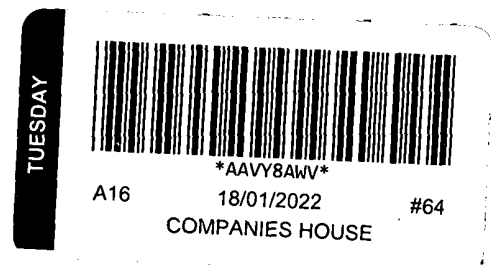


Company Registration No. 08384909 (England and Wales)

JESSOPS EUROPE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 APRIL 2020



JESSOPS EUROPE LIMITED

COMPANY INFORMATION

Directors	S P C Guevel P Jones	(Appointed 30 September 2021)
Secretary	J E P Holdgate	
Company number	08384909	
Registered office	Network House Third Avenue Globe Park Marlow Buckinghamshire SL7 1EY	
Auditor	FLB Accountants LLP 250 Wharfedale Road Winnersh Triangle Wokingham Berkshire RG41 5TP	

JESSOPS EUROPE LIMITED

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JESSOPS EUROPE LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 26 APRIL 2020

The directors present the strategic report for the period ended 26 April 2020.

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

The financial performance of the company in the period under review, and as set out in this report, show turnover of £47.9m, gross profit of £8.1m and loss before taxation of £14.0m for the year to 26 April 2020.

Following changes in senior management during 2019 it became apparent that the business required fundamental restructuring, and PJ Investment Group supported the company through this process – replacing management, significantly cutting costs, re-shaping the retail store estate and working proactively with all stakeholders.

The Covid-19 pandemic, resulting lock-downs & government mandated store closures throughout much of 2020 had a devastating impact on the re-shaped business and, as a result, PJ Investment Group (who have invested c £17m) appointed restructuring experts to work closely with new management, to consider all available options of securing a future for the business, its employees and the brand.

On the 7 April 2021 FRP Advisory were appointed to manage the affairs of the company and following discussions with all stakeholders, including the company's bankers and PJ Investment Group, a Companies Voluntary Arrangement ("CVA") was approved by 100% of the creditors who voted on 27 August 2021.

Principal risks and uncertainties

The business review above explains the uncertainties that the company faced at the balance sheet date and the fundamental changes that have occurred since.

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.

JESSOPS EUROPE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

Development and performance

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary. The company operates in a highly competitive market and is subject to currency fluctuations.

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

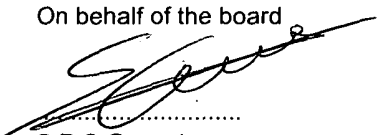
The company's principal foreign currency exposures arise from trading operations with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in Sterling. This hedging activity involves the use of foreign exchange forward contracts.

Key performance indicators

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.

On behalf of the board



S P C Guevel
Director

Date: 7 January 2022

JESSOPS EUROPE LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 26 APRIL 2020

The directors present their annual report and financial statements for the period ended 26 April 2020.

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 52 week period are set out on page 8.

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

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

Directors

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

N S Old	(Resigned 6 September 2019)
S P C Guevel	(Appointed 30 September 2021)
P Chotai	(Appointed 30 September 2021 and resigned 26 December 2021)
P Jones	

Post reporting date events

As set out in the Business Review, FRP Advisory were appointed on 7 April 2021, a Companies Voluntary Arrangement was approved on 27 August 2021 and the company exited administration on 29 September 2021.

Auditor

FLB Accountants 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

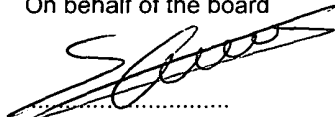
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

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



S P C Guevel
Director

Date: 7 January 2022

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 period ended 26 April 2020 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of 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).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these financial statements.

Basis for disclaimer of opinion

The audited accounts for the year ended 30 April 2018 were filed at Companies House on 30 January 2019. The company then entered a period of financial difficulty and on 7 April 2021 the Company went into Administration. The company subsequently reached a Creditors Voluntary Arrangement and exited Administration on 29 September 2021.

