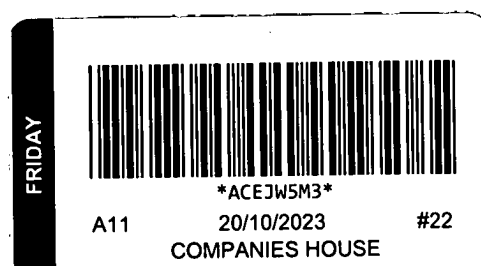


Registered number
09670915

J.Carter Sporting Club Limited

Report and Financial Statements

31 January 2023



J.Carter Sporting Club Limited
Report and accounts
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J.Carter Sporting Club Limited
Company Information

Directors

Mr P Beahon

Mr T Beahon

Auditors

Haines Watts Liverpool Ltd

Pacific Chambers

11-13 Victoria Street

Liverpool

Merseyside

L2 5QQ

Bankers

NatWest

PO Box 2162

20 Dean Street

London

W1A 1SX

Registered office

1 Central Street

Manchester

M2 5WR

Registered number

09670915

J.Carter Sporting Club Limited**Registered number:** 09670915**Directors' Report**

The directors present their report and financial statements for the year ended 31 January 2023.

Principal activities

The Company's principal activity during the period was the design, manufacturing and sale of Castore and sports team branded apparel and accessories, which are sold through online, physical stores and wholesale partners.

Future developments

The Company's plan is to increasingly focus on digital growth whilst maintaining a strong focus on partnering with world class sports teams who enhance our brand awareness and desirability.

Performance has continued to be strong due to the growth across the digital, store and wholesale channels. In addition, we will continue to grow our wholesale channel and expand internationally.

Research and development

Tangible investments have been made in the year to ensure the business creates world class products and has world class digital capabilities. During the year the Company invested in R&D expenditure to drive new product development as well as data analytics and brand development. These investments will augment Castore's position as a leading challenger brand in the global sportswear market and position the Company for long term success.

Greenhouse gas emissions

Given the rapid growth of the Company over recent years, as well as the complexity of its supply chains, the directors do not believe it is practical to obtain the information outlined in Part 7 of the Companies Act 2006 "Disclosures concerning greenhouse gas emissions".

Dividends

The directors do not recommend a dividend.

Events since the balance sheet date

The Company has prepared financial forecasts which cover the period of 12 months from the date of approval of the financial statements and include consideration of all relevant external impacts on the business. These forecasts indicate Castore will be able to meet its liabilities as they fall due throughout this period.

Directors

The following persons served as directors during the year:

Mr P Beahon

Mr T Beahon

Political donations

There were no political donations made during the year.

J.Carter Sporting Club Limited**Registered number:** 09670915**Directors' Report****Directors' responsibilities**

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The Company has prepared financial forecasts which cover the period of 12 months from the date of approval of the financial statements and include consideration of all relevant external impacts on the business. These forecasts indicate Castore will be able to meet its liabilities as they fall due throughout this period. Based on the analysis completed, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements for the Company.

J.Carter Sporting Club Limited
Registered number: 09670915
Directors' Report

Employment of disabled persons

Employee involvement:

The Company operates a very open structure and encourages the involvement of its employees in its management through regular team, office and company meetings.

During employment, the Company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Disabled persons:

The Company will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

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

The directors make every effort to have a collaborative relationship with customers, suppliers, as well as any others in a business relationship with the Company. The impacts on these stakeholder groups are considered before any key decision is made by the Company.

This report was approved by the board on 7 June 2023 and signed on its behalf.



Mr P Beahon
Director

J.Carter Sporting Club Limited

Strategic Report

Overview

The Company's principal activity during the period was the design, manufacturing and sale of Castore branded and sports team branded apparel and accessories, which are sold through online, physical stores and wholesale partners. The strong performance this year is driven by successfully launching new partnerships as Castore continues to disrupt this market through its combination of premium brand, high quality product offering and digital expertise. These partnerships have in turn significantly enhanced Castore brand awareness and desirability.

Castore has had a strong year with turnover increasing by £66.2m (+ 136%) and operating profit for the period amounting to £16.6m. Operating profit is earnings before interest, tax, depreciation, amortisation and intangible assets. The Company successfully launched a number of new partnerships in the period, including in the Premier League, Formula One, Premiership Rugby and International Cricket. Our digital channels remain the driving force of the business, allowing us to establish deep relationships with consumers and delivering strong brand engagement and loyalty.

We did also capitalise on highly favourable market conditions in the rental market to open new stores in the period, in line with our growing brand awareness. Our omni-channel presence continues to evolve as we further expand our partnerships with world class retailers.

