BOLLIN GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2013

Company Registration Number 02404333

BOLLIN GROUP LIMITED

FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2013

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BOLLIN GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

PERIOD ENDED 31 DECEMBER 2013

The board of directors	S J Cann H A Cann B J Berryman
Company secretary	S J Cann
Registered office	Suite 4 Bailey Court Green Street Macclesfield SK10 1JQ
Auditor	Baker Tilly UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE

Bollin Group Limited continues to manufacture, market and distribute premium branded consumer products.

Key performance indicators

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

	18 month period	*12 month period*
	2013	*2012*
Turnover	£84.9m	*£54.2m*
Gross profit	£25.5m	*£15.0m*
Gross profit %	30.04%	*27.68%*
Profit before amortisation and preference dividend	£3.99m	*£1.82m*
Stock	£17.8m	*£14.2m*
Net asset position	£12.55m	*£10.42m*

Review of the business

The year end was extended to align the business with key group suppliers. This has had a favourable impact on the results as the results have benefited from two Christmas sell in periods which have traditionally been busier for the business. This and an economic recovery in the last six months have led to an improvement in the results.

Development and performance of the business

During the period the company broadened its brand portfolio by acquisition of Trekmates, and also acquired its German distributor for Mountain Equipment.

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 £2.13m to £12.55m.

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.

Signed by order of the directors

X

S J Cann
Director

(DATE)
X Approved by the directors on 20/5/2014

The directors present their report and the financial statements of the group for the period ended 31 December 2013.

Results and dividends

The profit for the period, after taxation, amounted to £2,293,000 (2012: £851,000).

Financial risk management objectives and policies

The group 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 group's operations. 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.

Directors

The directors who served the group during the period were as follows:

S J Cann
H A Cann
B J Berryman

Land and buildings

In the opinion of the directors the market value of freehold properties at 31 December 2013 exceed their book values.

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.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report, 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 company and the group and of the profit or loss of the group 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; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of consolidated financial statements may differ from legislation in other jurisdictions.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Baker Tilly UK Audit LLP, who were appointed post period end, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Registered office:
Bailey Court
Green Street
Macclesfield
SK10 1JQ

Signed by

X

S J Cann
Director

X Approved by the director on (dated) 20/5/2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLLIN GROUP LIMITED

PERIOD ENDED 31 DECEMBER 2013

We have audited the group and parent company financial statements ("the financial statements") of Bollin Group Limited for the period ended 31 December 2013 on pages 9 to 32. 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).

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 director and auditor
As explained more fully in the Directors' Responsibilities Statement set out on pages 5 to 6, the director is 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 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 2013 and of the group's profit for the period 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 Directors' Report and the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLLIN GROUP LIMITED *(continued)*

PERIOD ENDED 31 DECEMBER 2013

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

Jonathan Pinder, Senior Statutory Auditor
For and on behalf of

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Date: 12/6/14

BOLLIN GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

PERIOD ENDED 31 DECEMBER 2013

	Note	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Group turnover (including share of associate)		90,808	*56,577*
Less: share of associate turnover		(5,886)	*(2,385)*
Group turnover	2	84,922	*54,192*
Cost of sales		(59,373)	*(39,172)*
Gross profit		25,549	*15,020*
Amortisation of goodwill and other tangible assets		(590)	*(483)*
Other operating charges		(20,728)	*(12,588)*
Other operating income		102	-
Operating profit	3	4,333	*1,949*
Share of associate operating loss		(34)	*(216)*
Interest receivable and similar income		58	*62*
Interest payable and similar charges	6	(1,035)	*(540)*
Group profit on ordinary activities before taxation		3,322	*1,255*
Tax on profit on ordinary activities	7	(1,029)	*(404)*
Profit for the financial period		2,293	*851*
Attributable to:			
Shareholders of the parent company	17	2,158	*851*
Minority interest		135	-
Profit for the financial period		2,293	*851*

All amounts relate to continuing operations.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 14 to 32 form part of these financial statements.

