# BOLLIN GROUP LIMITED

Report and Consolidated Financial Statements

for the year ended

31 December 2015

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COMPANIES HOUSE

Company Registration No. 02404333 (England and Wales)

# Bollin Group Limited
# Contents

# Bollin Group Limited
# Officers and professional advisers
# Year ended 31 December 2015

**Directors**
S J Cann
H A Cann

**Company secretary**
I M Bickerstaffe

**Registered Office**
Suite 4
Bailey Court
Green Street
Macclesfield
SK10 1JQ

**Auditor**
RSM UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

# Bollin Group Limited
# Strategic report
# Year ended 31 December 2015

The directors present their Strategic report and results of the Group for the year ended 31 December 2015.

**Key performance indicators**
The Group's key financial and other performance indicators during the year were as follows:

| | **2015** | *2014* |
|---|---|---|
| Turnover | £60.4m | *£60.9m* |
| Gross profit | £20.6m | *£19.8m* |
| Gross profit % | 34.10% | *32.51%* |
| Profit before tax, amortisation and preference dividend | £4.27m | *£3.53m* |
| Stock | £16.9m | *£18.4m* |
| Net assets | £16.4m | *£15.8m* |

**Review of the business**
The result for the current year was in line with the directors' expectations.

**Development and performance of the business**
During the year the company acquired a majority holding in Satmap Systems Limited, a manufacturer of handheld GPS devices for the walking and cycling markets. The company also disposed of its minority stake in Victorinox Travel Gear Ltd to Victorinox AG, Switzerland.

The company continues to develop its portfolio of branded distribution agreements.

**Position at the end of the period**
The balance sheet at the end of the period shows that the Group's net assets have increased by £0.6m to £16.4m.

**Future outlook**
As at the date of signing the single largest uncertainty is the UK vote to exit the European Union. The Directors are of the view that this could impact adversely both margins and sales volumes in 2017.

**Principal risks and uncertainties**
The Board carefully considers existing and new challenges and opportunities for the Group within the markets in which it operates. The key risks that the Group 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.

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

Approved by the directors on 12/09/16.

The directors present their report and the financial statements of the Group for the year ended 31 December 2015.

**Principal activity**
Bollin Group Limited continues to manufacture market and distribute premium branded consumer clothing and accessories.

**Results and dividends**
The profit for the year, after taxation, amounted to £1,094,000 (2014: £2,962,000). The directors have not recommended a dividend.

**Financial risk management objectives and policies**
The Group uses financial instruments including 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 Group's operations and to minimise foreign exchange risk. The main risks arising from the Group financial instruments are interest rate risk, foreign currency risk and credit 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.

**Interest rate risk**
The Group finances its operations through a mixture of retained profits and bank and other borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed on a Group basis by the use of both fixed and floating facilities.

**Liquidity risk**
The Group 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 loans arranged at Group level. Short term flexibility is achieved by overdraft facilities.

**Currency risk**
The Group is exposed to transaction and translation 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. The Group also uses invoice discounting facility.

**Directors**
The directors who served the Group during the year were as follows:

S J Cann
H A Cann
B J Berryman (Resigned 7 July 2015)

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

**Employee involvement**
The Group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, on matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

**Disabled employees**
The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to enable suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

**Statement of disclosure to auditor**
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

**Auditor**
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

**Strategic Report**
In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has chosen to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

By order of the board

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S J Cann

Director

12/09/16

# Directors' Responsibilities in the Preparation of Financial Statements



The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit and loss of the Group for that period.

In preparing those financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the Group and parent company financial statements (the "financial statements") on pages 7 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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.

**Respective responsibilities of directors and auditor**
As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

**Opinion on financial statements**
In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent company's affairs as at 31 December 2015 and of the Group's 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.

**Opinion on other matters prescribed by the Companies Act 2006**
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**
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.

RSM UK Audit LLP

Peter Donnelly FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP),
Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF
Date 12/09/16

# Bollin Group Limited
## Consolidated statement of comprehensive income
## Year ended 31 December 2015 Company Registration No. 02404333

| | Note | 2015<br>£000 | 2014<br>£000 |
|---|---|---|---|
| Group turnover | | 66,648 | 65,760 |
| Less: share of associate turnover – discontinued operations | | (6,244) | (4,883) |
| **Group turnover** | 2 | 60,404 | 60,877 |
| Cost of sales | | (39,854) | (41,085) |
| **Gross profit** | | 20,550 | 19,792 |
| Amortisation of goodwill and other intangible assets | | (478) | (489) |
| Impairment of goodwill | | (1,000) | - |
| Other operating charges | | (17,964) | (16,862) |
| Other operating income | | 448 | 502 |
| **Operating profit** | 3 | 1,556 | 2,943 |
| Fair value (loss) / gains on foreign exchange contracts | | (241) | 901 |
| Share of associate operating (loss) / profit – discontinued operations | | (380) | 413 |
| Profit on disposal of discontinued operations | | 1,406 | - |
| Interest receivable and similar income | 6 | 224 | 290 |
| Interest payable and similar charges | 7 | (773) | (697) |
| **Group profit on ordinary activities before taxation** | | 1,792 | 3,850 |
| Tax on loss on ordinary activities | 8 | (698) | (888) |
| **Profit on ordinary activities after taxation** | | 1,094 | 2,962 |
| **Other comprehensive income** | | | |
| Profit for the financial year | | 1,094 | 2,962 |
| Foreign exchange differences on net investments | | (452) | (68) |
| **Total comprehensive income for the year** | | 642 | 2,894 |
| **Attributable to:** | | | |
| Owners of the parent | | 1,148 | 3,049 |
| Non-controlling interests | | (54) | (87) |
| **Profit for the financial year** | | 1,094 | 2,962 |