We were appointed as auditors of the company on 22 November 2021 and were unable to obtain sufficient audit evidence regarding the financial information of the company to express an opinion on the financial statements for the year ended 26 April 2020.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report or the directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

JESSOPS EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JESSOPS EUROPE LIMITED

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 responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

A further description of our responsibilities for the audit of the financial statements is located 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

Daniel Faust FCCA (Senior Statutory Auditor)

For and on behalf of FLB Accountants LLP

Statutory Auditor

250 Wharfedale Road

Winnersh Triangle

Wokingham

Berkshire

RG41 5TP

Date: 07/01/22

JESSOPS EUROPE LIMITED

INCOME STATEMENT

FOR THE PERIOD ENDED 26 APRIL 2020

		Period ended 26 April 2020 £	Period ended 28 April 2019 £
	Notes		
Turnover	3	47,922,422	72,869,153
Cost of sales		(39,808,130)	(53,315,576)
Gross profit		8,114,292	19,553,577
Administrative expenses		(19,454,769)	(24,595,157)
Exceptional item	4	(2,110,411)	-
Operating loss	5	(13,450,888)	(5,041,580)
Interest payable and similar expenses	9	(598,865)	(474,683)
Store closure costs		-	(543,178)
Loss before taxation		(14,049,753)	(6,059,441)
Tax on loss	10	44,562	-
Loss for the financial period		(14,005,191)	(6,059,441)

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

JESSOPS EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 26 APRIL 2020

	Period ended 26 April 2020 £	Period ended 28 April 2019 £
Loss for the period	(14,005,191)	(6,059,441)
Other comprehensive income	-	-
Total comprehensive income for the period	<u>(14,005,191)</u>	<u>(6,059,441)</u>

JESSOPS EUROPE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 26 APRIL 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	11		311,949		297,771
Tangible assets	12		8,149,979		9,185,972
Investments	13		2		2
			<u>8,461,930</u>		<u>9,483,745</u>
Current assets					
Stocks	15	3,294,332		6,924,784	
Debtors	16	3,971,887		5,525,912	
Cash at bank and in hand		51,534		-	
		<u>7,317,753</u>		<u>12,450,696</u>	
Creditors: amounts falling due within one year	17	(31,332,714)		(25,031,374)	
Net current liabilities			(24,014,961)		(12,580,678)
Total assets less current liabilities			(15,553,031)		(3,096,933)
Creditors: amounts falling due after more than one year	18		(5,282,687)		(3,733,594)
Net liabilities			<u>(20,835,718)</u>		<u>(6,830,527)</u>
Capital and reserves					
Called up share capital	23		1		1
Profit and loss reserves			(20,835,719)		(6,830,528)
Total equity			<u>(20,835,718)</u>		<u>(6,830,527)</u>

The financial statements were approved by the board of directors and authorised for issue on January 7 2020 and are signed on its behalf by:


S P C Guevel
Director

Company Registration No. 08384909

JESSOPS EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 26 APRIL 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 29 April 2018	1	(771,087)	(771,086)
Period ended 28 April 2019:			
Loss and total comprehensive income for the period	-	(6,059,441)	(6,059,441)
Balance at 28 April 2019	1	(6,830,528)	(6,830,527)
Period ended 26 April 2020:			
Loss and total comprehensive income for the period	-	(14,005,191)	(14,005,191)
Balance at 26 April 2020	1	(20,835,719)	(20,835,718)

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 26 APRIL 2020

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 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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.

1.2 Going concern

Following the approval of the Companies Voluntary Arrangement on 27 August 2021, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

1 Accounting policies

(Continued)

1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	Straight line over 3 years
Patents & licences	Straight line over 5 years

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.

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 land and buildings	Straight line over lease term
Fixtures and fittings	Straight line over 5 years

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 profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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 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.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 PERIOD ENDED 26 APRIL 2020

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.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

1 Accounting policies

(Continued)

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 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.

1.14 Retirement benefits

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.16 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.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

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.

