face credit risks and as such the Company regularly assesses the viability of its suppliers and ensures there are plans to source from alternative businesses should key suppliers fail. Rigorous procedures are in place to mitigate this credit risk. The Company has a credit policy in place and the exposure to risk is monitored on an on-going basis.

Investment of cash surplus, borrowings and derivative investments are made through banks and companies which have credit ratings and investment criteria approved by the Board. The Group entered into a new combined term loan and revolving credit facility that is valid for three years at a value of £930 million with the option to increase the value up to £1.2 billion. As at the date of the release of this Annual report the Group facility was at a value of £980m. This replaces the previous £913m facility.

Future Developments

During FY22, we have continued to see the progress of the elevation strategy.

The elevation of our multi-channel retail proposition remains a key strategic objective. To this end, we are improving the customer experience at every step of the journey. We aim to deliver an unrivalled range, availability and quality of products – both third party brands and Group branded products.

The elevation strategy continues to enhance and improve our stores and all our digital operations, our product offering and our marketing channels. This is vital to strengthen our relationships with our key third party brand partners, to deliver benefits for consumers and to drive the Company's long-term profitability.

Community and Environment

ESG is an increasingly important area to the Group. We recognise the importance of sustainability to our stakeholders and to the future success of the business and take seriously the part we must play to change the paradigm of the retail and manufacturing industries.

We welcome the progress made at COP27 and are actively working with our partners to identify opportunities to work together to tackle climate change, particularly in relation to carbon emissions from transport and waste.

The Group supports the introduction of the Taskforce for Climate-related Financial Disclosures (TCFD). Significant analysis and scenario modelling went into producing the Group's disclosure. The findings have given us a robust foundation to mitigate climate related risks and inform opportunities going forwards. The Group's full TCFD disclosure can be found in the Frasers Group Plc annual report on pages 36 to 53.

The role of the sustainability team continues to evolve as we further embed sustainability throughout the Group, linking sustainability to Group strategy and vice versa. TCFD has further helped to formalise this approach and the Group's sustainability manager is an integral member of the newly formed Climate Risk Group.

There has been a particular focus on materiality and data gathering over the past year, to better inform the direction of the Group's ESG journey. Notably, there has been improved data collected on energy use and savings, product material composition and single-use plastic.

REPUBLIC.COM RETAIL LIMITED

STRATEGIC REPORT (CONTINUED)

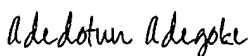
FOR THE PERIOD ENDED 24 APRIL 2022

We expect continued improvement in the quality of data we collect and in the way we use and share that data, to better inform agile decision making as the information and the opportunities that presents become clearer.

For further information, see Frasers Group Plc annual report on page 42 to 44.

On behalf of the board

DocuSigned by:



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AA Adegoke

Director

28 April 2023

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REPUBLIC.COM RETAIL LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 24 APRIL 2022

The directors present their annual report and financial statements for the period ended 24 April 2022.

Principal activities

The principal activity of the Company continued to be that of fashion clothing retailing.

Directors

The directors who held office during the period and up to the date of approval of the financial statements were as follows:

AA Adegoke

AP O Dick

Results and dividends

The results for the period are set out on page 10.

No ordinary dividends were paid (2021 - £nil). The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

Frasers Group plc has granted the directors of the company with Qualifying Third Party Indemnity provisions within the meaning given to the term by Sections 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as director of the Company and of any company within the group. Such indemnities were in force throughout the financial year and will remain in force.