# Bollin Group Limited
# Statement of financial position
# Year ended 31 December 2015

Company Registration No. 02404333

| | Notes | Group 2015 £000 | Group 2014 £000 | Company 2015 £000 | Company 2014 £000 |
|---|---|---|---|---|---|
| **Fixed Assets** | | | | | |
| Goodwill | 10 | 3,906 | 3,490 | - | - |
| Negative goodwill | 10 | - | (99) | - | - |
| Brand and trademarks | 10 | 1,111 | 1,221 | 1,070 | 1,177 |
| Tangible assets | 11 | 3,696 | 3,875 | 1,137 | 1,275 |
| Investments | 12 | - | (266) | 10,798 | 10,798 |
| | | 8,713 | 8,221 | 13,005 | 13,250 |
| **Current Assets** | | | | | |
| Stock | 13 | 16,887 | 18,376 | - | - |
| Debtors | 14 | 14,151 | 13,768 | 4,078 | 1,637 |
| Cash at bank and in hand | | 1,705 | 1,298 | 253 | - |
| | | 32,743 | 33,442 | 4,331 | 1,637 |
| **Creditors** | | | | | |
| Amounts falling due within one year | 15 | (17,736) | (18,200) | (2,295) | (1,391) |
| **Net Current Assets** | | 15,007 | 15,242 | 2,036 | 246 |
| **Total Assets less Current Liabilities** | | 23,720 | 23,463 | 15,041 | 13,496 |
| **Creditors** | | | | | |
| Amounts falling due after more than one year | 16 | (6,999) | (7,350) | (5,414) | (5,736) |
| **Provisions for liabilities** | | | | | |
| Deferred tax | 19 | (279) | (313) | (184) | (236) |
| **Net assets** | | 16,442 | 15,800 | 9,443 | 7,524 |
| **Capital and Reserves** | | | | | |
| Share capital | 23 | 1,054 | 1,054 | 1,054 | 1,054 |
| Revaluation reserve | | 818 | 818 | 457 | 457 |
| Profit and loss account | | 14,576 | 13,880 | 7,932 | 6,013 |
| | | 16,448 | 15,752 | 9,443 | 7,524 |
| **Capital and Reserves attributable to owners of the parent** | | 16,448 | 15,752 | 9,443 | 7,524 |
| **Attributable to Non-controlling interest** | | (6) | 48 | - | - |
| **Total equity** | | 16,442 | 15,800 | 9,443 | 7,524 |

These financial statements on pages 8 to 36 were approved by the directors and authorised for issue and are signed on their behalf by:

S J Cann (Director)

Date: 12/09/2016

**Group**

| | Share capital £000 | Revaluation reserve £000 | Profit & loss account £000 | Non-controlling interest £000 | Total £000 |
|---|---|---|---|---|---|
| **Balance at 1 January 2014** | 1,054 | 818 | 10,899 | 135 | 12,906 |
| Profit for the year | - | - | 3,049 | (87) | 2,962 |
| Foreign currency translation | - | - | (68) | - | (68) |
| Total comprehensive income for the year | - | - | 2,981 | (87) | 2,894 |
| **Balance at 31 December 2014** | 1,054 | 818 | 13,880 | 48 | 15,800 |
| Profit for the year | - | - | 1,148 | (54) | 1,094 |
| Foreign currency translation | - | - | (452) | - | (452) |
| Total comprehensive income for the year | 1,054 | 818 | 696 | (54) | 642 |
| **Balance at 31 December 2015** | 1,054 | 818 | 14,576 | (6) | 16,442 |

**Company**

| | Share capital £000 | Revaluation reserve £000 | Profit & loss account £000 | Total £000 |
|---|---|---|---|---|
| **Balance at 1 January 2014** | 1,054 | 457 | 5,766 | 7,277 |
| Total profit and comprehensive income for the year | - | - | 247 | 247 |
| **Balance at 31 December 2014** | 1,054 | 457 | 6,013 | 7,524 |
| Total profit and comprehensive income for the year | - | - | 1,919 | 1,919 |
| **Balance at 31 December 2015** | 1,054 | 457 | 7,932 | 9,443 |

# Bollin Group Limited
# Consolidated Statement of Cash Flows
# For the year ended 31 December 2015

| | Notes | 2015 | 2014 |
|---|---|---|---|
| | | £000 | £000 |
| **Cash flows from operating activities** | | | |
| Cash generated from operations | **26** | 1,167 | 3,464 |
| Interest paid | | (773) | (697) |
| Income taxes paid | | (522) | (1,397) |
| **Net cash from operating activities** | | (128) | 1,370 |
| **Investing activities** | | | |
| Purchase of tangible fixed assets | | (646) | (1,679) |
| Proceeds on disposal of tangible fixed assets | | 61 | 109 |
| Purchase of subsidiary (net of cash | | (139) | - |
| Proceeds on disposal of associate | | 860 | - |
| Purchase of associates | | (100) | - |
| Interest received | | 224 | 290 |
| **Net cash used in investing activities** | | 260 | (1,280) |
| **Financing activities** | | | |
| Issue / (repayment) of bank loans | | 1,162 | (17) |
| (Repayment) / issue of hire purchase contracts and finance leases | | (41) | 235 |
| Issue of preference shares | | 250 | 40 |
| **Net cash used in financing activities** | | 1,371 | 258 |
| **Net increase in cash and cash equivalents** | | 1,503 | 348 |
| **Cash and cash equivalents at beginning of year** | | (976) | (2,672) |
| Effect of foreign exchange rates | | (684) | 1,348 |
| **Cash and cash equivalents at end of year** | | (157) | (976) |
| **Relating to** | | | |
| Cash | | 1,705 | 1,298 |
| Bank overdraft | | (1,862) | (2,274) |
| | | (157) | (976) |

**1. Accounting policies**

**General information**

Bollin Group Limited ("the Company") is a limited company domiciled and incorporated in England and Wales.

The address of the Company's registered office and place of business is Suite 4, Bailey Court, Green Street, Macclesfield, SK10 1JQ.

The Group consists of Bollin Group Limited and all of its subsidiaries.

The company's and the Group's principal activities are that of manufacture, marketing and distribution of premium branded consumer clothing and accessories.