Principal risks and uncertainties

The principal risk that could materially affect the business, revenues, operating income, net income, net assets or liquidity is general economic risk. The economy is important to the overall success of the consumer sector globally and as a consequence that of Castore. Economic conditions may deter the spending of key customers. However, the Castore brand is a premium brand which fills a unique position in the sportswear market and has proved itself increasingly popular despite economic uncertainty. Sports merchandise has historically proven far more resilient than the wider consumer sector. These economic risks have increased due to Covid-19 with added risk to supplier chains and uncertainty as to future economic conditions. The risks have been managed accordingly in line with the below.

Financial risk: The Company has a Revolving Credit Facility which is paid down in full periodically in line with the natural working capital requirements of the business. The Directors constantly review and agree policies for managing all financial risk on an ongoing basis.

Currency risk: The Company is exposed to transaction based foreign exchange risk. Certain inventory purchase transaction exposures, are hedged when required, principally using forward currency contracts.

Liquidity risk: The Company seeks to manage liquidity risk by regularly forecasting future cashflows to ensure sufficient funds are available to meet the Company's financial obligations for the foreseeable future.

Interest rate risk: The Company finances its operations through a mixture of shareholder equity, a revolving credit facility and retained profits. The directors envisage no material interest rate exposure to the Company in the short term and will continue to monitor interest rate risk and its strategy to mitigate any such exposure in the medium term.

Credit risk: The Company's principal financial asset is cash. Credit risk associated with cash balances is managed by the Company monitoring the cashflow on a weekly basis.

J.Carter Sporting Club Limited Strategic Report

Key performance indicators

The Company's key performance indicators are revenue, gross profit margin and operating profit. Revenue increased from £48.8m to £115.0m in the year as a result of strong trading across all channels. The sales mix is diversified across product categories, sales channels and international markets which dilutes any individual risk. The Company operating profit increased from £8.1m in 2022 to £16.6m in 2023 as a result of the strong performance of the digital channel in line with the company's strategy. The Company gross profit margin was 69.6% in 2023. The Directors are happy with the strategic performance of the business and note ongoing investments into personnel, new product development and digital infrastructure to support the Company's long term growth aspirations.

Section 172 statement

S172(1) in the Companies Act 2006 sets out the duties of a director to promote the success of the company. A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The directors are fully aware of and support these requirements.

The directors meet regularly to consider and discuss key decisions. Central to this decision making process is consideration of their responsibilities to promote the success of the Company, as well as the impact of any decision on the key stakeholders of the Company.

This report was approved by the board on 7 June 2023 and signed on its behalf.



Mr P Beahon
Director

J.Carter Sporting Club Limited
Independent auditor's report
to the members of J.Carter Sporting Club Limited

Opinion

We have audited the financial statements of J.Carter Sporting Club Limited (the 'Company') for the year ended 31 January 2023 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 the 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 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

J.Carter Sporting Club Limited Independent auditor's report to the members of J.Carter Sporting Club 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

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 a Report of the Independent Auditors 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:

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

J.Carter Sporting Club Limited
Independent auditor's report
to the members of J.Carter Sporting Club Limited

Audit procedures performed included:

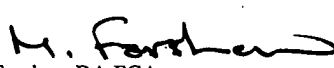
- review of the financial statement disclosures to underlying supporting documentation.
- review of any correspondence with legal advisors, and enquiries of management and those charged with governance around actual and potential litigation and claims
- enquiries with Company's staff to identify any instances with non-compliance with laws and regulations
- enquiries of management and review of monthly management accounts and reports in so far as they related to the financial statements
- testing of journals and evaluating, whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud, and evaluating the business rationale of significant transactions outside the normal course of business
- undertaking detailed substantive testing of material items and a sample of other items
- consideration of the reasonableness of the figures and analytical review, including comparison with previous years and expected trends
- review of the compliance with and effectiveness of internal controls

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at 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.