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 group 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.

Onerous lease provision

All store leases are reviewed at year end, and forecasts are prepared based upon plans to determine which stores are at risk at generating future losses over the remaining life of the lease.

Fixed asset impairment

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Hardware	33,010,384	48,075,326
Accessories	5,098,161	10,994,083
Seasonal	5,108,434	5,911,008
Photo	4,470,373	5,746,330
Other	235,070	2,142,406
	<u>47,922,422</u>	<u>72,869,153</u>

All revenue is generated in the UK.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

4 Exceptional item

	2020	2019
	£	£
Expenditure		
Rebates write off	2,110,411	-

5 Operating loss

	2020	2019
	£	£
Operating loss for the period is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	2,840	6,515
Depreciation of owned tangible fixed assets	1,769,586	1,746,463
(Profit)/loss on disposal of tangible fixed assets	-	2,857
Amortisation of intangible assets	436,282	99,572
Cost of stocks recognised as an expense	39,808,130	53,315,576
Operating lease charges	4,337	2,363

6 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	48,200	48,200
For other services		
Taxation compliance services	-	7,725
All other non-audit services	-	47,565
	-	55,290

7 Employees

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

	2020	2019
	Number	Number
Directors	1	2
Administration staff	50	62
Total	51	64

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

7 Employees

(Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,206,161	3,263,925
Social security costs	282,599	334,730
Pension costs	56,068	120,891
	<u>3,544,828</u>	<u>3,719,546</u>

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

8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	<u>66,634</u>	<u>152,308</u>

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	506,075	294,205
Other interest on financial liabilities	92,790	180,478
	<u>598,865</u>	<u>474,683</u>

10 Taxation

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	<u>(44,562)</u>	<u>-</u>

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

10 Taxation

(Continued)

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

	2020 £	2019 £
Loss before taxation	(14,049,753)	(6,059,441)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(2,669,453)	(1,151,294)
Tax effect of expenses that are not deductible in determining taxable profit	127	21,513
Tax effect of income not taxable in determining taxable profit	-	(63,778)
Adjustments in respect of prior years	-	(231)
Group relief	2,612,300	1,148,111
Fixed assets differences	57,026	45,679
Deferred tax	(44,562)	-
Taxation credit for the period	(44,562)	-

11 Intangible fixed assets

	Software £	Patents & licences £	Total £
Cost			
At 29 April 2019	499,761	156,662	656,423
Additions	391,145	59,315	450,460
At 26 April 2020	890,906	215,977	1,106,883
Amortisation and impairment			
At 29 April 2019	275,004	83,648	358,652
Amortisation charged for the period	384,812	51,470	436,282
At 26 April 2020	659,816	135,118	794,934
Carrying amount			
At 26 April 2020	231,090	80,859	311,949
At 28 April 2019	224,757	73,014	297,771

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 26 APRIL 2020

12 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 29 April 2019	626,082	12,752,750	13,378,832
Additions	264,689	468,904	733,593
At 26 April 2020	890,771	13,221,654	14,112,425
Depreciation and impairment			
At 29 April 2019	283,537	3,909,323	4,192,860
Depreciation charged in the period	139,870	1,629,716	1,769,586
At 26 April 2020	423,407	5,539,039	5,962,446
Carrying amount			
At 26 April 2020	467,364	7,682,615	8,149,979
At 28 April 2019	342,545	8,843,427	9,185,972

13 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	14	2	2

14 Subsidiaries

Details of the company's subsidiaries at 26 April 2020 are as follows:

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

Registered office addresses (all UK unless otherwise indicated):

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

15 Stocks

	2020 £	2019 £
Finished goods and goods for resale	3,294,332	6,924,784

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

(Continued)

15 Stocks

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

Impairment losses recognised in the period were £439,288 (2019: £33,866).

