

Company registration number 08384909 (England and Wales)

JESSOPS EUROPE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 OCTOBER 2022

JESSOPS EUROPE LIMITED

COMPANY INFORMATION

Directors	P D Jones	
	A P Crawford-Taylor	(Appointed 5 January 2023)
	A A Ghaffar	(Appointed 5 January 2023)
	W P Jones	(Appointed 5 January 2023)

Secretary	J E P Holdgate
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Company number	08384909
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Registered office	Network House Third Avenue Globe Park Marlow Buckinghamshire SL7 1EY
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Auditor	FLB Audit LLP 1010 Eskdale Road Winnersh Triangle Wokingham Berkshire RG41 5TS
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JESSOPS EUROPE LIMITED

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JESSOPS EUROPE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 2 OCTOBER 2022

The directors present the strategic report for the year ended 2 October 2022.

The Company's objectives and strategy

The company's objective is to be recognised as the UK's leading independent specialist for all imaging products and services.

Business review and key performance indicators

The key financial performance indicators of the Company in the period under review, and as set out in this report, include turnover of £21.3m (2021: £22.6m), gross profit of £3.9m (2021: £3.9m) and a loss before taxation of £1.2m (2021: profit £10.9m) for the year to 3 October 2022.

The Company continues to build on the strength of being the UK's most recognisable specialist for all imaging products and services. Throughout the year, the Directors have focused heavily on introducing new products and services in order to meet consumer demand. This has resulted in several new strategic relationships that will help deliver a sustainable, responsible and profitable business.

Throughout the period, costs were managed efficiently and the estate restructure was completed alongside making additional investment across our digital channels.

At the start of this financial period, the Company continued to trade online during Covid-19 restrictions whilst all retail stores were closed. Once Covid restrictions were lifted the overall performance of the business increased substantially.

The company uses various financial instruments including cash, loans and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial statements is to raise finance for the company's operations.

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets and profitability.

Principal risks and uncertainties

The company has a risk management process in place to identify and effectively manage risk across the business. The following principal risks have been identified and may have an impact on the company and its operations:

- The company operated in a competitive retail environment and there is an on-going risk that sales may be lost to rival businesses.
- The general economic environment and market condition for the products and services are also risks common to all retailers.

Liquidity risk

The company manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Foreign currency risk

The company's principal foreign currency exposures arise from trading operations with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in Sterling. This hedging activity involves the use of foreign exchange forward contracts.

JESSOPS EUROPE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

On behalf of the board

A P Crawford-Taylor
Director

22 September 2023

JESSOPS EUROPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 2 OCTOBER 2022

The directors present their annual report and financial statements for the year ended 2 October 2022.

Principal activities

The principal activity of the company continued to be that of retail of imaging products and services.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

S P C Guevel	(Resigned 6 January 2023)
P D Jones	
P Chotai	(Resigned 26 December 2021)
A P Crawford-Taylor	(Appointed 5 January 2023)
A A Ghaffar	(Appointed 5 January 2023)
W P Jones	(Appointed 5 January 2023)

Auditor

FLB Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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). 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;
- 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.

JESSOPS EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

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.

Going concern

Accounting standards and company law require the Director to consider the appropriateness of the going concern basis when preparing the financial statements and if necessary to explain how they have reached their conclusion.

The Directors are aware that should any of the creditors decide to call on their amounts due to them, the Company does not have the immediate ability to fully extinguish the debts to the extent of its net liabilities. This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

On 22 September 2023 all related parties, who had amounts due to them from the Company, confirmed that they have no intention to call for repayment for a period of 12 months from the date of signing the financial statements. In addition, a Director has confirmed their intention to provide the Company with the financial support it requires to discharge its liabilities for a period of 12 months from the date of signing the financial statements.

The Directors are of the opinion that the Company has the full support of all related parties that have amounts due to them and that existing bank facilities could either be formally extended or replaced if they were to be withdrawn.

The Directors have considered the above and concluded that the Company can continue as a going concern, meeting its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

On behalf of the board

A P Crawford-Taylor
Director

22 September 2023

JESSOPS EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JESSOPS EUROPE LIMITED

Opinion

We have audited the financial statements of Jessops Europe Limited (the 'company') for the year ended 2 October 2022 which comprise the statement of 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 Financial Reporting Standard 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 2 October 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

Material uncertainty related 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.

We draw attention to note 1.3 in the financial statements concerning the company's ability to continue as a going concern. This matter explained in note 1.3 to the financial statements indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 our 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.

JESSOPS EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JESSOPS EUROPE 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 or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

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.