Michael Forshaw BA FCA
(Senior Statutory Auditor)
for and on behalf of
Haines Watts Liverpool Ltd
Statutory Auditor
7 June 2023

Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

J.Carter Sporting Club Limited
Income Statement
for the year ended 31 January 2023

	Notes	2023 £	2022 £
Turnover	3	115,018,369	48,833,100
Cost of sales		(34,932,123)	(13,453,358)
Gross profit		<u>80,086,246</u>	<u>35,379,742</u>
Distribution costs		(12,186,805)	(3,534,707)
Administrative expenses		(51,331,089)	(23,845,960)
Other operating income		-	91,493
Operating profit	4	<u>16,568,352</u>	<u>8,090,568</u>
Interest receivable and other finance income		-	1,876
Interest payable and other finance costs	7	(1,893,655)	(32,940)
Profit on ordinary activities before taxation		<u>14,674,697</u>	<u>8,059,504</u>
Tax on profit on ordinary activities	8	(2,935,957)	(1,532,249)
Profit for the financial year		<u>11,738,740</u>	<u>6,527,255</u>

J.Carter Sporting Club Limited
Statement of Financial Position
as at 31 January 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	9	3,405,313	701,009
Current assets			
Stocks	10	59,639,239	9,885,394
Debtors	11	44,931,445	24,452,506
Cash at bank and in hand		786,181	10,120,463
		<u>105,356,865</u>	<u>44,458,363</u>
Creditors: amounts falling due within one year	12	(55,941,205)	(28,593,183)
Net current assets		<u>49,415,660</u>	<u>15,865,180</u>
Total assets less current liabilities		<u>52,820,973</u>	<u>16,566,189</u>
Creditors: amounts falling due after more than one year	13	(39,720,193)	(918,894)
Provisions for liabilities			
Deferred taxation	15	(851,328)	(136,583)
Net assets		<u>12,249,452</u>	<u>15,510,712</u>
Capital and reserves			
Called up share capital	17	104	104
Share premium	18	7,784,209	7,784,209
Other reserves	19	(15,000,000)	-
Profit and loss account	20	19,465,139	7,726,399
Total equity		<u>12,249,452</u>	<u>15,510,712</u>



Mr P Beahon
Director
Approved by the board on 7 June 2023

J.Carter Sporting Club Limited
Statement of Changes in Equity
for the year ended 31 January 2023

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 February 2021	104	7,784,209	-	1,199,144	8,983,457
Profit for the financial year				6,527,255	6,527,255
At 31 January 2022	<u>104</u>	<u>7,784,209</u>	<u>-</u>	<u>7,726,399</u>	<u>15,510,712</u>
At 1 February 2022	104	7,784,209	-	7,726,399	15,510,712
Profit for the financial year				11,738,740	11,738,740
Transfer to Employee Benefit Trust			(15,000,000)		(15,000,000)
Other comprehensive income for the financial year	-	-	(15,000,000)	-	(15,000,000)
Total comprehensive income for the financial year	-	-	(15,000,000)	11,738,740	(3,261,260)
At 31 January 2023	<u>104</u>	<u>7,784,209</u>	<u>(15,000,000)</u>	<u>19,465,139</u>	<u>12,249,452</u>

J.Carter Sporting Club Limited
Statement of Cash Flows
for the year ended 31 January 2023

	Notes	2023 £	2022 £
Operating activities			
Profit for the financial year		11,738,740	6,527,255
Adjustments for:			
Interest receivable		-	(1,876)
Interest payable		1,893,655	32,940
Tax on profit on ordinary activities		2,935,957	1,532,249
Depreciation		510,768	125,291
Increase in stocks		(49,753,845)	(7,685,183)
Increase in debtors		(20,478,939)	(22,121,338)
Increase in creditors		28,947,029	19,088,157
		<u>(24,206,635)</u>	<u>(2,502,505)</u>
Interest received		-	1,876
Interest paid and other finance costs		(1,893,655)	(32,940)
Corporation tax paid		(1,516,878)	(274,036)
Cash used in operating activities		<u>(27,617,168)</u>	<u>(2,807,605)</u>
Investing activities			
Payments to acquire tangible fixed assets		(3,143,136)	(647,881)
Payments to Employee Benefit Trust		(15,000,000)	-
Cash used in investing activities		<u>(18,143,136)</u>	<u>(647,881)</u>
Financing activities			
Proceeds from new loans		37,207,344	3,846,528
Repayment of loans		(738,029)	(944,851)
Capital element of finance lease payments		(43,293)	(13,064)
Cash generated by financing activities		<u>36,426,022</u>	<u>2,888,613</u>
Net cash used			
Cash used in operating activities		(27,617,168)	(2,807,605)
Cash used in investing activities		(18,143,136)	(647,881)
Cash generated by financing activities		36,426,022	2,888,613
Net cash used		<u>(9,334,282)</u>	<u>(566,873)</u>
Cash and cash equivalents at 1 February		<u>10,120,463</u>	<u>10,687,336</u>
Cash and cash equivalents at 31 January		<u>786,181</u>	<u>10,120,463</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>786,181</u>	<u>10,120,463</u>

J.Carter Sporting Club Limited
Notes to the Accounts
for the year ended 31 January 2023

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer equipment	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

J.Carter Sporting Club Limited
Notes to the Accounts
for the year ended 31 January 2023

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

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.

