BOLLIN GROUP LIMITED

Report and Consolidated Financial Statements

for the year ended

31 December 2016

These are the parent company accounts
to be filed with subsidiary:

Outdoor & Sports Company (Holdings) Ltd
Reg No. 02573804

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COMPANIES HOUSE

Company Registration No. 02404333 (England and Wales)

Bollin Group Limited
Officers and professional advisers
Year ended 31 December 2016

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

The directors present their Strategic report and results of the Group for the year ended 31 December 2016.

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

	2016	2015
Turnover	£64.7m	£60.4m
Gross profit	£20.3m	£20.6m
Gross profit %	31.39%	34.10%
Operating charges	£18.2m	£18.4m
Underlying EBITDA (excluding items below operating profit)	£3.72m	£3.53m
Stock	£19.0m	£16.9m
Net assets	£18.8m	£16.4m

The Directors monitor revenues, margins and controllable costs.

Turnover – revenues increased by £4.3m in the year. This was mainly attributable to:

a) UK	-	£2.9m	+6.3%
b) Overseas	-	£1.4m	+10%

Turnover growth reflects increases in both prices and volumes.

Gross profit and margins dropped due to:
a) Purchasing pressures after the BREXIT vote and the consequential fall in the value of sterling.
b) General mix of the Group's manufactured and distributed product margins resulting in a poorer consolidated yield.

Operating charges were tightly controlled and thus offered some protection to the EBITDA.

Inventory – In order to respond to markets and key customers investment in strategic stockholdings meant an increase in inventory – notably:

Burton McCall	£1.1m
Bridgedale	£0.5m
OSC	£0.1m
Foreign subsidiaries	£0.4m

Significant swings in reported profits are created as a consequence of the FRS102 requirement to mark to market derivative foreign exchange contracts. The effect of such accounting adjustments are shown below the operating profit line.

The Board considers that there are no non-financial key financial indicators that are relevant to the business.

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

On 31 December 2016, Outdoor Accessories Limited became wholly owned, following the acquisition of non-controlling interest and on the same date and the Directors' decided to transfer its trade and assets to a fellow group company, Outdoor & Sports Company Limited, thus concentrating more outdoor brands within one management group.

The UK voted to leave the European Union and as a consequence of this sterling suffered a significant reduction in value. This had a negative impact on margins as the company buys its goods in foreign currency.

Development and performance of the business
The Group continues to develop its portfolio of branded distribution agreements, notable extensions to this range during the year were Fissler cookware, Wenger watches, Sparq homeware and Overboard waterproof bags.

The Group is investing in R&D with an emphasis on the Outdoor and Sports market.

The Group is also expanding its distribution network through America through the efforts of the US and Canadian subsidiaries. The Group brands are now warehoused at a single site thus improving efficiencies.

The Group continues to implement plans to reduce operating costs and to discontinue non-profitable ranges. It also is working to reduce slow moving stock whilst holding the correct stock levels to service customers.

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 £2.4m to £18.8m.

Future outlook
As at the date of signing the single largest uncertainty to future trade is the effect of the UK BREXIT negotiations with the European Community and the future access to the Single Market. This has in the directors' opinion, increased the volatility and uncertainty of markets which may impact on consumer confidence and demand at some point in the future as well as impacting margins as mentioned above. The effect of leaving the Common market and duties being introduced may further impact the business.

To date market volumes have not been impacted but the Directors remain cautious about the medium term outlook for consumer confidence. The new environment will create a challenge that needs to be met through future negotiated purchasing and pricing arrangements.

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 Board endeavours to manage these risks wherever possible. The ongoing operational and financial performance of the business is a key part of every Board meeting.

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 3rd May 2017

The directors present their report and the financial statements of the Group for the year ended 31 December 2016.

Principal activity
The Group continues to manufacture, market and distribute premium branded consumer clothing and accessories.

Results and dividends
The profit for the year, after taxation, amounted to £2,215,000 (2015: £1,094,000). 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 mitigated when known, mainly using the forward contracts.

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 Group's credit controllers 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 and up to date of signature of the financial statements were as follows:

S J Cann
H A Cann

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 company's policy is to consult and discuss with employees on a regular basis matters likely to affect employees' interests.