We have gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at company levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the companies Act 2006, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included inquiries of management their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

JESSOPS EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JESSOPS EUROPE LIMITED

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

Use of our report

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

Daniel Faust
Senior Statutory Auditor
For and on behalf of FLB Audit LLP

22 September 2023

Chartered Accountants
Statutory Auditor

1010 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

JESSOPS EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 2 OCTOBER 2022

		Year ended 2 October 2022 £	Period ended 3 October 2021 £
	Notes		
Turnover	4	21,272,676	22,589,489
Cost of sales		(17,402,474)	(18,698,239)
Gross profit		3,870,202	3,891,250
Administrative expenses		(4,923,809)	(11,893,836)
Other operating income		-	246,279
Exceptional item	3	34,357	18,957,238
Operating (loss)/profit	8	(1,019,250)	11,200,931
Interest payable and similar expenses	9	(205,141)	(320,090)
Amounts written off investments		-	(1)
(Loss)/profit before taxation		(1,224,391)	10,880,840
Tax on (loss)/profit	10	-	(295,526)
(Loss)/profit for the financial year and total comprehensive (expense)/income		(1,224,391)	10,585,314

JESSOPS EUROPE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 2 OCTOBER 2022

		2 October 2022		3 October 2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		187,377		281,066
Investments	13		1		1
			<u>187,378</u>		<u>281,067</u>
Current assets					
Stocks	15	1,440,387		1,255,908	
Debtors	16	792,258		664,853	
Cash at bank and in hand		2,063		5,553	
		<u>2,234,708</u>		<u>1,926,314</u>	
Creditors: amounts falling due within one year	18	(11,870,774)		(10,080,384)	
Net current liabilities			<u>(9,636,066)</u>		<u>(8,154,070)</u>
Total assets less current liabilities			<u>(9,448,688)</u>		<u>(7,873,003)</u>
Creditors: amounts falling due after more than one year	19		(1,981,107)		(2,377,401)
Provisions for liabilities					
Provisions	21	45,000	(45,000)	-	-
Net liabilities			<u>(11,474,795)</u>		<u>(10,250,404)</u>
Capital and reserves					
Called up share capital	23		1		1
Profit and loss reserves			(11,474,796)		(10,250,405)
Total equity			<u>(11,474,795)</u>		<u>(10,250,404)</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 22 September 2023 and are signed on its behalf by:

A A Ghaffar
Director

Company registration number 08384909 (England and Wales)

JESSOPS EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 2 OCTOBER 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 27 April 2020	1	(20,835,719)	(20,835,718)
Period ended 3 October 2021:			
Profit and total comprehensive income for the period	-	10,585,314	10,585,314
Balance at 3 October 2021	1	(10,250,405)	(10,250,404)
Year ended 2 October 2022:			
Loss and total comprehensive expense for the year	-	(1,224,391)	(1,224,391)
Balance at 2 October 2022	1	(11,474,796)	(11,474,795)

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 2 OCTOBER 2022

1 Accounting policies

Company information

Jessops Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Network House, Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY.

1.1 Reporting period

The prior period end of the company was extended to 2 October from 30 April, so that the annual reporting of the company was aligned to other companies in the group. The financial statements for the current period are that of a year. As such, the comparative period of 17 months presented (including the related notes) are not entirely comparable.

1.2 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 £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Jessops Europe Limited is a wholly owned subsidiary of Jessops (Group) Limited and the results of Jessops Europe Limited are included in the consolidated financial statements of Jessops Group Limited which are available from Network House, Third Avenue, Globe Park, Marlow, SL7 1EY.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

1 Accounting policies

(Continued)

1.3 Going concern

Accounting standards and company law require the Director to consider the appropriateness of the going concern basis when preparing the financial statements and if necessary to explain how they have reached their conclusion.

The Directors are aware that should any of the creditors decide to call on their amounts due to them, the Company does not have the immediate ability to fully extinguish the debts to the extent of its net liabilities. This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

On 22 September 2023 all related parties, who had amounts due to them from the Company, confirmed that they have no intention to call for repayment for a period of 12 months from the date of signing the financial statements. In addition, a Director has confirmed their intention to provide the Company with the financial support it requires to discharge its liabilities for a period of 12 months from the date of signing the financial statements.

The Directors are of the opinion that the Company has the full support of all related parties that have amounts due to them and that existing bank facilities could either be formally extended or replaced if they were to be withdrawn.

The Directors have considered the above and concluded that the Company can continue as a going concern, meeting its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Fixtures and fittings

Straight line over 3 years

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

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 recognised in profit or loss.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

1 Accounting policies

(Continued)

1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date where there is an indication of impairment and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets 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 is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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 cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 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.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and bank overdrafts are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

1 Accounting policies

(Continued)

1.14 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 fixed 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.