**Accounting convention**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention. The financial statements of Bollin Group Limited for the period ended 31 December 2014 were prepared in accordance with applicable previous UK GAAP.

**Functional and presentational currencies**

The financial statements are presented in sterling which is also the functional currency of the Group. Monetary amounts in the financial statements are rounded to the nearest whole £1,000, except where otherwise indicated

These consolidated and company financial statements are the first consolidated and company financial statements of Bollin Group Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The consolidated and company financial statements of Bollin Group Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The Company has also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. The exemptions are listed below:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirement of Section 33 Related Party Disclosures – Compensation for key management personnel
- Section 11 'Basic Financial Instruments' & 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.

The company has taken advantage of the FRS 102 disclosure exemption relating to section 7 of the standard, with regards to the requirement of disclosing a statement of cash flows. As permitted by s408 of the Companies Act 2006, the statement of comprehensive income of the company has not presented its own accounts.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity within the cumulative profit and loss account at the transition date.

The financial statements of the company are consolidated in the financial statements of Bollin Group Limited.

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are shown in note 29.

**1. Accounting policies (continued)**

**Going concern**

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

**Basis of consolidation**

The consolidated financial statements incorporate those of Bollin Group Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits) other than those disclosed in note 13. Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2015.

Goodwill arising on consolidation, representing the excess (or shortfall, in the case of negative goodwill) of the fair value of consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful life of 10 - 20 years (or 30 months for negative goodwill) or impaired if the carrying value cannot be supported.

The Group incorporates associates under the equity method of accounting. The company balance sheet shows the investment in associates at cost less amounts written off. The Group's share of profits less losses of associates is included in the Group profit and loss account. The Group balance sheet includes the investment in associates at the Group's share of net assets and liabilities.

All intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

A subsidiary is no longer consolidated when control is lost. The difference between any disposal proceeds and the carrying amount of the subsidiary's net assets (including related goodwill) is recognised in profit or loss as a gain or loss on disposal.

**Turnover**

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of consideration received excluding discounts, rebates, VAT and other sales taxes or duty. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

**Interest income**

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

**Intangible fixed assets - goodwill**

Goodwill is the difference between the fair value of consideration paid for an entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

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

| | | |
|---|---|---|
| Goodwill | - | 10-20 years |
| Negative goodwill | - | 30 months |

**Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

**1. Accounting policies (continued)**

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

| | | |
|---|---|---|
| Brands and trademarks | - | 20 - 30 years |

**Tangible fixed assets and depreciation**
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any other impairment losses. Depreciation is recognised as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | | |
|---|---|---|
| Freehold property | - | 2 - 4% per annum |
| Motor vehicles | - | 25% per annum |
| Fixtures and fittings | - | 10% to 25% per annum |
| Equipment | - | 10% to 25% per annum |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

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

**Stocks**
Goods for resale are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on a weighted average basis in the premium branded consumer goods business and a first in first out basis in the manufacturing business and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss.

Reversals of impairment losses are also recognised in the profit and loss.

**1. Accounting policies (continued)**

**Leases**
*The Group as Lessee – Finance leases*
An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

*The Group as Lessee – Operating leases*
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 form the lease asset are consumed.

**Retirement benefits**
The company operates a defined contribution scheme and the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Fixed asset investments**
Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

**Associates**
Undertakings in which the Group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The Group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 31 December 2015.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

All unrealised profit or losses on transactions with the associate are eliminated to the extent of the Group's interest, except where unrealised losses provide evidence of impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the Group.

Dividends received from the associate reduce the carrying amount of the investment.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the Group has an obligation or has made payments on behalf of the associate.

**Taxation**
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

**1. Accounting policies (continued)**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Cash and cash equivalents**
Cash and cash equivalents 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.

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Financial assets**
*Trade, other debtor and group debtors*
Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

**1. Accounting policies (continued)**

*Bank overdrafts*
Bank overdrafts are presented within creditors: amounts falling due within one year.

**Financial liabilities and equity**
Financial instruments are classified as liabilities and equity instruments 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 Group after deducting all of its liabilities.

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

*Equity instruments*
Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

*Trade and other creditors*
Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

*Borrowings*
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

*Derecognition of financial assets and liabilities*
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Employee benefits**
The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

**Foreign exchange**
Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

**1. Accounting policies (continued)**
All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

All translation differences are taken to the income statement, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

**Purpose of reserves**
Share capital represents total amount of nominal value of share held by the shareholders. The revaluation reserve is a non-distributable reserve and profit and loss reserves contain the balance of retained earnings to carry forward. Non-controlling interest represents equity instruments issued by a Group's subsidiaries to persons outside the Group.

**Critical accounting estimated and areas of judgement**
In the application of the Group'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 significant risk of causing material adjustment to the carrying amount of assets and liabilities are outlined below.

The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Raw material stock has been written down by £1,626,155 (2014 - £1,654,737) during the year. No earlier stock write down has been reversed during the current or proceeding period.

There is a provision for bad debts of £171,854 (2014 - £212,192). The directors have considered these debts to be doubtful and have provided accordingly for what they consider the Group's exposure to be.

## 2 Turnover

An analysis of turnover by geographical market is given below:

| | 2015 | 2014 |
|---|---|---|
| | £000 | £000 |
| United Kingdom | 40,812 | 41,869 |
| Overseas | 19,592 | 19,008 |
| | 60,404 | 60,877 |

## 3 Operating profit

| | 2015 | 2014 |
|---|---|---|
| | £000 | £000 |
| Operating profit is stated after charging/(crediting): | | |
| Depreciation of fixed assets | | |
| - of owned assets | 555 | 486 |
| - held under finance leases and hire purchase | 263 | 248 |
| (Profit)/loss on disposal of fixed assets | (39) | 23 |
| Operating lease costs | 658 | 553 |
| Cost of stocks recognised as an expense | 38,295 | 39,593 |

**Auditors' remuneration**

Amounts payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services were as follows:

| | 2015 | 2014 |
|---|---|---|
| | £000 | £000 |
| Audit services - statutory audit of the Group | 49 | 43 |
| Audit services - statutory audit of the Company | 6 | 5 |
| Audit services - statutory audit of the associates of the Company | 6 | 5 |
| Taxation compliance services | 13 | 12 |
| All other non-audit services (accounting services) | 2 | 3 |
| | 76 | 68 |

## 4 Particulars of employees

The average number of staff employed by the Group during the financial year amounted to:

| | 2015 | 2014 |
|---|---|---|
| | No. | No. |
| Production staff | 111 | 108 |
| Distribution staff | 83 | 88 |
| Administrative staff | 146 | 140 |
| | 340 | 336 |

**4 Particulars of employees (continued)**

Aggregate payroll costs of the above were:

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Wages and salaries | 8,888 | 7,763 |
| Social security costs | 684 | 579 |
| Other pension costs | 330 | 224 |
| | 9,902 | 8,566 |

The Group operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the Group.