Information about matters of concern to employees is given through regular updates which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Staff is incentivised through bonus schemes linked to company performance where appropriate.

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 has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor 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

S J Cann

Director

3rd May 2017.

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

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

Bollin Group Limited
Independent Auditor's Report to the Members

Opinion on financial statements
We have audited the group and parent company financial statements ("the financial statements") on pages 8 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2016 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.

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 other matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' report.

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

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of directors and auditor
As more fully explained in the Directors' Responsibilities Statement set out on page 6, 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 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.

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.

Peter Donnelly FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

RSM UK Audit LLP

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Bollin Group Limited
Consolidated statement of comprehensive income

	Note	2016 £000	2015 £000
Group turnover		64,709	66,648
Less: share of associate turnover – discontinued operations		-	(6,244)
Group turnover	2	64,709	60,404
Cost of sales		(44,400)	(39,854)
Gross profit		20,309	20,550
Impairment of goodwill		-	(1,000)
Restructuring costs	3	(157)	-
Other operating charges		(18,249)	(18,442)
Other operating income		518	448
Operating profit	4	2,421	1,556
Fair value gains/(loss) on foreign exchange contracts		845	(241)
Share of associate operating (loss) – discontinued operations		-	(380)
Profit on disposal of discontinued operations		-	1,406
Interest receivable and similar income	7	73	224
Interest payable and similar charges	8	(653)	(773)
Group profit on ordinary activities before taxation		2,686	1,792
Tax on profit on ordinary activities	9	(471)	(698)
Profit on ordinary activities after taxation		2,215	1,094
Other comprehensive income			
Profit for the financial year		2,215	1,094
Foreign exchange differences on net investments		155	(452)
Total comprehensive income for the year		2,370	642
Attributable to:			
Owners of the parent		2,290	1,148
Non-controlling interests		(75)	(54)
Profit for the financial year		2,215	1,094

 Company Registration No. 02404333

	Note	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Fixed Assets					
Goodwill	11	3,494	3,906	-	-
Negative goodwill	11	-	-	-	-
Brand and trademarks	11	1,026	1,111	963	1,070
Tangible assets	12	3,603	3,696	966	1,137
Investments	13	-	-	10,798	10,798
		8,123	8,713	12,727	13,005
Current Assets					
Stock	14	18,955	16,887	-	-
Debtors	15	13,890	14,151	2,748	4,078
Cash at bank and in hand		2,689	1,705	465	253
		35,534	32,743	3,213	4,331
Creditors					
Amounts falling due within one year	16	(18,442)	(17,736)	(1,210)	(2,295)
Net Current Assets		17,092	15,007	2,003	2,036
Total Assets less Current Liabilities		25,215	23,720	14,730	15,041
Creditors					
Amounts falling due after more than one year	17	(6,252)	(6,999)	(4,418)	(5,414)
Provisions for liabilities					
Deferred tax	20	(151)	(279)	(128)	(184)
Net assets		18,812	16,442	10,184	9,443
Capital and Reserves					
Share capital	24	1,054	1,054	1,054	1,054
Revaluation reserve		818	818	457	457
Profit and loss account		17,021	14,576	8,673	7,932
		18,893	16,448	10,184	9,443
Capital and Reserves attributable to owners of the parent		18,893	16,448	10,184	9,443
Attributable to Non-controlling interest		(81)	(6)	-	-
Total equity		18,812	16,442	10,184	9,443

The Company's total comprehensive income for the year were £741,000 (2015: £1,919,000).