Auditor

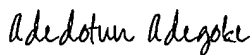
In accordance with the company's articles, a resolution proposing that Cooper Parry Group Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board

DocuSigned by:



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AA Adegoke

Director

Date: 28 April 2023

REPUBLIC.COM RETAIL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 24 APRIL 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

REPUBLIC.COM RETAIL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF REPUBLIC.COM RETAIL LIMITED

Opinion

We have audited the financial statements of Republic.com Retail Limited (the 'company') for the year ended 24 April 2022 which comprise the statement of total comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 24 April 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPUBLIC.COM RETAIL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF REPUBLIC.COM RETAIL LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

REPUBLIC.COM RETAIL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF REPUBLIC.COM RETAIL LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatements. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with the framework, including a review of legal and professional nominal codes and discussions with the group's legal advisors;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these;
- obtaining an understanding of the entity's risk assessment procedures, including the risk of fraud designing our audit procedures to respond to our risk assessment;
- performing audit work over the risk of management override of controls, including testing of journal entries based on risk criteria and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- investigating transactions posted to nominal ledger codes outside of the normal revenue cycle;
- testing the accuracy and existence of sales through agreement to cash receipt and other supporting evidence;
- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims and discussing with the group's legal advisors.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as well will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

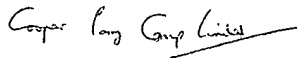
REPUBLIC.COM RETAIL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF REPUBLIC.COM RETAIL LIMITED

Use of our report

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



Catherine Kelly (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited

28 April 2023
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Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

REPUBLIC.COM RETAIL LIMITED**STATEMENT OF TOTAL COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 24 APRIL 2022**

		Period ended 24 April 2022 £ 000's	Period ended 25 April 2021 £ 000's
	Notes		
Revenue	3	25,129	18,907
Cost of sales		(11,218)	(7,519)
Gross profit		13,911	11,388
Distribution costs		(52)	(94)
Administrative expenses		(9,574)	(10,438)
Other operating income	3	5	1,008
Operating profit	4	4,290	1,864
Finance costs		(1)	-
Profit before taxation		4,289	1,864
Taxation	6	65	(111)
Profit for the financial period		4,354	1,753

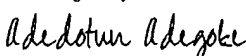
The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 - 25 form part of these financial statements.

REPUBLIC.COM RETAIL LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 24 APRIL 2022**

	Notes	2022 £ 000's	2021 £ 000's
Non-current assets			
Intangible fixed assets	7	-	-
Property, plant and equipment	8	-	108
Current assets			
Trade and other receivables falling due after more than one year	9	705	640
Trade and other receivables falling due within one year	9	9,648	3,260
Cash and cash equivalents		2,435	4,699
		12,788	8,599
Current liabilities	10	(44,298)	(44,597)
Net current liabilities		(31,510)	(35,998)
Total assets less current liabilities		(31,510)	(35,890)
Provisions for liabilities	11	(903)	(877)
Net liabilities		(32,413)	(36,767)
Equity			
Called up share capital	14	-	-
Retained earnings	14	(32,413)	(36,767)
Total deficit		(32,413)	(36,767)

The financial statements were approved by the board of directors and authorised for issue on 28 April 2023 and are signed on its behalf by:

DocuSigned by:

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 AA Adegoke
 Director

Company Registration No. 08248997

The notes on pages 13 - 25 form part of these financial statements.

REPUBLIC.COM RETAIL LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 24 APRIL 2022**

	Share capital £ 000's	Retained earnings £ 000's	Total £ 000's
Balance at 27 April 2020	-	(38,520)	(38,520)
Period ended 25 April 2021:			
Profit and total comprehensive income for the period	-	1,753	1,753
Balance at 25 April 2021	-	(36,767)	(36,767)
Period ended 24 April 2022:			
Profit and total comprehensive income for the period	-	4,354	4,354
Balance at 24 April 2022	-	(32,413)	(32,413)

The notes on pages 13 - 25 form part of these financial statements.

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 24 APRIL 2022

1 Accounting policies

Company information

Republic.com Retail Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A, Brook Park East, Shirebrook, NG20 8RY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements are for a period of 52 weeks ended 24 April 2022 (2021: 52 weeks ended 25 April 2021).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosures

As permitted by FRS 102 the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, hedging instruments, presentation of a cash flow statement, share-based payments, the aggregate remuneration of key management personnel and related party transactions with other wholly-owned members of the group. Where required, equivalent disclosures are given in the group accounts of Frasers Group plc in which these financial statements are consolidated. The group accounts of Frasers Group plc are available to the public and can be obtained as set out in note 17.