1.15 Retirement benefits

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The Assets of the plan are held separately from the company in independently administered funds.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 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 in the period are included in profit or loss.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

Stock

Management applies judgment in evaluating stock for obsolescence. This judgment is based on management knowledge of the stock and customer demand, as well as stock age. At each reporting date, stocks are assessed for impairment and written down where appropriate.

Deferred tax assets

The company considers whether deferred tax assets should be recognised each year. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against future taxable profits. Therefore deferred tax assets are not recognised if the company is making a taxable loss and future taxable profits are uncertain.

3 Exceptional item

	2022	2021
	£	£
Expenditure/(income)		
Administration write off	(34,357)	(18,957,238)

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of products	21,012,973	22,512,331
Sale of services	109,034	77,158
Other sales	150,669	-
	<u>21,272,676</u>	<u>22,589,489</u>
	2022	2021
	£	£
Other significant revenue		
Grants received	-	246,279

All revenue is generated in the UK.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	22,450	14,500
Audit of the financial statements of the company's parent company and fellow subsidiaries	17,000	23,000
	<u>39,450</u>	<u>37,500</u>
For other services		
All other non-audit services	16,550	19,500
	<u>16,550</u>	<u>19,500</u>

6 Employees

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

	2022 Number	2021 Number
Administration staff	31	45
Directors	1	1
	<u>32</u>	<u>46</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,152,511	1,908,575
Social security costs	118,237	181,806
Pension costs	32,528	52,277
	<u>1,303,276</u>	<u>2,142,658</u>

All sales staff are employed by a fellow group entity and costs recharged as an operating expense to Jessops Europe Limited.

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	85,897	-
Company pension contributions to defined contribution schemes	1,500	-
	<u>87,397</u>	<u>-</u>

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

7 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 0).

8 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	635	(120,460)
Government grants	-	(246,279)
Depreciation of owned tangible fixed assets	93,689	1,321,532
(Profit)/loss on disposal of tangible fixed assets	-	4,319,865
Amortisation of intangible assets	-	186,956
(Profit)/loss on disposal of intangible assets	-	763,804
Cost of stocks recognised as an expense	17,402,474	18,326,874
Impairment of stocks recognised or reversed	-	128,766
Operating lease charges	189,729	1,547,996
	<u>189,729</u>	<u>1,547,996</u>

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	205,141	307,914
Other interest on financial liabilities	-	12,176
	<u>205,141</u>	<u>320,090</u>

10 Taxation

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	-	295,526
	<u>-</u>	<u>295,526</u>

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

10 Taxation

(Continued)

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

	2022 £	2021 £
(Loss)/profit before taxation	(1,224,391)	10,880,840
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(232,634)	2,067,360
Tax effect of expenses that are not deductible in determining taxable profit	179,804	(2,067,360)
Gains not taxable	(181,731)	-
Change in unrecognised deferred tax assets	308,633	-
Effect of changes in tax rates applied to deferred tax	(74,072)	-
Deferred tax	-	295,526
Taxation charge for the year	-	295,526

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. The expected future impact of this will be an increase in current tax charges for any profits taxed at the main rate.

The Company has tax adjusted losses carried forward of £14,191,815 (2021: £13,050,972) and timing differences relating to accelerated capital allowances of £6,439,881 (2021: £6,346,192) for which a deferred tax asset of £5,157,924 (2021: £4,849,291) has not been recognised, as the timing and probability of future taxable profits arising within the Company against which to utilise these losses, is uncertain. The unrecognised deferred tax asset stated is calculated at 25%, being the rate of tax substantially enacted for future periods at the reporting date.

The unused tax losses do not have an expiry date.

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 £	2021 £
In respect of:			
Fixed asset investments	13	-	1
Stocks	15	-	128,766
Recognised in:			
Cost of sales		-	128,766
Amounts written off investments		-	1

The impairment losses in the prior period in respect of financial assets were recognised in other gains and losses in the income statement.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

12 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 4 October 2021 and 2 October 2022	281,066
Depreciation and impairment	
At 4 October 2021	-
Depreciation charged in the year	93,689
At 2 October 2022	93,689
Carrying amount	
At 2 October 2022	187,377
At 3 October 2021	281,066

13 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	14	1	1

14 Subsidiaries

Details of the company's subsidiaries at 2 October 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Jessops Stores Limited	1	Employment of staff & leasing of property	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Network House, Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY UK

15 Stocks

	2022 £	2021 £
Finished goods and goods for resale	1,440,387	1,255,908

The difference between purchase price of stocks and their replacement cost is not material.