BOLLIN GROUP LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

PERIOD ENDED 31 DECEMBER 2013

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Profit for the financial period	2,293	*851*
Foreign exchange differences on net investments	(171)	*(140)*
Total recognised gains and losses relating to the period	2,122	*711*

The notes on pages 14 to 32 form part of these financial statements.

BOLLIN GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	31 December 2013 £'000	£'000	*30 June 2012 £'000*	*£'000*
Fixed assets					
Intangible assets	8		5,101		*5,051*
Tangible assets	9		2,625		*2,241*
Investments in associate	10		(653)		*(546)*
			7,073		*6,746*
Current assets					
Stocks	11	17,846		*14,171*	
Debtors	12	12,775		*9,686*	
Cash at bank		991		-	
		31,612		*23,857*	
Creditors: Amounts falling due within one year	13	(19,549)		*(13,023)*	
Net current assets			12,063		*10,834*
Total assets less current liabilities			19,136		*17,580*
Creditors: Amounts falling due after more than one year	14		(6,501)		*(7,152)*
Provisions for liabilities					
Deferred tax	15		(85)		-
Net assets			12,550		*10,428*
Capital and reserves					
Called-up share capital	16		1,054		*1,054*
Profit and loss account	17		11,361		*9,374*
Shareholders' funds	18		12,415		*10,428*
Minority interest			135		-
Shareholders' funds and minority interest			12,550		*10,428*

(DATE)

X These financial statements were approved and signed by the directors and authorised for issue on 20\5\2014

X S J Cann

S J Cann
Director

The notes on pages 14 to 32 form part of these financial statements.

BOLLIN GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	31 December 2013 £'000	31 December 2013 £'000	*30 June 2012 £'000*	*30 June 2012 £'000*
Fixed assets					
Intangible assets	8		1,285		*1,428*
Tangible assets	9		767		*541*
Investments	10		11,293		*9,662*
			13,345		*11,631*
Current assets					
Debtors	12	1,432		*3,648*	
Creditors: Amounts falling due within one year	13	(1,730)		*(1,704)*	
Net current (liabilities)/assets			(298)		*1,944*
Total assets less current liabilities			13,047		*13,575*
Creditors: Amounts falling due after more than one year	14		(5,745)		*(6,717)*
Provisions for liabilities					
Deferred tax	15		(43)		*(3)*
Net assets			7,259		*6,855*
Capital and reserves					
Called-up share capital	16		1,054		*1,054*
Profit and loss account	17		6,205		*5,801*
Shareholders' funds	18		7,259		*6,855*

(DATE)

X These financial statements were approved and signed by the directors and authorised for issue on 20/5/2014

X

S J Cann
Director

The notes on pages 14 to 32 form part of these financial statements.

BOLLIN GROUP LIMITED
Registered Number 2125263

GROUP CASH FLOW STATEMENT

PERIOD ENDED 31 DECEMBER 2013

	Notes	**Period from 1 July 2012 to 31 December 2013 £'000**	*Year to 30 June 2012 £'000*
Net cash flow from operating activities	19	9,518	*3,520*
Returns on investments and servicing of finance	20	(984)	*(680)*
Taxation	20	(328)	*(829)*
Capital expenditure and financial investment	20	(1,199)	*(309)*
Acquisitions and disposals	20	(1,286)	-
Cash inflow before financing		5,721	*1,702*
Financing	20	(1,233)	*(159)*
Increase in cash in the period		4,488	*1,543*

Reconciliations of net cash flow to movement in net funds

Increase in cash in the period		4,488	*1,543*
Cash outflow from decrease in debt and lease financing		1,233	*159*
Change in net debt resulting from cash flows		5,721	*1,702*
New finance lease		-	*(189)*
Loans acquired with subsidiaries		(575)	-
Movement in net debt in the period		5,146	*1,513*
Net debt at 1 July 2012		(14,520)	*(16,033)*
Net debt at 31 December 2013	21	(9,374)	*(14,520)*

The notes on pages 14 to 32 form part of these financial statements.