These financial statements on pages 8 to 32 were approved by the directors and authorised for issue and are signed on their behalf by:

S J Cann (Director) Date: 3rd May 2017

Bollin Group Limited
Statements of changes in equity
Year ended 31 December 2016

Company Registration No. 02404333

Group

	Share capital £000	Revaluation reserve £000	Profit & loss account £000	Non-controlling interest £000	Total £000
Balance at 1 January 2015	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	-	-	696	(54)	642
Balance at 31 December 2015	1,054	818	14,576	(6)	16,442
Profit for the year	-	-	2,290	(75)	2,215
Foreign currency translation	-	-	155	-	155
Total comprehensive income for the year	-	-	2,445	(75)	2,370
Balance at 31 December 2016	1,054	818	17,021	(81)	18,812

Company

	Share capital £000	Revaluation reserve £000	Profit & loss account £000	Total £000
Balance at 1 January 2015	1,054	457	6,013	7,524
Total comprehensive income for the year	-	-	1,919	1,919
Balance at 31 December 2015	1,054	457	7,932	9,443
Total comprehensive income for the year	-	-	741	741
Balance at 31 December 2016	1,054	457	8,673	10,184

Bollin Group Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Cash generated from operations	26	4,239	1,320
Interest paid		(553)	(773)
Income taxes paid		(447)	(522)
Net cash from operating activities		3,239	25
Investing activities			
Purchase of tangible fixed assets		(414)	(646)
Proceeds on disposal of tangible fixed assets		60	61
Purchase of subsidiary (net of cash)		-	(138)
Purchase of associates		-	(100)
Proceeds on disposal of associate		-	860
Interest received		73	224
Net cash (used in) / generated from investing activities		(281)	261
Financing activities			
(Repayment) / issue of bank loans		(1,000)	1,161
Repayments of other loans		(1,000)	(750)
Repayment of hire purchase contracts and finance leases		(243)	(41)
Preference dividends paid		(140)	(40)
Net cash (used in) / generated from financing activities		(2,383)	330
Net increase in cash and cash equivalents		575	616
Cash and cash equivalents at beginning of year		(157)	(773)
Effect of foreign exchange rates		-	-
Cash and cash equivalents at end of year		418	(157)
Relating to			
Cash		2,689	1,705
Bank overdraft		(2,271)	(1,862)
		418	(157)

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 FRS 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.

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

Reduced disclosures
This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

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

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 12. 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 2016.

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 10 - 20 years or impaired if the carrying value cannot be supported.

1. Accounting policies (continued)

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 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

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.

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 on a straight line basis 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
Plant and machinery	-	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.

1. Accounting policies (continued)

Revaluation of properties
Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

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.

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.

1. Accounting policies (continued)

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.

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.

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.

1. Accounting policies (continued)

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 debtors 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.

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.

1. Accounting policies (continued)

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.

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 represents the differences in revalued properties and 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.

1. Accounting policies (continued)

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.

The amount provided in the stock provision is considered to be a judgement due to the nature of the business. Raw material stock has been written down by £2,090,000 (2015 - £1,626,000) during the year. No earlier stock write down has been reversed during the current or proceeding period.

The amount provided in the bad debt provision is considered to be a judgement due to the nature of the business. There is a provision for bad debts of £180,000 (2015 - £172,000). 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:

	2016	2015
	£000	£000
United Kingdom	49,203	46,314
Overseas	15,506	14,090
	64,709	60,404

3 Exceptional costs

	2016	2015
	£000	£000
Restructuring costs	157	-
	157	-

In 2016 a number of redundancies were made as a result of a group restructure.

4 Operating profit

Operating profit is stated after charging/(crediting):

	2016	2015
	£000	£000
Depreciation of fixed assets		
- of owned assets	549	555
- held under finance leases and hire purchase	278	263
Amortisation of positive goodwill	412	467
Amortisation of intangible fixed assets	85	110
Amortisation on negative goodwill	-	(99)
(Profit) on disposal of fixed assets	(30)	(39)
Foreign exchange gains	(489)	(815)
Operating lease costs	765	658
Cost of stocks recognised as an expense	42,895	38,295

Auditors' remuneration

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

	2016	2015
	£000	£000
Audit services - statutory audit of the Group	45	49
Audit services - statutory audit of the Company	6	6
Audit services - statutory audit of the associates of the Company	-	6
Taxation compliance services	11	13
All other non-audit services (accounting and human resources services)	3	2
	65	76

5 Particulars of employees

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	No.	No.	No.	No.
Production staff	111	111	-	-
Distribution staff	70	83	-	-
Administrative staff	165	146	15	14
	346	340	15	14