1.2 Going concern

At the period end the company had a deficit of £32,413k. The deficit is funded by loans from other group companies which will not be called for repayment unless cash flow permits for a minimum period of 12 months from the approval of these financial statements. Republic.com Retail Limited receives support from the wider Frasers Group Plc business. The directors consider with parent company support that it is appropriate for the accounts to be prepared on a going concern basis.

1.3 Revenue

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

In the case of goods sold through retail stores, revenue is recognised when goods are sold to the customer, less provision for returns. Accumulated experience is used to estimate and provide for such returns at the time of the sale. Retail sales are usually in cash, by debit card or by credit card.

Royalty income is generated from other group entities on web sales under the Company's fascia/brand name. Recognition of revenue is on the same basis. Royalties distributed to the Company equate to the revenue generated less direct operating overheads.

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

1 Accounting policies

(Continued)

1.4 Other operating income

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the Income Statement at their fair value in the period in which they become receivable.

The Company has received Government support in the period relating to business rates relief and the Coronavirus Job Retention Scheme (CJRS) as a result of the Covid-19 pandemic. The amount received by the Company in the period in regard to the CJRS was approx. £5k. This has been recognised in Other Operating Income in the period.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5 years or over the life of the lease, whichever is shortest, straight line
Fixtures, fittings & equipment	3 - 5 years straight line
Motor vehicles	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the statement of total comprehensive income.

Impairment of Property, plant and equipment

At each balance sheet date, the directors review the carrying amounts of the Company's tangible and intangible assets, other than goodwill and intangible assets with an indefinite life, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset in its current condition is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs. With respect to property, plant and equipment, each store is considered to be a CGU and reviewed for impairment where changes in circumstances indicate that the recoverable amount may be lower than the carrying value.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease to the original historic cost and then as an expense.

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Recognition and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Company become a party to the contractual provisions of the instrument.

Trade, group and other debtors

Trade, group and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised are recognised immediately in profit or loss.

Trade creditors, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

1.8 Taxation

The tax expense represents the sum of current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by temporary differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. Deferred tax assets are recognised to the extent that future taxable profits will be available against which temporary differences can be utilised. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the Statement of financial position date. Deferred tax assets and liabilities are not discounted.

Charging of tax to OCI and P&L

Changes in current and deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are recorded in other comprehensive income or charged or credited directly to equity in which case the related tax is also charged to other comprehensive income or credited directly to equity.

Offsetting tax assets and liabilities

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Company provides for its legal or constructive obligation of dilapidations costs following advice from chartered surveyors and managements previous experience of exit costs. The estimated cost of fulfilling the leasehold dilapidations obligations is discounted to present value and analysed between non-capital and capital components. The capital element is recognised as a decommissioning cost and depreciated over the life of the asset. The non-capital element is taken to the statement of total comprehensive income in the first year of the lease where the cost it represents is of no lasting benefit to the Company or its landlord. 'Wear and tear' costs are expensed to the Statement of total comprehensive income.

Provisions for onerous leases are recognised when the Company believes the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Payments made under operating leases are charged to the statement of total comprehensive income on a straight line basis over the lease term. Incentives provided by the lessor are credited to the statement of total comprehensive income over the lease term.

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

1 Accounting policies

(Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Statement of total comprehensive income for the period.

1.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the discounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date. The amount of any liability is not significant as the Company's holiday pay entitlement period is aligned with the financial period end.

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Property related provisions

Property related estimates and judgements are continually evaluated and are based on historical experience, external advice and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Dilapidations

The Company provides for its legal responsibility for dilapidation costs following advice from chartered surveyors and previous experience of exit costs (including strip out costs and professional fees). Management use a reference estimate of £100,000 for large leasehold stores and £50,000 for small leasehold stores. Management do not consider these costs to be capital in nature and therefore dilapidations are not capitalised.

