

Company registration number 09223288 (England and Wales)

CREP PROTECT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

CREP PROTECT LIMITED

COMPANY INFORMATION

Directors	I Ahmed N S Ahmed
Secretaries	S Noorani S B Ahmed S F Ahmed
Company number	09223288
Registered office	Unit 2 Western Avenue Business Park Mansfield Road Acton London W3 0BZ
Auditor	Mercer & Hole LLP 21 Lombard Street London EC3V 9AH

CREP PROTECT LIMITED

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CREP PROTECT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The directors present the strategic report for the year ended 28 February 2022.

Review of the business

As shown in the Company's Statement of Comprehensive Income, turnover increased 21% to £22,146,994 from £18,259,240 in 2021. The closing net assets were £8,176,449 (2021: £6,605,396).

The Company continued to invest in its operational capacity over the period with its average headcount growing by 3 to 34 (2021: 31).

Analysis based on key performance indicators

Our KPI measures are:

1. Turnover: £22,146,994 (2021: £18,259,240)
2. Net profit before tax: £1,985,218 (2021: £1,682,205)
3. Cash at bank and in hand: £267,061 (2021: £1,709,772)

Principal risks and uncertainties

The Company's principal risks are as follows:

Suppliers

The Company is dependent on the ability of its suppliers to manufacture its products to the desired quality and ethical standards and on its logistics providers to ensure it reaches the required location on a timely basis. If product is not delivered on time and to the required specifications, revenue will be impacted unfavourably. In addition, if suppliers do not work within the Company's required quality control standards, it could have a negative impact on the Crep Protect brand and reputation. The Company works closely with all its design, production and logistic suppliers to mitigate these risks.

Foreign exchange risk

The Company purchases the majority of its product stock from overseas and is therefore exposed to foreign currency risk; primarily US Dollar and Euro. However this is mitigated by the Company having a source of US Dollars and Euros from the company's customers around the world in order to cover such purchases. The exit of the UK from the EU has resulted in increased currency volatility. The directors monitor on an ongoing basis the currency risk arising to the Company and ensures that risk remains at an acceptable level.

Brexit

We are mitigating the continued uncertainty over the exit of the UK from the European Union by expanding our markets outside this economic area.

Although the foreign exchange markets have been very volatile since the UK voted to leave the EU in June 2016 the company has natural currency hedges within its operations and sufficient GBP is generated to cover the UK based head office costs. This ensures that transactional FX risk is minimised.

Our suppliers are mainly based outside of Europe and so changes in duties and tariffs on imports has not materially impacted the Company.

The group, within which Crep Protect Limited is a member, opened a European warehouse in the Netherlands to service EU customers from March 2021. The company's UK warehouse no longer fulfils these orders. This has helped to protect the company from trading risks in Europe and minimise the financial impact on the Company.

We have taken steps to ensure that all our non-British employees can continue to work for us.

CREP PROTECT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

Covid-19

The Covid-19 pandemic has had a severe impact on the global economy, resulting in significant economic uncertainty. The Company has managed to continue to trade throughout the year but still expects this ongoing risk to impact all areas of the business from supply chain to revenue to team members.

There remains a risk but this has diminished as the impact of Covid-19 continues to dissipate.

The directors have considered these risks and taken actions they consider appropriate to minimise the impact.

The directors perform scenario analysis with forecasts to understand the potential impact and minimise this, ensuring the business can meet its obligations.

Where appropriate, the Company has utilised available government support schemes that aid cashflow and business continuity.

The directors continue to comply with guidelines surrounding safe working practices to minimise the risk of spread of infection, and to ensure the wellbeing of all employees and customers and the Company continues to work closely with its supply chain to plan for and minimise the impacts of delays on stock purchases.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. The going concern basis of accounting has therefore been adopted in preparing the financial statements.

The Directors have reviewed current performance, EBITDA forecasts and the Cashflow forecasts and are satisfied that the Company's forecasts, taking account of scenario modelling performed, show that the Company will continue in operation and meet its liabilities as they fall due for the foreseeable future and at a minimum for 12 months from the date of signing the financial statements.

The Directors have therefore continued to adopt the going concern basis in preparing the Company's financial statements.

On behalf of the board

N S Ahmed
Director

28 February 2023

CREP PROTECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The directors present their annual report and financial statements for the year ended 28 February 2022.

Principal activities

The principal activity of the company continued to be that of the sale of branded consumer products.

