

Company Registration No. 00988970 (England and Wales)

OUTDOOR & SPORTS COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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OUTDOOR & SPORTS COMPANY LIMITED

COMPANY INFORMATION

Directors	S J Cann P A Allison
Secretary	S J Cann
Company number	00988970
Registered office	3, Bailey Court Green Street Macclesfield SK10 1JQ
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
Business address	Redfern House Dawson Street Hyde Cheshire SK14 1RD

OUTDOOR & SPORTS COMPANY LIMITED

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OUTDOOR & SPORTS COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report and financial statements for the year ended 31 December 2017.

Principal activity

Outdoor & Sports Company Limited principal activity is to design, manufacture, market and distribute premium sports and outdoor clothing.

Review of the business

The uncertainty over the consequences of the UK's decision to leave the European Union has continued to keep the value of sterling at low levels and has had a negative impact on margins. The directors still consider the decision has increased the volatility and uncertainty of markets in the future. To date market volumes have not been impacted negatively but the Directors remain cautious about the medium term outlook.

UK sales increased by 31.6% (21.1% organically). Export sales increased by 33.4% (20.1% organically) which represented 33% (2016: 32%) of total turnover in the period.

Sales to export markets and a focus on continuous product development are seen as the drivers for long term growth of the business.

Gross margin % reduced from 29.6% to 26.9% mainly due to low value of sterling but also in part due to a focused effort to reduce slow moving and end of line stocks. This has resulted in a decrease in stock of £454,497 in the period.

The company is working hard to increase margins by both increasing prices and getting support from suppliers. In addition the business is reviewing its expenditure.

The business takes pride in following socially responsible policies. Our company aims to be accountable for the labour conditions under which our products are manufactured, to companies we do business with, to consumers, and in general to the society of which we are part.

The company has therefore adopted the Code of Labour Practices which contains a set of internationally accepted labour standards, and these should be observed in all the workplaces where our products are manufactured. If a manufacturer does not comply with the labour standards we will not terminate the business relationship, provided that the manufacturer is prepared to implement effective improvements.

As part of these policies the company is a member of the Fairwear Foundation and achieved leadership status during the year.

Key performance indicators

The company's key financial and other performance indicators during the period were as follows:

	2017	2016
Turnover	£35.3m	£26.7m
Gross profit	£9.5m	£7.9m
Gross profit %	26.9%	29.6%
Operating profit	£1.63m	£1.21m
Stock	£6.8m	£7.3m
Shareholder funds	£4.88m	£3.98m

Turnover growth reflects increases in both prices and volumes.

Position at the end of the period

The balance sheet at the end of the period shows that the company's net assets have increased by £894,893 to £4,877,067.

OUTDOOR & SPORTS COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Principal risks and uncertainties

The Board carefully considers existing and new challenges and opportunities for the company within the markets in which it operates. The key risks that the company faces are the economic situation, currency risk, weather and cyber risks. The company endeavours to manage these wherever possible. The ongoing operational and financial performance of the business is a key part of every Board meeting and a main agenda item. The Directors have carefully considered the risk profile of the business over the last year and for the future.

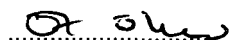
Employees

The company is committed to employment policies which follow best practice and are based on equal opportunities for all employees, irrespective of gender, religion or belief, age, racial or ethnic origin, sexual orientation or disability.

The company is committed to Investors in People and regards the development of staff as key to achieving its objectives.

The Directors would like to thank all the staff as without their significant contribution these results would not be possible.

On behalf of the board



S J Cann

Director



OUTDOOR & SPORTS COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

Outdoor & Sports Company Limited principal activity is to design, manufacture, market and distribute premium sports and outdoor clothing.

Directors

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

S J Cann

I M Bickerstaffe

P A Allison

(Resigned 31 December 2017)

Results and dividends

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

The profit for the period, after taxation, amounted to £tbc (2016: £907,224). A dividend of £600,000 was paid during the year (2016: £660,000).

Financial instruments

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company accounts or through loans arranged at group level. Short term flexibility is achieved by overdraft facilities.

Interest rate risk

The company finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities.

Foreign currency risk

The company is exposed to transaction foreign exchange risk. Transaction exposures are hedged when known, mainly using the forward hedge market.

Credit risk

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Auditor

MHA Moore & Smalley was appointed as auditor of the company under section 485 of the Companies Act 2006. A resolution that they be re-appointed will be put at a General Meeting. The previous auditors RSM UK Audit LLP resigned in December 2017.