Onerous lease provision

Provisions for onerous lease contracts are recognised when the unavoidable cost of meeting lease obligations exceed the economic benefits expected to be received over the term of the lease. Where an onerous lease has been identified, the fixed assets associated to that store are also reviewed for impairment.

Management use store EBITDA in order to determine whether an onerous lease exists, specific assumptions which involve the use of estimates to determine the appropriate level of provision and impairment include:

- Forecast sales and margin in stores, reflecting historic and expected future performance including the impact of the Elevation strategy across the group
- Forecast wages and direct store cost inflation
- Store profitability includes 100% contribution towards central overheads
- Assumed get out cap of 10 years (FY21: 10 years), being the maximum period for total unavoidable costs
- Planned store closures, relocations and re-brandings

The key assumptions used for FY22:

Key assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
Sales decline	-10%	-5%	-4%	-3%	-2%
Existing gross margin	-200bps	-175bps	-150bps	-125bps	-100bps
Operating costs	6%	3%	3%	3%	3%
increase per annum					
Discount rate	7.5%	7.5%	7.5%	7.5%	7.5%
Terminal growth rate of					
2%					

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

The key assumptions used for FY21:

Key assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
Sales decline	-15%	-5%	-4%	-3%	-2%
Existing gross margin	-100bps	-175bps	-150bps	-125bps	-100bps
Operating costs increase per annum	3%	3%	3%	3%	3%
Discount rate	2%	2%	2%	2%	2%

3 Revenue

The total revenue of the Company for the period has been derived from its principal activity relating to the sale of goods wholly undertaken in the United Kingdom.

	2022 £ 000's	2021 £ 000's
Other operating income		
Government grants received	5	1,008

4 Operating profit

	2022 £ 000's	2021 £ 000's
Operating profit for the period is stated after charging/(crediting):		
Exchange losses/(gains)	33	(65)
Fees payable to the Company's auditor for the audit of the Company's financial statements	19	23
Depreciation of owned property, plant and equipment	51	147
Loss on disposal of property, plant and equipment	71	26
Operating lease charges	579	595

5 Employees

The average monthly number of persons (including directors) employed by the Company during the period was:

	2022 Number	2021 Number
Retail	181	208
Distribution, administration and other	6	3
	187	211

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2022 £ 000's	2021 £ 000's
Wages and salaries	2,667	2,998
Social security costs	174	178
Pension costs	41	48
	<u>2,882</u>	<u>3,224</u>

Directors are remunerated by other group companies.

6 Taxation

	2022 £ 000's	2021 £ 000's
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(99)	99
Adjustment in respect of prior periods	34	12
Total deferred tax	<u>(65)</u>	<u>111</u>
Total tax (credit)/charge	<u>(65)</u>	<u>111</u>

REPUBLIC.COM RETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 24 APRIL 2022****6 Taxation****(Continued)**

The actual (credit)/charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2022 £ 000's	2021 £ 000's
Profit before taxation	4,289	1,864
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	815	354
Tax effect of expenses that are not deductible in determining taxable profit	(11)	21
Adjustments in respect of prior years	34	12
Group relief	(698)	(252)
Depreciation on assets not qualifying for tax allowances	9	-
UK transfer pricing adjustment for notional interest and royalties	(45)	(24)
Change in deferred tax rate	(169)	-
Taxation (credit)/charge for the period	(65)	111

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the statement of financial position date. As such, the deferred tax rate applicable at 24 April 2022 is 25% and deferred tax has been re-measured at this rate.