Aggregate payroll costs of the above were:

	2016	**2015**
	£000	£000
Wages and salaries	8,825	8,888
Social security costs	618	684
Other pension costs	523	330
	9,966	9,902

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

6 Directors' remuneration

	2016	**2015**
	£000	£000
Remuneration for qualifying services	166	163
	166	163

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

7 Interest receivable and other income

	2016	**2015**
	£000	£000
Interest on bank deposits	73	224
	73	224

8 Interest payable and similar charges

	2016	**2015**
	£000	£000
Interest payable on borrowings	513	618
Interest on finance leases and hire purchase contracts	40	64
Share of associates' interest payable	-	11
Similar charges	100	80
	653	773

9 Taxation

(a) Analysis of charge in the year

	2016 £000	2015 £000
Current tax:		
UK corporation tax on profits for the period at 20% (2015: 20.25%)	694	719
(Over) / under provision in prior year	(95)	13
Total current tax	599	732
Deferred tax:		
Origination and reversal of timing differences	(128)	(34)
Total deferred tax	(128)	(34)
Total tax charge	471	698

(b) Factors affecting tax charge

	2016 £000	2015 £000
Profit on ordinary activities before taxation	2,686	1,792
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2015 – 20.25%)	537	363
Expenses not deductible for tax purposes	22	23
Adjustment to tax charge in respect of previous periods	(95)	13
Fixed assets differences	(115)	(83)
Group relief	-	183
Tax chargeable at different rates	(13)	(19)
Other permanent differences	128	297
Provision tax adjustment	-	38
Other timing differences	7	37
Non- taxable income	-	(154)
Total tax charge	471	698

(c) Factors that may affect future tax charges

The main rate of corporation tax stands at 20% in 2016/17. This will be further reduced to 19% for financial years starting on 1 April 2017 and then to 17% from 1 April 2020. The 19% corporation tax rate was substantively enacted on 26 October 2015 and the 17% corporation tax rate was substantively enacted on 6 September 2016.

10 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £741,000 (2015: £1,919,000).

11 Intangible fixed assets

	Positive goodwill £000	Negative goodwill £000	Brands and trademarks £000	Total £000
Group				
Cost				
At 1 January 2016	13,489	(248)	3,531	16,772
At 31 December 2016	13,489	(248)	3,531	16,772
Amortisation and impairment				
At 1 January 2016	9,583	(248)	2,420	11,755
Charge for the year	412	-	85	497
At 31 December 2016	9,995	(248)	2,505	12,252
Net book value				
At 31 December 2016	3,494	-	1,026	4,520
At 31 December 2015	3,906	-	1,111	5,017

Company	Brands and trademarks £000
Cost	
At 1 January 2016 and 31 December 2016	3,188
Amortisation and impairment	
At 1 January 2016	2,118
Charge for the year	107
At 31 December 2016	2,225
Net book value	
At 31 December 2016	963
At 31 December 2015	1,070

12 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 2016	1,585	4,072	1,217	696	1,753	9,323
Additions	1	69	193	392	-	655
Disposals	-	(5)	(165)	7	-	(163)
Foreign exchange movement	-	31	34	214	-	279
At 31 December 2016	1,586	4,167	1,279	1,309	1,753	10,094
Depreciation						
At 1 January 2016	75	3,173	812	447	1,120	5,627
Charge for the year	34	102	268	299	124	827
Disposals	-	(2)	(137)	6	-	(133)
Foreign exchange movement	-	24	20	126	-	170
At 31 December 2016	109	3,297	963	878	1,244	6,491
Net book value						
At 31 December 2016	1,477	870	316	431	509	3,603
At 31 December 2015	1,510	899	405	249	633	3,696

Freehold property comprises freehold office buildings. The fair value of the company's 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 company. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The directors consider there has been no material change in their assessment of the fixed assets held at valuation.

If land and buildings were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016	2015
Group	£000	£000
Cost	1,264	1,264
Accumulated depreciation	625	591
Carrying amount	639	673

12 Tangible fixed assets (continued)

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

Group	2016 £000	2015 £000
Plant and machinery	251	312
Motor vehicles	429	405
	680	717

The depreciation of assets held under finance leases or hire purchase amounted to £278,000 (2015: £263,000).