**5 Directors' remuneration**

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Remuneration for qualifying services | 163 | 169 |
| | 163 | 169 |

No directors accrued benefits under company pension schemes in the current or prior period.

**6 Interest receivable and other income**

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Interest on bank deposits | 224 | 290 |
| | 224 | 290 |

**7 Interest payable and similar charges**

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Interest payable on borrowings | 698 | 539 |
| Interest on finance leases and hire purchase contracts | 64 | 40 |
| Share of associates' interest payable | 11 | 51 |
| Other similar charges | - | 67 |
| | 773 | 697 |

## 8 Taxation

### (a) Analysis of charge in the year

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Current tax: | | |
| UK corporation tax on profits for the period at 20.25% (2014: 21.5%) | 719 | 708 |
| Under provision in prior year | 13 | 58 |
| Foreign tax | - | - |
| Total current tax | 732 | 766 |
| Deferred tax: | | |
| Origination and reversal of timing differences | (34) | 122 |
| Total deferred tax | (34) | 122 |
| Total tax charge | 698 | 888 |

### (b) Factors affecting tax charge

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Profit on ordinary activities before taxation | 1,792 | 3,850 |
| Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2014 – 23%) | 363 | 886 |
| Expenses not deductible for tax purposes | 23 | 92 |
| Adjustment to tax charge in respect of previous periods | 13 | 58 |
| Fixed assets differences | (83) | (26) |
| Group relief | 183 | - |
| Utilisation of tax losses | - | (86) |
| Tax chargeable at different rates | (19) | (94) |
| Goodwill on consolidation | 297 | - |
| Provision tax adjustment | 38 | - |
| Other timing differences | 37 | 58 |
| Non- taxable income | (154) | - |
| Total tax charge | 698 | 888 |

### (c) Factors that may affect future tax charges

The main rate of corporation tax has been reduced from 21% to 20% in 2015/2016. This will be further reduced to 19% for financial years starting on 1 April 2017 and then to 18% from 1 April 2020, thus aligning the main company rate and small company rate. These reductions were substantively enacted on 26 October 2015.

## 9 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £1,919,000 (2014: £247,000).

## 10 Intangible fixed assets

| | Positive goodwill £000 | Negative goodwill £000 | Brands and trademarks £000 | Total £000 |
|---|---|---|---|---|
| **Group** | | | | |
| **Cost** | | | | |
| At 1 January 2015 | 11,606 | (248) | 3,531 | 14,889 |
| Additions on acquisition (note 13) | 1,883 | - | - | 1,883 |
| At 31 December 2015 | 13,489 | (248) | 3,531 | 16,772 |
| **Amortisation and impairment** | | | | |
| At 1 January 2015 | 8,116 | (149) | 2,310 | 10,277 |
| Charge for the year | 467 | (99) | 110 | 478 |
| Impairment | 1,000 | - | - | 1,000 |
| At 31 December 2015 | 9,583 | (248) | 2,420 | 11,755 |
| **Net book value** | | | | |
| At 31 December 2015 | 3,906 | - | 1,111 | 5,017 |
| At 31 December 2014 | 3,490 | (99) | 1,221 | 4,612 |

As at 31 December 2015 the directors have reviewed the carrying value of goodwill and elected to impair some of the goodwill in relation to Satmap Systems Limited.

| **Company** | Brands and trademarks £000 |
|---|---|
| **Cost** | |
| At 1 January 2015 and 31 December 2015 | 3,188 |
| **Amortisation and impairment** | |
| At 1 January 2015 | 2,011 |
| Charge for the year | 107 |
| At 31 December 2015 | 2,118 |
| **Net book value** | |
| At 31 December 2015 | 1,070 |
| At 31 December 2014 | 1,177 |

## 11 Tangible fixed assets

**Group**

| | Freehold properties | Fixtures and fittings | Motor vehicles | Equipment | Plant and machinery | Total |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| **Cost** | | | | | | |
| At 1 January 2015 | 1,576 | 3,956 | 1,064 | 624 | 1,678 | 8,898 |
| Additions | 9 | 252 | 194 | 94 | 97 | 646 |
| Acquisitions through business combinations (note 13) | - | - | - | - | 24 | 24 |
| Disposals | - | (135) | (40) | - | (46) | (221) |
| Foreign exchange movement | - | (1) | (1) | (22) | - | (24) |
| At 31 December 2015 | 1,585 | 4,072 | 1,217 | 696 | 1,753 | 9,323 |
| **Depreciation** | | | | | | |
| At 1 January 2015 | 40 | 2,921 | 652 | 379 | 1,031 | 5,023 |
| Charge for the year | 35 | 371 | 199 | 83 | 130 | 818 |
| Disposal | - | (119) | (39) | - | (41) | (199) |
| Foreign exchange movement | - | - | - | (15) | - | (15) |
| At 31 December 2015 | 75 | 3,173 | 812 | 447 | 1,120 | 5,627 |
| **Net book value** | | | | | | |
| At 31 December 2015 | 1,510 | 899 | 405 | 249 | 633 | 3,696 |
| At 31 December 2014 | 1,536 | 1,035 | 412 | 245 | 647 | 3,875 |

**Group**

The net book value of assets held under finance leases or hire purchase contracts, included within tangible fixed assets, are as follows:

| **Group** | **2015** £000 | **2014** £000 |
|---|---|---|
| Plant and machinery | 312 | 341 |
| Motor vehicles | 405 | 412 |
| | 717 | 753 |

The depreciation of assets held under finance leases or hire purchase amounted to £263,000 (2014: £248,000).