7 Intangible fixed assets

	Goodwill £ 000's
Cost	
At 26 April 2021 and 24 April 2022	3,447
Amortisation and impairment	
At 26 April 2021 and 24 April 2022	3,447
Carrying amount	
At 24 April 2022	-
At 25 April 2021	-

REPUBLIC.COM RETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 24 APRIL 2022****8 Property, plant and equipment**

	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£ 000's	£ 000's	£ 000's	£ 000's
Cost				
At 26 April 2021	187	1,042	45	1,274
Additions	-	13	-	13
Disposals	(187)	(662)	(35)	(884)
At 24 April 2022	-	393	10	403
Depreciation				
At 26 April 2021	182	939	45	1,166
Depreciation charged in the period	-	51	-	51
Eliminated in respect of disposals	(182)	(597)	(35)	(814)
At 24 April 2022	-	393	10	403
Carrying amount				
At 24 April 2022	-	-	-	-
At 25 April 2021	5	103	-	108

9 Trade and other receivables

	2022 £ 000's	2021 £ 000's
Amounts falling due within one year:		
Trade receivables	245	98
Amounts due from fellow group undertakings	5,504	90
Other receivables	190	165
Prepayments and accrued income	3,709	2,907
	<u>9,648</u>	<u>3,260</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 12)	<u>705</u>	<u>640</u>
Total receivables	<u>10,353</u>	<u>3,900</u>

REPUBLIC.COM RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 24 APRIL 2022

10 Current liabilities

	2022 £ 000's	2021 £ 000's
Trade payables	1,191	1,488
Amounts owed to group undertakings	37,880	38,460
Taxation and social security	48	28
Other payables	347	433
Accruals and deferred income	4,832	4,188
	<u>44,298</u>	<u>44,597</u>

11 Provisions for liabilities

	2022 £ 000's	2021 £ 000's
Property related	<u>903</u>	<u>877</u>
Movements on provisions:		Property related £ 000's
At 26 April 2021		877
Additional provisions in the period		409
Reversal of provision		(383)
At 24 April 2022		<u>903</u>

Included within property related provisions are provisions for dilapidations and onerous leases in respect of the Company's retail stores. Further details of managements estimates are included in accounting policies note 2.

The timing of cash flows relating to provisions is uncertain.

12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon:

	Assets 2022 £ 000's	Assets 2021 £ 000's
Balances:		
Accelerated depreciation	<u>705</u>	<u>640</u>

REPUBLIC.COM RETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 24 APRIL 2022****12 Deferred taxation (Continued)**

	2022
	£ 000's
Movements in the period:	
Asset at 26 April 2021	(640)
Credit to profit or loss	(65)
	<u> </u>
Asset at 24 April 2022	<u>(705)</u>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

13 Retirement benefit schemes

	2022	2021
	£ 000's	£ 000's
Defined contribution schemes		
Charge to the statement of total comprehensive income	41	48
	<u> </u>	<u> </u>

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £8k (2021: £Nil) were payable to the fund at the statement of financial position date and are included in payables.

14 Share capital and reserves

	2022	2021
	£000's	£000's
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

Retained earnings

Retained earnings represents accumulated comprehensive income for the current period and prior periods.

REPUBLIC.COM RETAIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 24 APRIL 2022****15 Operating lease commitments****Lessee**

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £ 000's	2021 £ 000's
Within one year	97	152
	<u>97</u>	<u>152</u>
	<u>97</u>	<u>152</u>

16 Related party transactions**Transactions with related parties**

As permitted by FRS 102 the Company has taken advantage of the disclosure exemption available under that standard in relation to related party transactions with other wholly-owned members of the group.

17 Controlling party

The ultimate controlling party is M J W Ashley, by virtue of his 100% ownership of MASH Holdings Limited, the ultimate parent company. MASH Holdings Limited indirectly holds the majority of shares in Sports Direct International plc, who own 100% of the share capital of Sportsdirect.com Retail Limited (the immediate parent company).

Frasers Group plc is the smallest company and MASH Holdings Limited is the largest company to consolidate these accounts. Both Frasers Group plc and MASH Holdings Limited are companies registered in England and Wales. A copy of the group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.