Company

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost				
At 1 January 2016	875	773	99	1,747
Additions	-	34	16	50
Disposals	-	-	(10)	(10)
At 31 December 2016	875	807	105	1,787
Depreciation				
At 1 January 2016	35	545	30	610
Charge for the year	17	172	29	218
Disposals	-	-	(7)	(7)
At 31 December 2016	52	717	52	821
Net book value				
At 31 December 2016	823	90	53	966
At 31 December 2015	840	228	69	1,137

Freehold property comprises freehold office buildings. The fair value of the Group's 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 directors consider there has been no material change in their assessment of the fixed assets held at valuation

12 Tangible fixed assets (continued)

Company	**2016** £000	**2015** £000
Cost	756	756
Accumulated depreciation	398	378
Carrying amount	358	378

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

Company	**2016** £000	**2015** £000
Motor vehicles	40	69

The depreciation of assets held under finance leases or hire purchase amounted to £29,000 (2015: £21,000).

13 Fixed asset investment

Group	**Investment in associates** £000
Share of net liabilities	
At 1 January 2015	646
Share of loss	-
Net liabilities as at date of disposal (11 December 2015)	(646)
Net book value	
At 31 December 2015 and 31 December 2016	-

Company	**Investment in subsidiary undertakings** £000
Cost	
At 1 January 2016 and 31 December 2016	12,718
Provision for impairment	
At 1 January 2016 and 31 December 2016	1,920
Net book value	
At 31 December 2016	10,798
At 31 December 2015	10,798

13 Fixed asset investment (continued)

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	100	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
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

13 Fixed asset investment (continued)

Company name	Country of incorporation	Class of share capital held	Percentage of shareholding	Description
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.

The subsidiary companies, Outdoor & Sports Company (Holdings) Limited, PD (Holdings) Limited, Montgomery Outdoor Limited and Satmap Systems Limited, have taken the exemption in Section 479A of the Companies Act 2006 ("the Act") from the requirements in the Act for their individual accounts to be audited. The guarantee given by the company under Section 479A of the Act is disclosed in Note 22.

On 31 December 2016, the company acquired the remaining 25% shareholding in Outdoor Accessories Limited for £250.

14 Stocks

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Finished goods	18,955	16,887	-	-
	18,955	16,887	-	-

Finished goods with a gross carrying value of £21,045,000 (2015 - £18,513,155) have been written down by £2,090,000 (2015 - £1,626,155). No earlier stock write down has been reversed during the current or proceeding period.

15 Debtors

	Group 31 December 2016 £000	Group 31 December 2015 £000	Company 31 December 2016 £000	Company 31 December 2015 £000
Trade debtors	11,711	12,647	71	34
Amounts owed by Group undertakings	-	-	1,333	3,340
Corporation tax	-	-	190	301
Other debtors	405	757	74	168
Prepayments and accrued income	694	512	-	-
Foreign currency forward contracts	1,080	235	1,080	235
	13,890	14,151	2,748	4,078

16 Creditors: Amounts falling due within one year

	Group 31 December 2016 £000	Group 31 December 2015 £000	Company 31 December 2016 £000	Company 31 December 2015 £000
Bank loans and overdrafts	3,271	1,862	1,000	1,000
Obligations under finance leases	313	369	22	26
Trade creditors	4,285	4,567	58	55
Other taxes and social security	602	463	-	-
Corporation tax	528	376	-	-
Other creditors	6,860	8,474	15	1,010
Proposed dividends	-	40	-	40
Accruals and deferred income	2,583	1,585	115	164
	18,442	17,736	1,210	2,295

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 £6,684,000 (2015 - £7,129,000) 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.