J.Carter Sporting Club Limited
Notes to the Accounts
for the year ended 31 January 2023

Impairment of financial assets:

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

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

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

Derecognition of financial assets:

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

Classification of financial liabilities:

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

Basic financial liabilities:

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and 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.

J.Carter Sporting Club Limited
Notes to the Accounts
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Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 Analysis of turnover

	2023	2022
	£	£
Sale of goods	<u>115,018,369</u>	<u>48,833,100</u>
By geographical market:		
UK	79,846,965	42,571,548
Europe	25,364,499	895,974
North America	3,126,364	1,031,939
Rest of world	<u>6,680,541</u>	<u>4,333,639</u>
	<u>115,018,369</u>	<u>48,833,100</u>

4 Operating profit

	2023	2022
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	449,922	125,291
Depreciation of assets held under finance leases and hire purchase contracts	60,846	22,474
Auditors' remuneration for audit services	22,000	10,000
Carrying amount of stock sold	<u>34,932,123</u>	<u>13,453,358</u>

J.Carter Sporting Club Limited
Notes to the Accounts
for the year ended 31 January 2023

5 Directors' emoluments	2023	2022
	£	£
Emoluments	<u>599,994</u>	<u>274,167</u>

Highest paid director:		
Emoluments	299,997	137,084

The directors are the only key management personnel.

6 Staff costs	2023	2022
	£	£
Wages and salaries	8,848,973	3,860,508
Social security costs	848,231	347,611
Other pension costs	155,664	70,638
	<u>9,852,868</u>	<u>4,278,757</u>

Average number of employees during the year	Number	Number
Administration	45	30
Development	55	38
Distribution	38	22
Marketing	36	26
Sales	225	58
	<u>399</u>	<u>174</u>

7 Interest payable and other finance costs	2023	2022
	£	£
Bank loans and overdrafts	1,055,706	32,940
Foreign exchange losses	837,949	-
	<u>1,893,655</u>	<u>32,940</u>

J.Carter Sporting Club Limited
Notes to the Accounts
for the year ended 31 January 2023

8 Taxation	2023	2022
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	2,100,000	1,395,666
Adjustments in respect of previous periods	121,212	-
	<u>2,221,212</u>	<u>1,395,666</u>
Deferred tax:		
Origination and reversal of timing differences	714,745	136,583
Tax on profit on ordinary activities	<u>2,935,957</u>	<u>1,532,249</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2023	2022
	£	£
Profit on ordinary activities before tax	<u>14,674,697</u>	<u>8,059,504</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	2,788,192	1,531,306
Effects of:		
Expenses not deductible for tax purposes	26,553	3,035
Capital allowances for period in excess of depreciation	(714,745)	(138,675)
Adjustments to tax charge in respect of previous periods	121,212	-
Current tax charge for period	<u>2,221,212</u>	<u>1,395,666</u>

Factors that may affect future tax charges

The rate of corporation tax payable by the Company is expected to be 25% as from 1st April 2023.

J.Carter Sporting Club Limited
Notes to the Accounts
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9 Tangible fixed assets

	Plant and machinery	fittings, tools and equipment	Total
	<i>At cost</i>	<i>At cost</i>	
	£	£	£
Cost or valuation			
At 1 February 2022	862,342	16,500	878,842
Additions	3,215,072	-	3,215,072
At 31 January 2023	<u>4,077,414</u>	<u>16,500</u>	<u>4,093,914</u>
Depreciation			
At 1 February 2022	175,981	1,852	177,833
Charge for the year	506,643	4,125	510,768
At 31 January 2023	<u>682,624</u>	<u>5,977</u>	<u>688,601</u>
Carrying amount			
At 31 January 2023	<u>3,394,790</u>	<u>10,523</u>	<u>3,405,313</u>
At 31 January 2022	<u>686,361</u>	<u>14,648</u>	<u>701,009</u>

	2023	2022
	£	£
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	<u>124,454</u>	<u>91,777</u>

10 Stocks	2023	2022
	£	£
Goods in transit	21,634,464	-
Finished goods and goods for resale	38,004,775	9,885,394
	<u>59,639,239</u>	<u>9,885,394</u>

11 Debtors	2023	2022
	£	£
Trade debtors	28,168,796	6,571,432
Other debtors	16,762,649	17,881,074
	<u>44,931,445</u>	<u>24,452,506</u>