Impairment losses recognised in the year were £40,807 (2021: £118,113).

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

16 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	63,147	-
Other debtors	489,355	355,660
Prepayments and accrued income	239,756	309,193
	<u>792,258</u>	<u>664,853</u>

17 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	552,502	355,660
	<u>552,502</u>	<u>355,660</u>
Carrying amount of financial liabilities		
Measured at amortised cost	12,536,691	10,997,851
	<u>12,536,691</u>	<u>10,997,851</u>

18 Creditors: amounts falling due within one year

		2022	2021
	Notes	£	£
Bank loans and overdrafts	20	2,906,041	3,157,397
Other borrowings	20	4,500,000	2,100,000
Trade creditors		1,362,607	611,417
Amounts owed to group undertakings		1,158,853	615,804
Taxation and social security		831,091	1,459,934
Other creditors		692,074	1,174,096
Accruals and deferred income		420,108	961,736
		<u>11,870,774</u>	<u>10,080,384</u>

19 Creditors: amounts falling due after more than one year

		2022	2021
	Notes	£	£
Bank loans and overdrafts	20	1,497,008	2,377,401
Taxation and social security		484,099	-
		<u>1,981,107</u>	<u>2,377,401</u>

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

20 Loans and overdrafts

	2022 £	2021 £
Bank loans	2,981,088	4,065,000
Bank overdrafts	1,421,961	1,469,798
Loans from group undertakings	4,500,000	2,100,000
	<u>8,903,049</u>	<u>7,634,798</u>
Payable within one year	7,406,041	5,257,397
Payable after one year	<u>1,497,008</u>	<u>2,377,401</u>

The bank loans and overdrafts are secured by fixed and floating charges over the assets of the company. The bank loans and overdrafts have been secured by a guarantee granted by Jessops Stores Limited (formerly Jessops Online Limited), Jessops (Group) Limited, PDJ (Shelf 7) Limited, Camera Jungle Limited, Jessops Photo Limited and P D Jones.

Bank loans of £2,981,088 (2021: £4,065,000) accrue interest at an annual interest of 4.5% over the Bank of England base rate. The loans are repayable through quarterly instalments, inclusive of interest, up until 30 April 2024 by which point the loan will be fully repaid.

Other loans of £4,500,000 (2021: £2,100,000) are due to ultimate parent company and are interest free, have no fixed date of repayment and are repayable on demand. The loan is secured by a fixed charge over the assets of the company.

21 Provisions for liabilities

	2022 £	2021 £
Leasehold premises dilapidations provision	<u>45,000</u>	<u>-</u>
Movements on provisions:		
		Leasehold premises dilapidations provision £
Additional provisions in the year		<u>45,000</u>

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

22 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	32,528	52,277

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 £9,699 (2021: £36,214) were payable to the fund at the year end and are included in other creditors.

23 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary share of £1 each	1	1	1	1

All shares rank equally for voting purposes and are entitled to one vote each. Shares also rank equally for any dividends or distribution rights, including on a winding up. The shares are not redeemable.

24 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	2021
	£	£
Commitments under rental premises leases		
Within one year	32,048	54,195
Between two and five years	-	6,115
	32,048	60,310
Other operating lease commitments		
Within one year	135,614	135,614
Between two and five years	542,458	542,458
In over five years	525,711	652,868
	1,203,783	1,330,940

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 2 OCTOBER 2022

25 Ultimate controlling party

The immediate controlling party is Jessops (Group) Limited, a company registered in England and Wales. The directors consider that the ultimate parent undertaking of this company is PJIG Holdings Limited, which is registered in Jersey.

Jessops (Group) Limited is also the parent company of the smallest group for which group accounts are prepared. Copies of the group financial statements of Jessops (Group) Limited are available from Network House Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY.

P D Jones is considered to be the ultimate controlling party by virtue of his shareholding in PJIG Holdings Limited.

26 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Name of related party		Nature of relationship			
Partner Retail Services Limited		Other related parties			
	Description of transaction	Income		Payments	
		2022	2021	2022	2021
		£	£	£	£
Partner Retail Services Limited	Management charge income	116,007	96,740	-	-

Sales and purchases between related parties are made on an arms length basis. Outstanding balances with entities are unsecured, interest free and settlement is expected within 30 days of invoice. During the year ended 2 October 2022, the company has not made any provision for doubtful debts relating to amounts owed by related parties.

Included within creditors are loans of £4,500,000 (2021: £2,100,000) from Jessops Holdings Limited, a group company registered in Jersey.

The Company has taken advantage of the exemption conferred by FRS102 paragraph 33.1A, to not disclose transactions with related parties which are wholly owned members of the same group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.