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:

I Ahmed
N S Ahmed

Auditor

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

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

On behalf of the board

N S Ahmed
Director

28 February 2023

CREP PROTECT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2022

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

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

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

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

CREP PROTECT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CREP PROTECT LIMITED

Opinion

We have audited the financial statements of Crep Protect Limited (the 'company') for the year ended 28 February 2022 which comprise the statement of comprehensive income, the balance sheet, 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 28 February 2022 and of its profit 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.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

CREP PROTECT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CREP PROTECT 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We 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. These included, but were not limited to, the Companies Act 2006, employment law, and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

CREP PROTECT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CREP PROTECT LIMITED

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

A further description of our responsibilities 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.

Andrew Turner
Senior Statutory Auditor
For and on behalf of Mercer & Hole LLP

28 February 2023

Chartered Accountants
Statutory Auditor

21 Lombard Street
London
EC3V 9AH

CREP PROTECT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	2022 £	2021 £
Turnover	3	22,146,994	18,259,240
Cost of sales		(15,636,219)	(13,257,445)
Gross profit		6,510,775	5,001,795
Administrative expenses		(4,711,738)	(3,441,663)
Other operating income	4	221,756	189,920
Operating profit	4	2,020,793	1,750,052
Interest receivable and similar income	8	-	59
Interest payable and similar expenses	9	(35,575)	(67,906)
Profit before taxation		1,985,218	1,682,205
Tax on profit	10	(414,165)	(338,508)
Profit for the financial year		1,571,053	1,343,697

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CREP PROTECT LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		934,047		1,076,484
Current assets					
Stocks	13	4,554,496		4,465,890	
Debtors	14	14,352,155		8,481,163	
Cash at bank and in hand		267,061		1,709,772	
		<u>19,173,712</u>		<u>14,656,825</u>	
Creditors: amounts falling due within one year	15	<u>(11,830,652)</u>		<u>(9,001,186)</u>	
Net current assets			<u>7,343,060</u>		<u>5,655,639</u>
Total assets less current liabilities			<u>8,277,107</u>		<u>6,732,123</u>
Creditors: amounts falling due after more than one year	16		(66,193)		(85,839)
Provisions for liabilities					
Deferred tax liability	18	34,465		40,888	
		<u>(34,465)</u>		<u>(40,888)</u>	
Net assets			<u>8,176,449</u>		<u>6,605,396</u>
Capital and reserves					
Called up share capital	20		85		85
Capital redemption reserve			15		15
Profit and loss reserves			<u>8,176,349</u>		<u>6,605,296</u>
Total equity			<u>8,176,449</u>		<u>6,605,396</u>

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

N S Ahmed
Director

Company Registration No. 09223288

CREP PROTECT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2022

		Share capital	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 March 2020		85	15	6,231,599	6,231,699
Year ended 28 February 2021:					
Profit and total comprehensive income for the year		-	-	1,343,697	1,343,697
Dividends	11	-	-	(970,000)	(970,000)
Balance at 28 February 2021		85	15	6,605,296	6,605,396
Year ended 28 February 2022:					
Profit and total comprehensive income for the year		-	-	1,571,053	1,571,053
Balance at 28 February 2022		85	15	8,176,349	8,176,449

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

Company information

Crep Protect Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2 Western Avenue Business Park, Mansfield Road, Acton, London, W3 0BZ.

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. 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 each category of financial instrument; 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 financial statements of the company are consolidated in the financial statements of Undercover Brothers Limited. These consolidated financial statements are available from its registered office.

1.2 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. The going concern basis of accounting has therefore been adopted in preparing the financial statements.

The Directors have reviewed current performance, EBITDA forecasts and the Cashflow forecasts and are satisfied that the Company's forecasts, taking account of scenario modelling performed, show that the Company will continue in operation and meet its liabilities as they fall due for the foreseeable future and at a minimum for 12 months from the date of signing the financial statements.

The Directors have therefore continued to adopt the going concern basis in preparing the Company's financial statements.

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.

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

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 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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 improvements	Over the lower of 10 years or the remaining lease term
Fixtures and fittings	Over 10 years
Computers	Over 10 years
Motor vehicles	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 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

1.7 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.

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.

1.8 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.

1.9 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 balance sheet 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.

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.

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

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 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.

1.10 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.

1.11 Taxation

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

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 profit and loss account, 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.

1.12 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.

1.13 Retirement benefits

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

1.14 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 balance sheet 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.

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

1.15 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.

1.16 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.

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 provision

Stock provision on slow moving and obsolete stock is designed to ensure that stock is valued accurately and is assessed with reference to selling price, historical sales pattern and post year end trading performance.