**11 Tangible fixed assets (continued)**
**Company**

| | Freehold property | Plant and machinery | Motor vehicles | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Cost** | | | | |
| At 1 January 2015 | 875 | 733 | 55 | 1,663 |
| Additions | - | 40 | 44 | 84 |
| At 31 December 2015 | 875 | 773 | 99 | 1,747 |
| **Depreciation** | | | | |
| At 1 January 2015 | 18 | 361 | 9 | 388 |
| Charge for the year | 17 | 184 | 21 | 222 |
| At 31 December 2015 | 35 | 545 | 30 | 610 |
| **Net book value** | | | | |
| At 31 December 2015 | 840 | 228 | 69 | 1,137 |
| At 31 December 2014 | 857 | 372 | 46 | 1,275 |

Investment property comprises freehold office buildings. The fair value of the Group's investment property at 31 December 2015 has been arrived at on the basis of a valuation carried out at that date by Messrs. Sanderson Weatherall, Chartered Surveyors, on an open market valuation basis. Messrs. Sanderson Weatherall are not connected with the Group. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The net book value of assets held under finance leases or hire purchase contracts, included within tangible fixed assets, are as follows:

| | 2015 | 2014 |
|---|---|---|
| **Company** | £000 | £000 |
| Motor vehicles | 69 | 46 |

The depreciation of assets held under finance leases or hire purchase amounted to £21,000 (2014: £2,000).

## 12 Fixed asset investment

| Group | Investment in associates £000 |
|---|---|
| **Share of net liabilities** | (266) |
| At 1 January 2015 | |
| Share of loss | (380) |
| Net liabilities as at date of disposal | 646 |
| **Paid by:** | £000 |
| Cash to acquire 5% shareholding | (100) |
| Cash acquired on disposal of 43% shareholding | 860 |
| Net proceeds received | 760 |
| Net liabilities as at disposal | (646) |
| Profit on disposal | 1,406 |
| **Net book value** | |
| At 31 December 2015 | - |
| At 31 December 2014 | (266) |

*Discontinued operations*
On 10 December 2015 the Group additional acquired 5% shareholding in Victorinox Travel Gear. On 11 December 2015, the Group disposed of its 43% holding in Victorinox Travel Gear Limited for cash consideration of £860,000. Victorinox Travel Gear Limited supplies luggage and other travel gear to the European market.

**Company**
*Acquisitions*
On 1 July 2015, The Company acquired 77.74 per cent of the issued share capital of Satmap Systems Limited. Satmap Systems Limited is a company incorporated in the England and Wales which manufactures electronic equipment. The cost of the acquisition comprised cash consideration of £46,029 and 1,300,000 ordinary shares of £0.10 each issued by the Company.

Satmap Systems Limited has been accounted for using the acquisition method of accounting. At 1 July 2015 (the 'acquisition date'), the assets and liabilities of Satmap Systems Limited were consolidated at their fair values to the Group, as set out below:

**12 Fixed asset investment (continued)**

| | Initial book value £000 | Fair value adjustment £000 | Fair value at date of acquisition £000 |
|---|---|---|---|
| Tangible fixed assets | 24 | - | 24 |
| Debtors | 253 | - | 253 |
| Cash at bank | 37 | - | 37 |
| Total assets | 314 | - | 314 |
| Trade creditors | (530) | | (530) |
| Other creditors | (891) | 300 | (591) |
| Total liabilities | (1,421) | 300 | (1,121) |
| Long term loans | (900) | - | (900) |
| Net assets / (liabilities) | (2,007) | 300 | (1,707) |
| Goodwill | | | 1,883 |
| Total consideration | | | 176 |
| Satisfied by: | | | |
| Cash | | | 176 |

Consolidated turnover and consolidated profit after tax comprise turnover of £497,739 and loss after tax of £337,515 contributed by Satmap Systems Limited between the date of its acquisition and the 31 December 2015.

The goodwill arising on acquisition of £1,883,000 is considered to have a useful life of 10 years. This was impaired by £1,000,000 at the balance sheet date and the investment in Satmap Systems Limited written down in full.

**12 Fixed asset investment (continued)**

| | Investment in subsidiary undertakings |
|---|---|
| | £000 |
| **Cost** | |
| **At 1 January 2015** | 12,543 |
| Additions | 175 |
| **At 31 December 2015** | 12,718 |
| **Provision for impairment** | |
| At 1 January 2015 | 1,745 |
| Impairment | 175 |
| At 31 December 2015 | 1,920 |
| **Net book value** | |
| **At 31 December 2015** | 10,798 |
| **At 31 December 2014** | 10,798 |

The company owns shares in the following companies:

| Company name | Country of incorporation | Class of share capital held | Percentage of shareholding | Description |
|---|---|---|---|---|
| Bridgedale Outdoor Limited | England and Wales | Ordinary £1 | 100 | Manufacture and sale of hosiery items |
| Burton McCall Limited | England and Wales | Ordinary £1 | 100 | Marketing and distribution of premium branded goods |
| Go Gas Limited | England and Wales | Ordinary £1 | 100 | Manufacture and distribution of specialist gas appliances |
| Outdoor Accessories Limited | England and Wales | Ordinary £1 | 75 | Manufacture and distribution of sports goods and outdoor clothing |
| PD (Holdings) Limited | England and Wales | Ordinary £0.01 | 100 | Holding company |
| Montgomery Outdoor Limited* | England and Wales | Ordinary £1 | 100 | Distribution of outdoor clothing |
| Outdoor & Sports Company (Holdings) Limited* | England and Wales | Ordinary £1 | 100 | Holding company |
| Outdoor & Sports Company Limited* | England and Wales | Ordinary £1 | 100 | Merchanting and distribution of sports goods and outdoor clothing |
| Outdoor and Sports Company Inc* | USA | Ordinary $1 | 100 | Merchanting and distribution of sports goods and outdoor clothing |
| Outdoor & Sports Company GmbH* | Germany | Ordinary€1 | 100 | Merchanting and distribution of sports goods and outdoor clothing |