16 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	868,166	558,944
Amounts owed by group undertakings	1,326,249	3,050,045
Other debtors	1,378,147	859,885
Prepayments and accrued income	59,237	761,512
	<u>3,631,799</u>	<u>5,230,386</u>
Deferred tax asset (note 21)	340,088	295,526
	<u>3,971,887</u>	<u>5,525,912</u>

17 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	19	1,555,596	3,754,602
Obligations under finance leases	20	637,000	637,000
Other borrowings	19	9,490,630	3,166,720
Trade creditors		11,768,970	9,862,522
Amounts owed to group undertakings		2,944,744	5,608,142
Taxation and social security		1,276,026	727,907
Other creditors		1,394,077	225,546
Accruals and deferred income		2,265,671	1,048,935
		<u>31,332,714</u>	<u>25,031,374</u>

18 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	19	4,065,000	1,800,000
Obligations under finance leases	20	1,217,687	1,933,594
		<u>5,282,687</u>	<u>3,733,594</u>

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

19 Loans and overdrafts

	2020 £	2019 £
Bank loans	4,065,000	1,800,000
Bank overdrafts	1,555,596	3,754,602
Other loans	9,490,630	3,166,720
	<u>15,111,226</u>	<u>8,721,322</u>
Payable within one year	11,046,226	6,921,322
Payable after one year	<u>4,065,000</u>	<u>1,800,000</u>

The long-term loans are secured by first charge of Assets of the Company.

The loan has been secured by Guarantee granted by JR Prop Limited (formerly Jessops Retail Limited), Jessops Stores Limited (formerly Jessops Online Limited), Jessops (Group) Limited, PDJ Limited, Camera Jungle Limited and Jessops Photo Limited.

The bank loan is wholly repayable within 5 years.

20 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	637,000	637,000
In two to five years	1,217,687	1,933,594
	<u>1,854,687</u>	<u>2,570,594</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

21 Deferred taxation

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

	Assets 2020 £	Assets 2019 £
Balances:		
Accelerated capital allowances	340,088	291,812
Tax losses	-	3,714
	<u>340,088</u>	<u>295,526</u>
Movements in the period:		2020 £
Asset at 29 April 2019		(295,526)
Credit to profit or loss		(44,562)
Asset at 26 April 2020		<u>(340,088)</u>

22 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>56,068</u>	<u>120,891</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.

23 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020 £	2019 £
Acquisition of tangible fixed assets	<u>-</u>	<u>422,981</u>

JESSOPS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 APRIL 2020

25 Events after the reporting date

On the 7th April 2021 FRP Advisory were appointed to manage the affairs of the company and following discussions with all stakeholders, including the company's bankers and PJ Investment Group, a Companies Voluntary Arrangement ("CVA") was approved by 100% of the creditors who voted on 27th August 2021. The company subsequently exited administration on 29th September 2021.

26 Related party transactions

	2020	2019
	£	£
Amounts due to related parties		
P Jones	-	2,784,720
Jessops Group Limited	8,363,732	-
PJ Investco Limited (formerly Phones International Group Limited)	657,759	657,759
Jessops Photo Limited	469,139	-
	<u> </u>	<u> </u>

Other information

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and settlement is expected within 30 days of invoice. During the year ended 26 April 2020, the company has not made any provision for doubtful debts relating to amounts owed by related parties (2019: £nil).

Included within creditors is a loan of £nil (2019: £2,784,720) from P Jones. In addition there are loans of £657,759 (2019: £657,759) from PJ Investco Limited, formerly Phones International Group Limited, £8,363,732 (2019: £nil) from Jessops Group Limited and £469,139 (2019: £nil) from Jessops Photo Limited which are companies under the control of P Jones.

P Jones is a director and ultimate shareholder. The loan is interest free and unsecured.

The company has taken advantage of the exemption, under FRS 102 paragraph 33.1A, from disclosing transactions with related parties that are part of the Jessops (Group) Limited, as the company is a 100% subsidiary of a group whose financial statements are publicly available.

27 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 PJ Investment Group Limited, which is registered in Jersey.

Jessops (Group) Limited is also the parent company of the smallest and largest 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 Jones is considered to be the ultimate controlling party by virtue of his shareholding in PJ Investment Group Limited.