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 December 2013. The results of subsidiary undertakings acquired or disposed of during the period have been included from the date of acquisition or to the date of disposal. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Goodwill arising on consolidation, representing the excess 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 20 years 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.

The results of subsidiaries sold are included up to the effective date of disposal.

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.

Turnover

Group turnover is the total amount receivable by the group for goods supplied, excluding VAT, trade discounts and sales between companies. Turnover is recognised at the point of despatch of goods to customers.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the estimated useful economic life of that asset as follows:

Goodwill	-	10 - 20 years
Other intangible assets	-	20 years

1. **Accounting Policies (continued)**

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost is defined as the purchase price of the asset plus other directly attributable costs to bring the asset into working condition for its intended use.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	4% per annum
Motor Vehicles	-	25% per annum
Fixtures & Fittings	-	10% to 25% per annum
Equipment	-	10% to 25% per annum

Stocks

Goods for resale are stated at the lower of cost and net realisable value. 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.

Leasing and hire purchase

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts, are capitalised in the balance sheet at their fair value and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The group operates a defined contribution scheme and the pension charge represents the amounts payable to the fund in respect of the year.

Deferred taxation

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.

1. Accounting Policies *(continued)*

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.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies which are included in the balance sheet are translated at the rates of exchange ruling at the balance sheet date, or at the appropriate hedging rate where forward currency contracts have been taken out. Gains on forward currency contracts are not recognised until realised.

Assets and liabilities of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date and profit and loss items are translated at the average rate of exchange for the period. The exchange differences arising from the retranslation of the opening net investment in subsidiaries is taken directly to reserves.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:	**Period from 1 July 2012 to 31 December 2013**	*Year to 30 June 2012*
	£'000	*£'000*
United Kingdom	66,497	*40,546*
Overseas	18,425	*13,646*
	84,922	*54,192*

3. Operating Profit/(Loss)

Operating profit/(loss) is stated after charging/(crediting):

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Amortisation – intangible fixed assets	753	*483*
Depreciation of tangible fixed assets		
- Owned by the group	475	*299*
- Held under finance leases	404	*236*
Auditors' remuneration – audit of the financial statements (company)	4	*4*
Auditors' remuneration – audit fees (group)	41	*60*
Auditors' remuneration – taxation and accounting services	15	*11*
Other operating income – income from related parties	(54)	*(36)*
Profit on disposal of fixed assets (non-exceptional)	(24)	*(25)*

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Wages and salaries	11,576	*6,454*
Social security costs	764	*580*
Other pension costs	288	*162*
	12,628	*7,196*

The average number of staff employed by the group during the financial period amounted to:

	Period from 1 July 2012 to 31 December 2013 No	*Year to 30 June 2012 No*
Number of production staff	86	*115*
Number of selling and distribution	92	*78*
Number of administrative staff	153	*123*
	331	*316*

5. Directors' remuneration

Operating profit/(loss) is stated after charging/(crediting):

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Emoluments	232	*161*

6. Interest payable and similar charges

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Interest payable on borrowings	915	*638*
Finance charges payable under hire purchase agreements	47	*51*
Share of associates' interest payable	73	*41*
Other similar charges payable/(receivable)	-	*(190)*
	1,035	*540*

7. Taxation on Ordinary Activities

(a) Analysis of charge in the period

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Current tax (see note below)		
UK Corporation tax charge on profit for the period	816	*407*
Adjustments in respect of prior periods	-	*(2)*
Foreign tax charge	49	*-*
Total current tax	865	*405*
Deferred tax (see note 15):		
Origination and reversal of timing differences	164	*(1)*
Tax on profit on ordinary activities	1,029	*404*

(b) Factors affecting current tax charge

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 23% (2012 – 25.5%).

7. Taxation on Ordinary Activities *(continued)*

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Profit on ordinary activities before taxation	3,322	*1,255*
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23% (2012 – 25.5%)	764	*320*
Effects of:		
Goodwill amortisation	111	*95*
Net expenses not deductible for tax purposes	(21)	*(51)*
Difference between depreciation and capital allowances	2	*(32)*
Utilisation of tax losses	(23)	*(23)*
Adjustments to tax charge in respect of prior periods	-	*(2)*
Unrelieved tax losses carried forward	-	*98*
Tax charged at different rates	32	-
Current tax charge for the period	865	*405*

(c) Factors that may affect future tax charges

The Chancellor stated his intention to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. This change was substantively enacted on 2 July 2013. The company has measured its deferred tax liability at the end of the reporting period at 21%.