**12 Fixed asset investment (continued)**

| Company name | Country of incorporation | Class of share capital held | Percentage of shareholding | Description |
|---|---|---|---|---|
| Advanced Technical Sock Industries (Pty) Limited | South Africa | SA Ordinary £1 | 100 | Manufacture and sale of hosiery items |
| Satmap Systems Limited | England and Wales | Ordinary £1 | 77.74 | Development of electrical equipment |
| Bollin Canada Inc | Canada | Ordinary | 100 | Merchanting and distribution of sports goods and outdoor clothing |
| Burton McCall Industrial Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Direct Design Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Hilly Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Magic Mountain Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Mountain Equipment Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Peaco (1924) Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Peaco Trading Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Sprayway Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Swiss Cutlery (Gifts) Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Total Rugby Limited | England and Wales | Ordinary £1 | 100 | Dormant |
| Peaco France SARL | France | Ordinary £1 | 100 | Dormant |
| Foxcrown Investments Limited | Republic of Ireland | Ordinary €1.269738 | 100 | Dormant |

* These investments are indirectly held by Bollin Group Limited through fellow subsidiary companies.

**13 Stocks**

| | Group | | Company | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| | £000 | £000 | £000 | £000 |
| Finished goods | 16,887 | 18,376 | - | - |
| | 16,887 | 18,376 | - | - |

Finished goods with a carrying value of £16,887,000 (2014 - £18,376,000) have been written down by £1,626,155 (2014 - £1,654,737). No earlier stock write down has been reversed during the current or proceeding period.

**14 Debtors**

| | Group 31 December 2015 £000 | Group 31 December 2014 £000 | Company 31 December 2015 £000 | Company 31 December 2014 £000 |
|---|---|---|---|---|
| Trade debtors | 12,647 | 11,561 | 34 | 266 |
| Amounts owed by Group undertakings | - | - | 3,340 | 134 |
| Corporation tax | - | 460 | 301 | 461 |
| Other debtors | 757 | 834 | 168 | 307 |
| Prepayments and accrued income | 512 | 444 | - | - |
| Foreign currency forward contracts | 235 | 469 | 235 | 469 |
| | 14,151 | 13,768 | 4,078 | 1,637 |

**15 Creditors: Amounts falling due within one year**

| | Group 31 December 2015 £000 | Group 31 December 2014 £000 | Company 31 December 2015 £000 | Company 31 December 2014 £000 |
|---|---|---|---|---|
| Bank loans and overdrafts | 1,862 | 2,274 | 1,000 | 880 |
| Obligations under finance leases | 369 | 332 | 26 | 26 |
| Trade creditors | 4,567 | 4,628 | 55 | 242 |
| Other taxes and social security | 463 | 758 | - | 32 |
| Corporation tax | 376 | 626 | - | - |
| Other creditors | 8,474 | 8,531 | 1,010 | 161 |
| Proposed dividends | 40 | 40 | 40 | 40 |
| Accruals and deferred income | 1,585 | 1,011 | 164 | 10 |
| | 17,736 | 18,200 | 2,295 | 1,391 |

The bank loans and overdrafts are secured by fixed and floating charges over the assets of the individual companies where the borrowings arise. The company has also provided an unlimited guarantee in respect of the bank borrowings of its subsidiaries.

Included within other creditors at the year-end was £7,129,000 (2014 - £8,660,000) regarding an invoice discounting facility with Lloyds Commercial Finance which was secured by a charge dated 20 June 2008 over the assets of Burton McCall Limited, Bridgedale Outdoor Limited and Outdoor and Sports Company Limited; and a charge dated 12 August 2013 over the assets of Outdoor Accessories Limited

Amounts due under finance leases are secured against the assets to which they relate.

## 16 Creditors: Amounts falling due after more than one year

| | Group 31 December 2015 £000 | Group 31 December 2014 £000 | Company 31 December 2015 £000 | Company 31 December 2014 £000 |
|---|---|---|---|---|
| Other creditors | 1,854 | 3,539 | 640 | 2,390 |
| Bank loans | 3,500 | 2,338 | 3,500 | 2,338 |
| Obligations under finances leases | 395 | 473 | 24 | 8 |
| Preference shares | 1,250 | 1,000 | 1,250 | 1,000 |
| | 6,999 | 7,350 | 5,414 | 5,736 |

Amounts due under finance leases are secured against the assets to which they relate.

## 17 Financial instruments

| | Group | | Company | |
|---|---|---|---|---|
| | 2015 £000 | 2014 £000 | 2015 £000 | 2014 £000 |
| **Debt Instruments measured at amortised cost** | | | | |
| Debt instruments measured at amortised cost | 13,639 | 12,855 | 4,078 | 1,168 |
| Cash at bank and in hand | 1,705 | 1,298 | 215 | - |
| | 15,344 | 14,153 | 4,293 | 1,168 |
| **Debt Instruments measured at fair value through profit or loss** | | | | |
| Foreign exchange contracts | 235 | 469 | 235 | 469 |
| | 235 | 469 | 235 | 469 |
| **Carrying amount of financial liabilities** | | | | |
| Measured at amortised cost | 21,902 | 22,783 | 7,479 | 7,019 |
| | 21,902 | 22,783 | 7,479 | 7,019 |

**Foreign exchange forward contracts**

3% of the Group turnover relates to transactions conducted in Euros and 23% relates to transactions conducted in US Dollars. As a consequence the Group uses foreign exchange currency forward contracts to manage foreign currency risk of future transaction and cash flows.

The contracts are valued on available market data. The Group does not adopt hedge accounting for forward exchange contracts, consequently, fair value gains and losses are recognised in profit and loss.