Debtor provision

Debtor provision on old and bad debt is designed to ensure that debtors are valued accurately and are only held to the extent that they are recoverable.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	5,038,873	5,750,435
Europe	14,579,239	11,331,935
Rest of the world	2,528,882	1,176,870
	<u>22,146,994</u>	<u>18,259,240</u>

All turnover arises from the principal activity.

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

4 Operating profit

	2022 £	2021 £
Operating 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	227,624	(55,974)
Research and development costs	2,024	-
Government grants - Job Retention Scheme (furlough income)	(221,756)	(189,920)
Depreciation of owned tangible fixed assets	146,043	144,784
Depreciation of tangible fixed assets held under finance leases	26,168	18,181
Profit on disposal of tangible fixed assets	(35,122)	(1,308)
Operating lease charges	776,827	558,575
	<u>776,827</u>	<u>558,575</u>

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	28,340	26,000
	<u>28,340</u>	<u>26,000</u>
For other services		
All other non-audit services	7,935	7,280
	<u>7,935</u>	<u>7,280</u>

6 Employees

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

	2022 Number	2021 Number
Administration	31	28
Logistics	3	3
	<u>34</u>	<u>31</u>
Total	34	31

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,210,341	1,171,725
Social security costs	122,978	107,535
Pension costs	28,976	42,429
	<u>1,362,295</u>	<u>1,321,689</u>

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

7	Directors' remuneration	2022	2021
		£	£
	Remuneration for qualifying services	21,740	147,732
		<u> </u>	<u> </u>
8	Interest receivable and similar income	2022	2021
		£	£
	Interest income		
	Interest on bank deposits	-	59
		<u> </u>	<u> </u>
9	Interest payable and similar expenses	2022	2021
		£	£
	Interest on finance leases and hire purchase contracts	35,575	67,906
		<u> </u>	<u> </u>
10	Taxation	2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	420,588	338,508
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(6,423)	-
		<u> </u>	<u> </u>
	Total tax charge	414,165	338,508
		<u> </u>	<u> </u>

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

10 Taxation

(Continued)

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

	2022 £	2021 £
Profit before taxation	1,985,218	1,682,205
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	377,191	319,619
Tax effect of expenses that are not deductible in determining taxable profit	25,333	1,800
Adjustments in respect of prior years	(3,608)	44,180
Fixed asset differences	6,341	6,354
Other movements	63	(5,338)
Remeasurement of deferred tax for changes in rates	8,272	4,337
Deferred tax not provided	573	(32,444)
Taxation charge for the year	414,165	338,508

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge and the deferred tax assets and liabilities accordingly.

11 Dividends

	2022 £	2021 £
Final paid	-	970,000

No ordinary dividends were paid in the year.

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

12 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 March 2021	418,423	316,513	83,647	801,440	1,620,023
Additions	-	6,793	8,087	32,244	47,124
Disposals	-	-	-	(93,000)	(93,000)
At 28 February 2022	418,423	323,306	91,734	740,684	1,574,147
Depreciation and impairment					
At 1 March 2021	114,072	102,643	31,306	295,518	543,539
Depreciation charged in the year	41,842	32,223	8,958	89,188	172,211
Eliminated in respect of disposals	-	-	-	(75,650)	(75,650)
At 28 February 2022	155,914	134,866	40,264	309,056	640,100
Carrying amount					
At 28 February 2022	262,509	188,440	51,470	431,628	934,047
At 28 February 2021	304,351	213,870	52,341	505,922	1,076,484

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Motor vehicles	159,994	185,196

13 Stocks

	2022 £	2021 £
Finished goods and goods for resale	4,554,496	4,465,890

At the year end the company has entered into contracts to purchase a further £803,171 (2021 - £1,134,187) of stocks.

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,062,195	1,844,816
Amounts owed by group undertakings	2,349	2,820,624
Amounts owed by undertakings in which the company has a participating interest	-	1,494
Amounts owed by other related parties	12,029,944	1,861,681
Other debtors	159,612	250,767
Prepayments and accrued income	1,098,055	1,701,781
	<u>14,352,155</u>	<u>8,481,163</u>

15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Obligations under finance leases	17	24,541	45,942
Trade creditors		3,596,589	3,061,098
Amounts owed to group undertakings		342,724	2,933,327
Amounts owed to related parties		4,409,704	-
Corporation tax		1,232,908	882,320
Other taxation and social security		1,000,894	779,090
Other creditors		(69)	25,755
Accruals and deferred income		1,223,361	1,273,654
		<u>11,830,652</u>	<u>9,001,186</u>

16 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Obligations under finance leases	17	66,193	85,839
		<u>66,193</u>	<u>85,839</u>

17 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	24,541	45,942
In two to five years	66,193	85,839
	<u>90,734</u>	<u>131,781</u>

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

17 Finance lease obligations

(Continued)

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 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Obligations under finance lease contracts are secured against the assets to which the financing relates.