8. Intangible Fixed Assets

	Goodwill £'000	**Other intangible assets £'000**	**Total £'000**
Group			
Cost			
At 1 July 2012	10,818	3,268	14,086
Additions	788	15	803
At 31 December 2013	11,606	3,283	14,889
Amortisation			
At 1 July 2012	7,261	1,774	9,035
Charge for the period	482	271	753
At 31 December 2013	7,743	2,045	9,788
Net book value			
At 31 December 2013	3,863	1,238	5,101
At 30 June 2012	*3,557*	*1,494*	*5,051*

8. Intangible Fixed Assets *(continued)*

Company	Other intangible assets £'000
Cost	
At 1 July 2012	3,173
Additions	15
At 31 December 2013	3,188
Amortisation	
At 1 July 2012	1,745
Charge for the period	158
At 31 December 2013	1,903
Net book value	
At 31 December 2013	1,285
At 30 June 2012	*1,428*

9. Tangible Fixed Assets

Group	Freehold Properties £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Equipment £'000	Total £'000
Cost					
At 1 July 2012	1,179	2,586	1,224	2,361	7,350
Additions	-	452	299	602	1,353
Disposals	-	-	(149)	-	(149)
Foreign exchange movement	-	(50)	-	(211)	(261)
At 31 December 2013	1,179	2,988	1,374	2,752	8,293
Depreciation					
At 1 July 2012	475	2,005	757	1,872	5,109
Charge for the period	48	226	306	299	879
On disposals	-	-	(123)	-	(123)
Foreign exchange movement	-	(11)	-	(186)	(197)
At 31 December 2013	523	2,220	940	1,985	5,668
Net book value					
At 31 December 2013	656	768	434	767	2,625
At 30 June 2012	*704*	*581*	*467*	*489*	*2,241*

9. Tangible Fixed Assets *(continued)*

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

Group	31 December 2013 £'000	*30 June 2012 £'000*
Plant and machinery	516	*166*
Motor vehicles	415	*468*
	931	*634*

The depreciation of assets held under finance leases amounted to £404,000 (2012: £236,000).

Company	Freehold properties £'000	Motor Vehicles £'000	Total £'000
Cost			
At 1 July 2012	756	225	981
Additions	–	331	331
At 31 December 2013	756	556	1,312
Depreciation			
At 1 July 2012	309	131	440
Charge for the period	29	76	105
At 31 December 2013	338	207	545
Net book value			
At 31 December 2013	418	349	767
At 30 June 2012	*447*	*94*	*541*

10 Fixed Asset Investments

	Investments in associates £'000
Group	
Share of net liabilities	
At 1 July 2012	(546)
Share of loss	(107)
At 31 December 2013	(653)
Net book value	
At 31 December 2013	(653)
At 30 June 2012	(546)

The group has a 38% shareholding in Victorinox Travel Gear Limited and that company is therefore treated as an associate in these accounts. The group's assets and liabilities of Victorinox Travel Gear Limited as at 31 December 2013 were £2,202,000 (2012: £1,354,000) and £2,847,000 (2012: £1,900,000) respectively resulting in a net share of liabilities of £653,000 (2012: £546,000). The share of turnover, operating profit and taxation of the company is disclosed in the profit and loss account.

The principal activity of Victorinox Travel Gear Limited was the supply of luggage and other travel gear to the European market.