17 Creditors: Amounts falling due after more than one year

	Group 31 December 2016 £000	Group 31 December 2015 £000	Company 31 December 2016 £000	Company 31 December 2015 £000
Other creditors	2,053	1,854	652	640
Bank loans	2,500	3,500	2,500	3,500
Obligations under finances leases	449	395	16	24
Preference shares	1,250	1,250	1,250	1,250
	6,252	6,999	4,418	5,414

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

18 Financial instruments

	Group	
	2016	2015
	£000	£000
Debt instruments measured at amortised cost		
Debt instruments measured at amortised cost	12,116	13,404
	12,116	13,404
Debt instruments measured at fair value through profit or loss		
Foreign exchange contracts	1,080	235
	1,080	235
Carrying amount of financial liabilities		
Measured at amortised cost	23,599	23,856
	23,599	23,856

Foreign exchange forward contracts

1% of the Group turnover relates to transactions conducted in Euros and 18% 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 £9,670,000 (2015 - £9,693,000).

19 Borrowings

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Bank loans and overdrafts	5,771	5,362	3,500	4,500
Finance lease obligations	762	764	38	50
	6,533	6,126	3,538	4,550
Payable within one year	3,584	2,231	1,022	1,026
Payable after one year	2,949	3,895	2,516	3,524
	6,533	6,126	3,538	4,550

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 (2015: quarterly instalments of £250,000) in respect of principal only plus interest on the outstanding balance at an annual rate of 1.85% (2015 – 1.85%) above LIBOR.

20 Provision for liabilities

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Deferred tax liabilities	(151)	(279)	(128)	(184)

21 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 2016 £000	Group Liabilities 2015 £000	Company Liabilities 2016 £000	Company Liabilities 2015 £000
Balances:				
Accelerated capital allowances	(151)	(279)	(128)	(184)
Movements in the year:				
Liability at 1 January 2016	(279)		(184)	
Charge to profit or loss	128		56	
Liability at 31 December 2016	(151)		(128)	

22 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 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Within 1 year	196	214	21	26
Between two and five years	970	989	16	23
	1,166	1,203	37	49

23 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 £3,034,674 (2015: £188,516).

In order for the subsidiary companies, Outdoor & Sports Company (Holdings) Limited, PD (Holdings) Limited, Montgomery Outdoor Limited and Satmap Systems Limited, to take the audit exemption in section 479A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2016 until those liabilities are satisfied in full.

24 Share capital

	2016		2015	
	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	1,250,000	1,250

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.

25 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.

26 Notes to Statement of Cash Flows

Reconciliation of profit after tax to net cash generated from operations

	2016	**2015**
	£000	£000
Profit after tax	2,215	1,094
Depreciation of tangible fixed assets	827	818
Amortisation of intangible assets	497	478
Impairment of goodwill	-	1,000
Foreign exchange (gains)/losses on financial instruments	(845)	241
Foreign exchange gains	(489)	(815)
Profit on disposal of fixed assets	(30)	(39)
Profit on disposal of associate	-	(1,406)
Interest payable	653	773
Interest receivable	(73)	(224)
Share of associate loss	-	380
Taxation	471	698
	3,226	2,998
Operating cash flows before movements in working capital		
(Increase) / decrease in stocks	(2,068)	1,489
Decrease / (increase) in debtors	1,594	(831)
Increase/(decrease) in creditors	1,487	(2,336)
	1,013	(1,678)
Cash generated from operations	4,239	1,320

27 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 £1,869,388 (2015 - £1,761,914).

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:

	2016	2015
	£000	£000
Springpart Manufacturing Limited	43	40
S&HAC Holdings Limited	-	1
Rohan Limited	263	274
	306	315

The Group made purchases from the following:

	2016	2015
	£000	£000
S&HAC Holdings Limited	118	57
	118	57

As at 31 December the Group didn't owe any balances to related parties.

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

	2016	2015
	£000	£000
Springpart Manufacturing Limited	66	32
Rohan Limited	33	124
	99	156

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 2016, comprising capital and interest accrued, was £652,000 (2015: £1,696,000). The capital balance of £640,000 (2015: £1,640,000) is designated as long term and all monies carry interest at BOE base rate plus 2%. Interest charged during the year amounted to £28,000 (2015: £48,000). Included in long term creditors is a loan from the H A Cann 1997 Interest in Possession Trust and beneficiaries. The balance as at 31 December 2016 was £900,000 (2015: £900,000). The loan is not interest bearing.