OUTDOOR & SPORTS COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of disclosure to auditor

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

On behalf of the board



S J Cann

Director

15th May 2018

OUTDOOR & SPORTS COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Strategic Report, the Directors 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. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Strategic Report

The information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414c (11) of the Companies Act 2008 (Strategic Report and Directors Report) Regulations 2013.

OUTDOOR & SPORTS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OUTDOOR & SPORTS COMPANY LIMITED

Opinion

We have audited the financial statements of Outdoor & Sports Company Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OUTDOOR & SPORTS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OUTDOOR & SPORTS COMPANY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

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

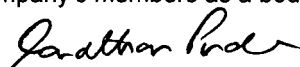
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company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

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.

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

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.



Jonathan Pinder (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

18/5/18

OUTDOOR & SPORTS COMPANY LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	35,338,615	26,733,546
Cost of sales		(25,838,694)	(18,817,372)
Gross profit		9,499,921	7,916,174
Distribution costs		(2,081,416)	(1,909,645)
Administrative expenses		(6,046,565)	(4,919,044)
Royalty income		260,133	122,648
Operating profit	4	1,632,073	1,210,133
Interest payable and similar expenses	7	(137,860)	(119,918)
Profit before taxation		1,494,213	1,090,215
Tax on profit	8	680	(182,991)
Profit for the financial year		1,494,893	907,224
Total comprehensive income for the year		1,494,893	907,224

OUTDOOR & SPORTS COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	10	-		5	
Tangible assets	11	967,420		942,487	
		<u>967,420</u>		<u>942,492</u>	
Current assets					
Stocks	13	6,849,522	7,304,019		
Debtors	14	7,708,914	6,597,298		
Cash at bank and in hand		2,925	177,406		
		<u>14,561,361</u>	<u>14,078,723</u>		
Creditors: amounts falling due within one year	16	(10,506,296)	(10,869,395)		
Net current assets		<u>4,055,065</u>	<u>3,209,328</u>		
Total assets less current liabilities		<u>5,022,485</u>	<u>4,151,820</u>		
Creditors: amounts falling due after more than one year	17	(148,760)	(130,242)		
Provisions for liabilities	19	3,342	(39,404)		
Net assets		<u><u>4,877,067</u></u>	<u><u>3,982,174</u></u>		
Capital and reserves					
Called up share capital	21	1,400,000	1,400,000		
Revaluation reserve		361,217	361,217		
Profit and loss reserves		3,115,850	2,220,957		
Total equity		<u><u>4,877,067</u></u>	<u><u>3,982,174</u></u>		

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



S J Cann
Director

Company Registration No. 00988970

OUTDOOR & SPORTS COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Revaluation reserve £	Retained earnings £	Total £
Balance at 1 January 2016		1,400,000	361,217	1,973,733	3,734,950
Profit and total comprehensive income for the year		-	-	907,224	907,224
Dividends	9	-	-	(660,000)	(660,000)
Balance at 31 December 2016		1,400,000	361,217	2,220,957	3,982,174
Profit and total comprehensive income for the year		-	-	1,494,893	1,494,893
Dividends	9	-	-	(600,000)	(600,000)
Balance at 31 December 2017		1,400,000	361,217	3,115,850	4,877,067

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Outdoor & Sports Company Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 3, Bailey Court, Green Street, Macclesfield, SK10 1JQ. The company's principal activities are disclosed in the Strategic Report.

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, as modified to include deemed cost. 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' – Carrying amounts, 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 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bollin Group Limited. These consolidated financial statements are available from its registered office, 3 Bailey Court, Green Street, Macclesfield, SK10 1JQ.

1.2 Going concern

The directors have concluded that it is appropriate to prepare the accounts on a going concern basis as the company had adequate cash resources and financial projections indicate that the company will continue to trade within its existing bank facilities.

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.

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreement.

1.4 Patents

Patents are stated at cost less amortisation. Patents and trademarks purchased by the company are amortised over their respective useful lives.

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, or deemed cost net of depreciation and any impairment losses.

Depreciation is calculated so as to write off the cost, or deemed cost of an asset net of anticipated disposal proceeds over the useful economic life of that asset as follows:

Land and buildings Freehold	2% straight line
Fixtures, fittings & equipment	15% reducing balance, 20%-33.33% straight line
Motor vehicles	20%-33.33% straight line

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

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

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

1.8 Cash at bank and in hand

Cash at bank and in hand 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

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.