10. Fixed Asset Investments *(continued)*

	Investments £'000
Company	
Cost	
At 1 July 2012	10,912
Acquisitions	1,631
At 30 June 2013	12,543
Amounts written off	
At 1 July 2012 and 31 December 2013	1,250
Net book value	
At 31 December 2013	11,293
At 30 June 2012	*9,662*

11. Stocks

	Group		Company	
	31 December 2013 £'000	*30 June 2012 £'000*	**31 December 2013 £'000**	*30 June 2012 £'000*
Finished goods	17,846	*14,171*	-	-

12. Debtors

	Group		Company	
	31 December 2013 £'000	*30 June 2012 £'000*	**31 December 2013 £'000**	*30 June 2012 £'000*
Trade debtors	11,297	*7,349*	-	-
Amounts owed by group undertakings	-	-	754	*2,459*
Corporation tax	-	-	363	*92*
Other debtors	622	*1,549*	315	*1,097*
Prepayments and accrued income	856	*709*	-	-
Deferred tax asset (see note 15)	-	*79*	-	-
	12,775	*9,686*	1,432	*3,648*

13. Creditors: Amounts falling due within one year

	Group		Company	
	31 December 2013	*30 June 2012*	**31 December 2013**	*30 June 2012*
	£'000	*£'000*	**£'000**	*£'000*
Bank loans and overdrafts	3,663	*7,103*	1,016	*1,050*
Amounts due under hire purchase agreements	201	*265*	-	-
Trade creditors	4,501	*3,161*	-	-
Corporation tax	819	*282*	-	-
Social security and other taxes	833	*819*	10	*38*
Proposed dividend	-	*80*	40	*80*
Other creditors	7,791	*679*	575	*514*
Accruals and deferred income	1,741	*634*	89	*22*
	19,549	*13,023*	1,730	*1,704*

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.

Amounts due under hire purchase contracts are secured against the assets to which they relate.

14. Creditors: Amounts falling due after more than one year

	Group		Company	
	31 December 2013	*30 June 2012*	**31 December 2013**	*30 June 2012*
	£'000	*£'000*	**£'000**	*£'000*
Other creditors	2,797	*1,890*	2,390	*1,890*
Bank loans	2,355	*3,877*	2,355	*3,827*
Amounts due under hire purchase agreements	349	*385*	-	-
Preference shares (Note 16)	1,000	*1,000*	1,000	*1,000*
	6,501	*7,152*	5,745	*6,717*

Amounts due under hire purchase contracts are secured against the assets to which they relate.

14. Creditors: Amounts falling due after more than one year ***(continued)***

Included within the above are amounts falling due as follows:

	Group		Company	
	31 December 2013 £'000	*30 June 2012 £'000*	**31 December 2013 £'000**	*30 June 2012 £'000*
Between one and two years				
Bank loans	1,000	*1,031*	1,000	*980*
Other creditors	2,797	*1,890*	2,390	*1,890*
	3,797	*2,921*	3,390	*2,870*
Between two and five years				
Bank loans	1,355	*2,846*	1,355	*2,847*

Obligations under finance leases and hire purchase contracts, included in the above, are payable as follows

	Group		Company	
	31 December 2013 £'000	*30 June 2012 £'000*	**31 December 2013 £'000**	*30 June 2012 £'000*
Between one and five years	349	*385*	-	-

15. Deferred Taxation

	Group		Company	
	31 December 2013 £'000	*30 June 2012 £'000*	**31 December 2013 £'000**	*30 June 2012 £'000*
At beginning of period	79	*93*	(3)	*19*
(Charge for)/released during the period	(164)	*(14)*	(40)	*(22)*
At end of period	(85)	*79*	(43)	*(3)*

The deferred taxation balance is made up as follows

	Group		Company	
	31 December 2013 £'000	*30 June 2012 £'000*	**31 December 2013 £'000**	*30 June 2012 £'000*
Accelerated capital allowances	(85)	*(23)*	(43)	*(3)*
Tax losses brought forward	-	*37*	-	-
Other timing differences	-	*65*	-	-
	(85)	*79*	(43)	*(3)*

In addition to the above, there is an unprovided deferred tax asset in respect of losses in certain UK subsidiaries of £nil (2012: £28,000).