18 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	34,465	40,888
	<u> </u>	<u> </u>
Movements in the year:		2022 £
Liability at 1 March 2021		40,888
Credit to profit or loss		(6,423)
		<u> </u>
Liability at 28 February 2022		34,465
		<u> </u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	28,976	42,429
	<u> </u>	<u> </u>

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

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

20 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of £1 each	20	20	20	20
Ordinary B shares of £1 each	21	21	21	21
Ordinary C shares of £1 each	19	19	19	19
Ordinary D shares of £1 each	19	19	19	19
Ordinary E shares of £1 each	6	6	6	6
	<u>85</u>	<u>85</u>	<u>85</u>	<u>85</u>

21 Charges

A fixed and floating charge is registered over all of the company's assets in favour of HSBC UK Bank PLC in relation to the Coronavirus Business Interruption Loan (CBIL) received by the parent company in the prior year. The charge remained outstanding at the balance sheet date.

22 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
	£	£
Within one year	441,587	441,587
Between two and five years	1,696,349	1,766,349
In over five years	510,932	882,519
	<u>2,648,868</u>	<u>3,090,455</u>

23 Related party transactions

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Crep Protect Inc	-	320,568
Crep Protect Cleaning Limited	-	33,695
RIN Intellectual Property Ltd	4,409,704	-
K'lekt GmbH	2	949,019
Crep Protect Unipessoal	328,222	1,630,043
Authenticated By Limited	14,500	-
	<u></u>	<u></u>
Amounts due from related parties		
	2022	2021
	£	£
Undercover Brothers Limited	2,349	2,530,550
Crep Protect Cleaning Limited	-	27,582

CREP PROTECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

23	Related party transactions	(Continued)
	Crepto Ltd	- 73,541
	K'lekt GmbH	- 10,442
	Crep Protect Unipessoal	- 21,372
	Crep Protect B.V	- 74,433
	Presented By SAS	- 155,377
	Sneaker King Limited	- 885
	MiWhip Unipessoal LDA	107 170,466
	MiWhip Limited	- 104,581
	RIN Intellectual Holdings Limited	12,029,837 1,415,149
	RIN Developments Limited	- 95,464
	PressPlay Records Limited	- 2,479
	Sneaker Bag Limited	- 1,494

During the year the company incurred expenses and made payments on behalf of Undercover Brothers Ltd, the company's parent undertaking, totalling £4,378,188 and £1,134,453 respectively, and received payments from the parent undertaking totalling £356,248. During the year the directors performed a related party balance consolidation exercise, reducing the balance owed by the parent undertaking by £7,684,594. At the balance sheet date the company was owed an amount of £2,349 (2021 - £2,530,550) from Undercover Brothers Ltd.

Additionally during the year the company paid management charges totalling £725,000 (2021: £nil), made sales totalling £nil (2021 - £42,665) and paid a dividend of £nil (2021 - £970,000) to the parent company.

During the year, the company sold goods amounting to £7,207,783 (2021 - £5,880,091) to Crep Protect Unipessoal Ltd, a fellow subsidiary undertaking. At the year end an amount of £328,222 (2021 - £1,630,043) was due to Crep Protect Unipessoal Ltd.

During the year, the company sold goods amounting to £387,605 (2021 - £nil) to Crep Protect BV, a fellow subsidiary undertaking, and no amounts were outstanding at the year end.

During the year, the company was charged £4,471,809 (2021 - £nil) for royalties by RIN Intellectual Property Limited, a company with mutual directors. At the year end following a related party balance consolidation exercise an amount of £4,409,704 (2021 - £nil) was due to RIN Intellectual Property Limited.

During the year, the company was charged £nil (2021 - £3,631,764) for royalties by a director of the company. At the year end following a related party balance consolidation exercise an amount of £12,029,837 (2021 - £1,415,149) was due from RIN Intellectual Holdings Limited.

All other related party balances were cleared in the year as part of the related party balance consolidation exercise performed by the directors.

During the year rent of £188,300 (2021 - £82,428) was paid on behalf of the directors.

24 Ultimate controlling party

The immediate parent company and ultimate controlling party is Undercover Brothers Ltd, a company incorporated in England and Wales.

Undercover Brothers Ltd prepares group financial statements and copies can be obtained from Companies House.

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.