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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. The impairment loss 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

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.

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.

Derecognition of financial liabilities

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

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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.

Current tax

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.15 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

1.16 Purpose of Reserves

Share capital

This reserve records the nominal value received for shares sold. This is a non-distributable reserve.

Revaluation reserve

This reserve is used to record movements in the fair value of land and buildings. This is a non-distributable reserve.

Profit and loss reserve

This reserve records the cumulative transfer of comprehensive income. This is a distributable reserve.

2 Critical accounting estimates and judgements

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

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

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

Critical judgements

Provision for slow moving stock

The amount provided in the stock provision is considered to be an estimate due to the nature of the business. Finished goods and raw material stock has been written down by £1,132,516 (2016: £1,057,040).

Provision for irrecoverable debtors

The amount provided in the bad debt provision is considered to be an estimate to cover the value irrecoverable trade debts, both specific and general. Trade debtors has been written down by £235,458 (2016: £165,222).

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover		
Attributable to the company's principal activities	35,338,615	26,733,546

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	23,682,493	17,994,993
Overseas	11,656,122	8,738,553
	35,338,615	26,733,546

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	182,620	(531,391)
Fees payable to the company's auditors for the audit of the company's annual accounts	10,000	24,000
Depreciation of owned tangible fixed assets	86,645	67,992
Depreciation of tangible fixed assets held under finance leases	110,211	101,750
Profit on disposal of tangible fixed assets	-	(13,934)
Amortisation of intangible assets	5	69
Cost of stocks recognised as an expense	25,656,074	19,348,763
Operating lease charges	206,540	141,547

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Employees

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

	2017 Number	2016 Number
Number of production staff	2	1
Number of administrative staff	123	109
Total	<u>125</u>	<u>110</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	3,399,110	2,761,495
Social security costs	265,690	228,680
Pension costs	210,597	179,424
	<u>3,875,397</u>	<u>3,169,599</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	56,933	56,796
Company pension contributions to defined contribution schemes	14,569	6,960
	<u>71,502</u>	<u>63,756</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities:		
Interest on bank overdrafts and loans	135,789	130,773
Interest on finance leases and hire purchase contracts	2,071	(10,855)
	<u>137,860</u>	<u>119,918</u>

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	42,066	186,066
Deferred tax		
Origination and reversal of timing differences	(42,746)	(3,075)
Total tax (credit)/charge	(680)	182,991

The actual (credit)/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:

	2017 £	2016 £
Profit before taxation	1,494,213	1,090,215
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	287,585	218,043
Tax effect of expenses that are not deductible in determining taxable profit	5,914	3,255
Adjustments in respect of prior years	(57,772)	(2,137)
Effect of change in corporation tax rate	(1,986)	-
Group relief	(234,421)	(42,918)
Under/(over) provided in prior years	-	4,248
Fixed asset differences	-	2,500
Taxation (credit)/charge for the year	(680)	182,991

9 Dividends

	2017 £	2016 £
Final paid	600,000	660,000

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Intangible fixed assets

	Patents £
Cost	
At 1 January 2017 and 31 December 2017	20,981
Amortisation and impairment	
At 1 January 2017	20,976
Amortisation charged for the year	5
At 31 December 2017	20,981
Carrying amount	
At 31 December 2017	-
At 31 December 2016	5

11 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or deemed cost				
At 1 January 2017	625,000	1,444,278	929,007	2,998,285
Additions	-	116,014	105,775	221,789
At 31 December 2017	625,000	1,560,292	1,034,782	3,220,074
Depreciation and impairment				
At 1 January 2017	35,801	1,282,331	737,666	2,055,798
Depreciation charged in the year	12,500	71,755	112,601	196,856
At 31 December 2017	48,301	1,354,086	850,267	2,252,654
Carrying amount				
At 31 December 2017	576,699	206,206	184,515	967,420
At 31 December 2016	589,199	161,947	191,341	942,487

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

	2017 £	2016 £
Motor vehicles	181,925	165,267
Depreciation charge for the year in respect of leased assets	110,211	101,750

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Tangible fixed assets

(Continued)

Land and buildings with a carrying amount of £576,699 were revalued at 31 December 2015 by Messrs. Sanderson Weatherall, Chartered Surveyors, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	428,105	428,105
Accumulated depreciation	(208,921)	(196,395)
Carrying value	<u>219,184</u>	<u>231,710</u>

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>7,358,840</u>	<u>6,262,445</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>10,215,304</u>	<u>10,554,851</u>

13 Stocks

	2017 £	2016 £
Raw materials and consumables	1,335,415	1,283,023
Finished goods and goods for resale	5,514,107	6,020,996
	<u>6,849,522</u>	<u>7,304,019</u>

Stocks with a gross carrying value of £7,982,038 (2016: £8,361,059) have been written down by £1,132,516 (2016: £1,057,040). Provisions relating to prior periods amounting to £353,302 (2016: Nil) were released during the current period.