16. Share capital

	31 December 2013 £'000	*30 June 2012 £'000*
Share classified as capital		
Allotted, called up and fully paid		
1,053,778 Equity shares of £1 each	1,054	*1,054*
Shares classified as debt		
Allotted, called up and fully paid		
1,000,000 Preference shares of £1 each	1,000	*1,000*

17. Reserves

	Profit and loss account £'000
Group	
At 1 July 2012	9,374
Profit for the period	2,158
Foreign currency translation	(171)
At 31 December 2013	11,361

	Profit and loss account £'000
Company	
At 1 July 2012	5,801
Profit for the period	404
At 31 December 2013	6,205

18. *Reconciliation of movement in shareholders' funds*

	31 December 2013 £'000	*30 June 2012 £'000*
Group		
Opening shareholders' funds	10,428	*9,717*
Profit for the period	2,158	*851*
Foreign currency translation	(171)	*(140)*
Closing shareholders' funds	12,415	*10,428*

	31 December 2013 £'000	*30 June 2012 £'000*
Company		
Opening shareholders' funds	6,855	*7,333*
Profit/(loss) for the period	404	*(478)*
Closing shareholders' funds	7,259	*6,855*

The profit for the period dealt with in the accounts of the company was £404,000 (2012: loss £478,000).

19. Net cash flow from operating activities

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Operating profit	4,333	*1,949*
Amortisation of intangible fixed assets	753	*483*
Depreciation of tangible fixed assets	879	*535*
Profit on disposal of tangible fixed assets	(24)	*(25)*
(Increase)/decrease in stocks	(2,853)	*913*
(Increase)/decrease in debtors	(2,742)	*164*
Increase/(decrease) in creditors	9,279	*(418)*
Gain on foreign currency translation	(107)	*(81)*
Net cash inflow from operating activities	9,518	*3,520*

20. Analysis of cash flows for headings netted in cash flow statement

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Returns on investments and servicing of finance		
Non-equity dividends paid	(80)	*(80)*
Interest received	58	*62*
Interest paid	(915)	*(611)*
Hire purchase interest	(47)	*(51)*
Net cash (outflow) from returns on investments and servicing of finance	(984)	*(680)*
Taxation		
Corporation tax	(328)	*(829)*

20. Analysis of cash flows for headings netted in cash flow statement *(continued)*

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,234)	*(12)*
Purchase of intangible fixed assets	(15)	*(334)*
Sale of tangible fixed assets	50	*37*
Net cash (outflow) from capital expenditure	(1,199)	*(309)*

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Acquisitions and disposals		
Purchase of subsidiary undertaking	(1,631)	-
Net cash acquired with subsidiary undertaking	345	-
Net cash outflow from acquisitions and disposals	(1,286)	-

	Period from 1 July 2012 to 31 December 2013 £'000	*Year to 30 June 2012 £'000*
Financing		
New secured loans	-	*5,000*
Repayment of loans	(1,133)	*(4,969)*
Repayment of finance leases	(100)	*(190)*
Net cash outflow from financing	(1,233)	*(159)*

21. Analysis of changes in net debt

	1 July 2012 £'000	Cash flow £'000	On acquisition £'000	31 December 2013 £'000
Cash	-	646	345	991
Bank overdraft	(6,160)	3,497	-	(2,663)
	(6,160)	4,143	345	(1,672)
Debt:				
Finance leases	(650)	100	-	(550)
Debts due within one year	(943)	(57)	-	(1,000)
Debts falling due after more than one year	(6,767)	1,190	(575)	(6,152)
	(8,360)	1,233	(575)	(7,702)
Net debt	(14,520)	5,376	(230)	(9,374)

22. Acquisitions and disposals

On 1 July 2013 the group acquired 100% of the share capital of Outdoor & Sports Company GmbH for consideration of £1,631,000.

The net assets on the date on the acquisition were as follows:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets	119	-	119
Stock	987	(165)	822
Debtors	426	-	426
Cash	345	-	345
Short term creditors	(294)	-	(294)
Long term creditors	(575)	-	(575)
Net assets	1,008	(165)	843
Goodwill acquired			788
Satisfied by:			
Cash consideration paid			1,631

The fair value adjustment relates to provisions against stock.

23. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	31 December 2013 £'000	*30 June 2012 £'000*	**31 December 2013 £'000**	*30 June 2012 £'000*
Group				
Expiry date				
Within 1 year	-	-	5	5
Between 2 and 5 years	223	194	-	-
After more than 5 years	270	220	-	-

24. Related party transactions

Included in creditors is a loan from the H A Cann Accumulation and Maintenance Trust and beneficiaries. The balance at 31 December 2013, comprising capital and interest accrued, was £2,697,000 (30 June 2012: £2,234,000). The capital balance of £2,390,000 (30 June 2012: £1,890,000) is long term, and all monies carry interest at BOE base rate plus 2%. Interest charged during the 18 months amounted to £80,000 (12 months to 30 June 2012: £60,000).

The group has received charges for goods and services from S & HAC Holdings amounting to £86,000 (12 months to 30 June 2012: £91,000). Amounts owed to the group as at 31 December 2013 were £16,000 (at 30 June 2012: £21,000 due to the group). Mr H A Cann is a director and shareholder of that company.

The group has received income from Springpart Manufacturing Limited amounting to £54,000 (12 months to 30 June 2012: £36,000) in respect of management services provided. Amounts owed by that company to Bollin Group Limited as at 31 December 2013 were £7,000 (30 June 2012: £4,000). Mr H A Cann and Mr S J Cann are directors and shareholders of that company.

The group has received income from Victorinox Travel Gear Limited amounting to £112,000 (12 months to 30 June 2012: £47,000) in respect of management services provided and rent. Amounts owed to Bollin Group Limited by that company as at 31 December 2013 were £3,000 (30 June 2012: £5,010). The company holds 38% of the shareholding of that company.

The group made purchases from Satmap Systems Limited amounting to £612,000 (12 months to 30 June 2012: £656,000). Amounts owed to the group by that company (after loans to the company) as at 31 December 2013 were £527,000 (30 June 2012: £378,000). Mr S J Cann is a director of that company.

The group (excluding Victorinox Travel Gear Limited) made sales to Victorinox Retail (UK) Limited amounting to £149,000 (12 months to 30 June 2012: £103,000). Amounts owed to the group by that company as at 31 December 2013 were £3,000 (30 June 2012: £2,000). Mr S J Cann is a director of that company.

The company has not disclosed transactions with fellow subsidiaries where the group shareholding is 100% in accordance with the exemption available under the terms of Financial Reporting Standard 8.

25. Principal subsidiaries

Company name	Country of incorporation and class of share capital held	Percentage share-holding	Description
Bridgedale Outdoor Limited	UK Ordinary £1 shares	100	Manufacture and sale of hosiery items
Burton McCall Limited	UK Ordinary £1 shares	100	Marketing and distribution of premium branded goods
Go Gas Limited	UK Ordinary £1 shares	100	Manufacture and distribution of specialist gas appliances
Outdoor Accessories Limited	UK Ordinary £1 shares	51	Merchanting and distribution of sports goods and outdoor clothing
PD (Holdings) Limited	UK Ordinary £1 shares	100	Holding company
Montgomery Outdoor Limited**	UK Ordinary £1 shares	100	Distribution of outdoor clothing
Outdoor & Sports Company (Holdings) Limited**	UK Ordinary £1 shares UK Redeemable preference £1 shares Participating preferred ordinary £1 shares	100	Merchanting and distribution of sports goods and outdoor clothing
Outdoor & Sports Company Limited**	UK Ordinary £1 shares	100	Merchanting and distribution of sports goods and outdoor clothing
Outdoor & Sports Company Inc**	USA Ordinary £1 shares $1	100	Merchanting and distribution of sports goods and outdoor clothing
Outdoor & Sports Company GmbH**	German Ordinary Shares €1	100	Merchanting and distribution of sports goods and outdoor clothing
Advanced Technical Sock Industries (pty) Limited	SA Ordinary £1 shares	100	Manufacture and sale of hosiery items

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

26. 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.