J.Carter Sporting Club Limited
Notes to the Accounts
for the year ended 31 January 2023

12 Creditors: amounts falling due within one year	2023	2022
	£	£
Bank loans	564,998	2,885,931
Obligations under finance lease and hire purchase contracts	46,898	29,306
Trade creditors	48,439,035	20,979,064
Corporation tax	2,100,000	1,395,666
Other taxes and social security costs	266,257	2,520,878
Other creditors	4,502,017	133,841
Accruals and deferred income	22,000	648,497
	<u>55,941,205</u>	<u>28,593,183</u>

13 Creditors: amounts falling due after one year	2023	2022
	£	£
Bank loans	39,640,476	850,228
Obligations under finance lease and hire purchase contracts	79,717	68,666
	<u>39,720,193</u>	<u>918,894</u>

Finance lease and hire purchase contracts are secured on the assets purchased under the contract.

Bank loans include a revolving credit facility of £38,877,360 that is secured by a floating charge on the assets of the Company.

14 Obligations under finance leases and hire purchase contracts	2023	2022
	£	£
Amounts payable:		
Within one year	46,898	29,306
Within two to five years	79,717	68,666
	<u>126,615</u>	<u>97,972</u>

15 Deferred taxation	2023	2022
	£	£
Accelerated capital allowances	<u>851,328</u>	<u>136,583</u>

	2023	2022
	£	£
At 1 February	136,583	-
Charged to the profit and loss account	714,745	136,583
At 31 January	<u>851,328</u>	<u>136,583</u>

J.Carter Sporting Club Limited
Notes to the Accounts
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16 Analysis of changes in net debt

	B/fwd	Cash flows	New finance leases	C/fwd
	£	£	£	£
<i>Cash and cash equivalents</i>				
Cash	10,120,463	(9,334,282)	-	786,181
	10,120,463	(9,334,282)	-	786,181
<i>Borrowings</i>				
Debt due within one year	(2,915,237)	2,327,320	(23,979)	(611,896)
Debt due after more than one year	(918,894)	(38,753,342)	(47,957)	(39,720,193)
	(3,834,131)	(36,426,022)	(71,936)	(40,332,089)
Total	6,286,332	(45,760,304)	(71,936)	(39,545,908)

17 Share capital	Nominal value	2023 Number	2023 £	2022 £
Allotted, called up and fully paid:				
Ordinary shares	£0.001 each	103,760	104	104

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

18 Share premium	2023 £	2022 £
At 1 February	7,784,209	7,784,209
At 31 January	7,784,209	7,784,209

19 Other reserves	2023 £	2022 £
Share option reserve		
Transfer to Employee Benefit Trust	(15,000,000)	-
At 31 January	(15,000,000)	-

The share option reserve consists of shares repurchased by the Company's Employee Benefit Trust.

J.Carter Sporting Club Limited
Notes to the Accounts
for the year ended 31 January 2023

20 Profit and loss account	2023	2022
	£	£
At 1 February	7,726,399	1,199,144
Profit for the financial year	11,738,740	6,527,255
At 31 January	<u>19,465,139</u>	<u>7,726,399</u>

21 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2023 £	Land and buildings 2022 £	Other 2023 £	Other 2022 £
Falling due:				
within one year	74,997	20,000	-	-
within two to five years	<u>3,020,256</u>	<u>2,445,177</u>	<u>-</u>	<u>-</u>
	<u>3,095,253</u>	<u>2,465,177</u>	<u>-</u>	<u>-</u>

22 Loans to directors

Description and conditions	B/fwd £	Paid £	Repaid £	C/fwd £
Mr P Beahon Loan	(37,478)	537,478	(500,000)	-
Mr T Beahon Loan	42,772	500,000	(542,772)	-
	<u>5,294</u>	<u>1,037,478</u>	<u>(1,042,772)</u>	<u>-</u>

The above loans were interest free and were repayable on demand.

23 Related party transactions

During the year the Directors each transferred shares into an Employee Benefit Trust, as detailed in note 19 of the accounts..

24 Controlling party

The directors are considered to be the ultimate controlling party by virtue of their ability to act in concert in respect of the operational and financial policies of the Company.

J.Carter Sporting Club Limited
Notes to the Accounts
for the year ended 31 January 2023

25 Presentation currency

The financial statements are presented in Sterling.

26 Legal form of entity and country of incorporation

J.Carter Sporting Club Limited is a private company limited by shares and incorporated in England.

27 Principal place of business

The address of the Company's principal place of business and registered office is:

1 Central Street

Manchester

M2 5WR