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	5,102,921	4,988,486
Amounts owed by group undertakings	2,255,919	1,096,485
Loans and other debtors	-	177,474
VAT recoverable	-	19,768
Prepayments and accrued income	350,074	315,085
	<u>7,708,914</u>	<u>6,597,298</u>

Trade debtors with a gross value of £5,338,378 (2016: £5,153,708) have been written down by £235,458 (2016: £165,222) to provide against irrecoverable debts.

15 Loans and overdrafts

	2017 £	2016 £
Bank overdrafts	156,698	458,051
Other loans	488,750	500,000
	<u>645,448</u>	<u>958,051</u>

Analysis of loans and overdrafts

The bank loans and overdrafts are secured by fixed and floating charges over the assets of the company.

Included within other creditors at year end was £2,527,896 (2016: £3,502,412) regarding an invoice discounting facility with Lloyds Commercial Finance which was secured by a charge dated 20th June 2008 over the assets of the company.

	2017 £	2016 £
Amounts payable within one year	<u>645,448</u>	<u>958,051</u>

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

16 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	15	156,698	458,051
Obligations under finance leases	18	72,049	92,317
Other borrowings	15	488,750	500,000
Trade creditors		1,204,147	902,079
Amounts due to group undertakings		4,618,536	4,274,494
Corporation tax		179,239	194,917
Other taxation and social security		260,513	249,869
Other creditors		2,527,937	3,499,608
Accruals and deferred income		998,427	698,060
		<u>10,506,296</u>	<u>10,869,395</u>

17 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases	18	<u>148,760</u>	<u>130,242</u>

Finance lease payments represent rentals payable by the company for motor vehicles. 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 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	72,049	92,317
In two to five years	148,760	130,242
	<u>220,809</u>	<u>222,559</u>

19 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	20	<u>-</u>	<u>39,404</u>

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

20 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Fixed asset timing differences	(3,342)	37,921
Transfer on acquisition of business	-	1,483
	<u>(3,342)</u>	<u>39,404</u>
Movements in the year:		2017 £
Liability at 1 January 2017		39,404
Fixed asset timing differences		10,790
Short term timing differences - trading		4,236
Prior year charge		(57,772)
Liability/(Asset) at 31 December 2017		<u>(3,342)</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

21 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1,400,000 Ordinary shares of £1 each	1,400,000	1,400,000
	<u>1,400,000</u>	<u>1,400,000</u>

22 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	210,597	179,424
	<u>210,597</u>	<u>179,424</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.

OUTDOOR & SPORTS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

23 Related party transactions

The company has taken advantage of the disclosure exemption relating to section 33.1A of the standard, with regards to the requirement of disclosing transactions with fellow group entities. Disclosures regarding key management personnel remuneration are made within the consolidated financial statements of Bollin Group Limited.

24 Controlling party

The company is a wholly owned subsidiary of Outdoor & Sports Company (Holdings) Limited. The directors consider that the ultimate parent undertaking of this company is Bollin Group Limited, which is the only undertaking that prepares group accounts including the financial statements of this company. Copies of the financial statements are available from the Company Secretary, Bollin Group Limited, Bailey Court, Green Street, Macclesfield, SK10 1JQ.

The directors regard B J Berryman, H Turner and C Fahy as the ultimate controlling parties by virtue of their status as controlling trustees of a trust which holds a 100% interest in the equity share capital of Bollin Group Limited.

25 Contingent liabilities

The company has provided an unlimited guarantee in respect of the bank borrowings of fellow group companies. At the period end there is a potential liability of £2,405,997 (2016: £3,839,355).

26 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:

	2017 £	2016 £
Within one year	354,640	163,452
Between two and five years	1,244,056	60,433
	<u>1,598,696</u>	<u>223,885</u>