At the year end, the total carrying amount of outstanding foreign exchange forward contracts that the Group has committed to is £9,693,000 (2015 - £10,587,000).

## 18 Borrowings

| | Group 2015 £000 | Group 2014 £000 | Company 2015 £000 | Company 2014 £000 |
|---|---|---|---|---|
| Bank loans | 5,362 | 4,612 | 4,500 | 3,218 |
| Finance lease obligations | 764 | 805 | 50 | 34 |
| | 6,126 | 5,417 | 4,550 | 3,252 |
| Payable within one year | 2,231 | 2,606 | 1,026 | 906 |
| Payable after one year | 3,895 | 2,811 | 3,524 | 2,346 |
| | 6,126 | 5,417 | 4,550 | 3,252 |

**Debt maturity analysis**

The Lloyds bank loan is due for repayment by 31 May 2020. Repayments are made in ten consecutive semi-annual instalments of £500,000 (2014: quarterly instalments of £250,000) in respect of principal only plus interest on the outstanding balance at an annual rate of 1.85% (2014 – 1.85%) above LIBOR.

## 19 Provision for liabilities

| | Group 2015 £000 | Group 2014 £000 | Company 2015 £000 | Company 2014 £000 |
|---|---|---|---|---|
| Deferred tax liabilities | (279) | (313) | (184) | (236) |

## 20 Deferred taxation

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:

| | Group Liabilities 2015 £000 | Group Liabilities 2014 £000 | Company Liabilities 2015 £000 | Company Liabilities 2014 £000 |
|---|---|---|---|---|
| **Balances:** | | | | |
| Accelerated capital allowances | (279) | (313) | (184) | (236) |
| **Movements in the year:** | | | | |
| Liability at 1 January 2015 | (313) | | (236) | |
| Charge to profit or loss | (34) | | 52 | |
| **Liability at 31 December 2015** | (279) | | (184) | |

### 21 Commitments under operating leases

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| | £000 | £000 | £000 | £000 |
| Within 1 year | 214 | 60 | 26 | - |
| Between two and five years | 989 | 1,613 | 23 | - |
| After more than five years | - | - | - | - |

### 22 Contingent liability

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 £188,516 (2014: £1,393,944).

### 23 Share capital

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | **No** | **£000** | **No** | **£000** |
| **Allotted, called up and fully paid:** | | | | |
| 1,053,778 equity shares of £1 each | 1,053,778 | 1,054 | 1,053,778 | 1,054 |
| 1,250,000 preference shares of £1 each | 1,250,000 | 1,250 | 1,000,000 | 1,000 |

The preference shares are convertible into ordinary shares by written notice within 14 days of each third anniversary from 30 April 1994 and redeemable at the option of the shareholders on each third anniversary from 30 April 1994 at par. The shares do not carry any voting rights at a general meeting of the company.

### 24 Ultimate controlling party

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 Notes to Statement of Cash Flows

Reconciliation of profit after tax to net cash generated from operations

| | 2015 | 2014 |
|---|---|---|
| | £000 | £000 |
| Profit after tax | 1,094 | 2,963 |
| Depreciation of tangible fixed assets | 818 | 734 |
| Amortisation of intangible assets | 478 | 489 |
| Impairment of goodwill | 1,000 | - |
| Foreign exchange losses / (gains) | 241 | (901) |
| (Profit)/loss on disposal of fixed assets (note 3) | (39) | 23 |
| Profit on disposal of associate | (1,406) | - |
| Interest payable | 773 | 697 |
| Interest receivable | (224) | (290) |
| Share of associate loss / (profit) | 380 | (413) |
| Taxation | 698 | 888 |
| | 3,813 | 4,190 |
| Operating cash flows before movements in working capital | | |
| Decrease / (increase) in stocks | 1,489 | (530) |
| Increase in debtors | (590) | (533) |
| Decrease in creditors | (3,545) | 337 |
| | (2,646) | (726) |
| Cash generated from/(used in) operations | 1,167 | 3,464 |

## 26 Related party transactions

**Remuneration of key management personnel**
The total remuneration of the directors and other employees of the Group who are considered to be key management personnel was £1,761,914 (2014 - £1,509,842).

**Related party relationships and transactions**
The companies noted below are related parties by virtue of common control and directorships. The Group made sales to the following:

| | 2015 | 2014 |
|---|---|---|
| | £000 | £000 |
| Springpart Manufacturing Limited | 40 | 37 |
| LEB Partnership Limited | 5 | 3 |
| S&HAC Holdings Limited | 1 | 1 |
| Victorinox Retail (UK) Limited | 2 | 172 |
| Satmap Systems Limited | - | 66 |
| Outdoor Accessories Limited | - | 1 |
| Rohan Limited | 274 | 174 |
| Victorinox Travel Gear Limited | - | - |

**26 Related party transactions (continued)**

The Group made purchases from the following:

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Springpart Manufacturing Limited | - | - |
| LEB Partnership Limited | - | 12 |
| S&HAC Holdings Limited | 57 | 111 |
| Victorinox Retail (UK) Limited | - | - |
| Satmap Systems Limited | - | 325 |
| Outdoor Accessories Limited | - | - |
| Rohan Limited | - | - |
| Victorinox Travel Gear Limited | - | - |

As at 31 December the Group owed the following amounts to:

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Springpart Manufacturing Limited | - | - |
| LEB Partnership Limited | - | - |
| S&HAC Holdings Limited | - | 43 |
| Victorinox Retail (UK) Limited | - | - |
| Satmap Systems Limited | - | - |
| Outdoor Accessories Limited | - | - |
| Rohan Limited | - | - |
| Victorinox Travel Gear Limited | - | - |

These amounts are shown in trade creditors.

As at 31 December the Group was owed the following amounts by:

| | 2015 £000 | 2014 £000 |
|---|---|---|
| Springpart Manufacturing Limited | 32 | 18 |
| LEB Partnership Limited | - | 1 |
| S&HAC Holdings Limited | - | - |
| Victorinox Retail (UK) Limited | - | 29 |
| Satmap Systems Limited. | - | 90 |
| Outdoor Accessories Limited | - | - |
| Rohan Limited | 124 | 82 |
| Victorinox Travel Gear Limited | - | - |

These amounts are shown in trade debtors

Included in creditors is a loan from the H A Cann Accumulation and Maintenance Trust and beneficiaries. The balance as at 31 December 2015, comprising capital and interest accrued, was £1,686,000 (2014: £2,459,000). The capital balance of £1,640,000 (2014: £2,390,000) is long term, and all monies carry interest at BOE base rate plus 2%. Interest charged during the year amounted to £48,000 (2014: £99,000).

## 27 First time adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Some of the FRS 102 presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102.

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous UK GAAP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources, and financing.

**Group**

*Reconciliations of equity*

| | Group 1 January 2014 £000 | Group 31 December 2014 £000 |
|---|---|---|
| Consolidated equity as previously reported under previous UK GAAP | 12,550 | 14,728 |
| 1 - Revaluation of property to fair value | 828 | 6 |
| 2 - Holiday pay accrual | (30) | (24) |
| 3 - Fair value loss / (gain) on foreign exchange forward contracts | (437) | 908 |
| 4 - Vehicles capitalised as finance lease | (9) | (4) |
| 5 - Deferred tax | (84) | (178) |
| 6 - Plant and machinery restated | 88 | 8 |
| Transition date adjustment | - | 356 |
| Consolidated equity reported under FRS102 | 12,906 | 15,800 |

*Reconciliation of profit*

| | Group 31 December 2014 £000 |
|---|---|
| Consolidated profit as previously reported under previous UK GAAP | 2,246 |
| 1 - Revaluation of property to fair value | 6 |
| 2 - Holiday pay accrual | (24) |
| 3 - Fair value loss / (gain) on foreign exchange forward contracts | 908 |
| 4 - Vehicles capitalised as finance lease | (4) |
| 5 - Deferred tax | (178) |
| 6 - Plant and machinery restated | 8 |
| Consolidated profit reported under FRS102 | 2,962 |

**1. Revaluation of property to fair value on transition**

The directors have elected to revalue the property as at transition date. This has resulted in an increase in the asset value of £828,000 at the transition date and £6,000 in the comparative period. It also had a consequent increase in the depreciation of the asset.

**28 First time adoption of FRS 102 (continued)**

**2. Holiday pay accrual**
FRS102 requires holiday pay to be accrued as a liability and therefore as at 31 December 2014 a provision has been made of £30,000 at the transition date and £24,000 in the comparative period reflecting the value of holiday pay entitlement which had not been taken as at that date by employees.

**3. Provision for foreign exchange difference on currency contracts**
Foreign exchange forward contracts are recognised on the balance sheet as a financial instrument at fair value and the associated debtors or creditors are retranslated at the year-end rate. The Group recognised a loss of £437,000 at the transition date and £908,000 at the comparative date which was due to transition to FRS102.

**4. Vehicle capitalised as finance lease**
Contract hire vehicles previously recognised as an operating lease are now recognised as finance lease liabilities. The future value of the finance element of the lease is capitalised and written down over the term of the lease.

**5. Deferred tax**
A deferred tax liability has been recognised as a result of the revaluation of the property and the inclusion of a holiday pay accrual.

**6. Plant and machinery restatement**
The Group have reviewed the accounting policy for depreciation of plant and machinery and have considered that plant and machinery has a residual value of 10%. This has been retrospectively applied which has resulted in reduction in accumulated depreciation of £88,000 at transition date and £8,000 at the comparative period.

**Company**

| *Reconciliation of equity* | Company 1 January 2014 £000 | Company 31 December 2014 £000 |
|---|---|---|
| Equity as previously reported under previous UK GAAP | 7,259 | 6,785 |
| 1 - Revaluation of property to fair value | 466 | 10 |
| 2 - Holiday pay accrual | (4) | (6) |
| 3 - Fair value gain on foreign exchange forward contracts | (437) | 908 |
| 4 - Vehicles capitalised as finance lease | (9) | (4) |
| 5 - Deferred tax | 2 | (186) |
| Transitional date adjustments | - | 17 |
| Equity reported under FRS102 | 7,277 | 7,524 |

| *Reconciliation of profit* | Company 31 December 2014 £000 |
|---|---|
| Loss as previously reported under previous UK GAAP | (474) |
| 1 - Change in depreciation | 10 |
| 2 - Holiday pay accrual | (6) |
| 3 - Fair value gain on foreign exchange forward contracts | 908 |
| 4 - Vehicles capitalised as finance lease | (8) |
| 5 - Deferred tax | (183) |
| Profit reported under FRS102 | 247 |

**28 First time adoption of FRS 102 (continued)**

**1. Revaluation of property to fair value on transition**
The directors have elected to revalue the property as at transition date as deemed cost. This has resulted in an increase in the asset value of £466,000 at transition date and £10,000 at the comparative period a consequent increase in the depreciation of the asset.

**2. Holiday pay accrual**
FRS102 requires holiday pay to be accrued as a liability and therefore as at 31 December 2014 a provision has been made of £4,000 at transition date and £6,000 at the comparative period reflecting the value of holiday pay entitlement which had not been taken as at that date by employees.

**3. Provision for foreign exchange difference on currency contracts**
Foreign exchange forward contracts are recognised on the balance sheet as a financial instrument at fair value and the associated debtors or creditors are retranslated at the year-end rate. As at 31 December 2014 the company recognised a gain of £908,000 (loss of £437,000 at the transition date) due to transition to FRS102.

**4. Vehicle capitalised as finance lease**
Contract hire vehicles previously recognised as an operating lease are now recognised as finance lease liabilities. The future value of the finance element of the lease is capitalised and written down over the term of the lease.

**5. Deferred tax**
A deferred tax liability has been recognised as a result of the revaluation of the property and the inclusion of a holiday pay accrual.