

**Bryncir Products Limited**

Report and Financial Statements

Year Ended

31 December 2008

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**BDO Stoy Hayward**  
Chartered Accountants

# **Bryncir Products Limited**

**Annual report and financial statements  
for the year ended 31 December 2008**

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## **Directors**

A J Langdon  
M Welden

## **Secretary and registered office**

M Welden, Gelert House, Penamser Road, Porthmadog, Gwynedd, LL49 9NX

## **Company number**

3582903

## **Auditors**

BDO Stoy Hayward LLP, 3 Hardman Street, Manchester, M3 3AT

# **Bryncir Products Limited**

## **Report of the directors for the year ended 31 December 2008**

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The directors present their report together with the audited financial statements for the year ended 31 December 2008.

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

A total dividend of £6.50 per share was paid during the year (2007 - £Nil).

### **Principal activities, review of business and future developments**

The company's principal activity is that of a holding company to a group of companies whose principal activities comprise the distributing and retailing of outdoor leisure products.

The group has invested in resources in 2008 and this will continue in 2009 and into 2010. This has resulted in an increased turnover in 2008 compared to 2007 with an increase in Gross Profit overall. The Gross Profit percentage has decreased due to a change in the split of customers, which will again continue into 2009 and 2010.

Even considering the current economic climate our continued inward investment in resources will result in further increases in Turnover, Gross and Net Profit in 2009 and 2010.

### **Key performance indicators**

The key performance indicators are monitored by the Board on a continuous basis. These include:

- Turnover
- Gross margin
- Working capital
- Debt to asset ratio

### **Principal risks and uncertainties**

The group seeks to protect and increase turnover and profitability by delivering a high level of customer service, investing heavily in product development, and maintaining a strong focus on costs and overheads.

Most goods for re-sale are purchased in United States Dollars. The company also sells good within Europe in Euros. There is therefore an exposure to movements in Sterling to US Dollar and Sterling to Euro exchange rates. The finance team monitors this exposure and takes out forward exchange contracts to fix the exchange rate as appropriate.

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements. The group also takes out insurance to cover a portion of the credit risk.

The group monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections and ensures that appropriate facilities are available to be drawn on as necessary.

The group funds its working capital through various bank facilities which are secured either against debtors or stock. The board actively monitors available facilities against cash flow projections to ensure that appropriate funds are available. The current facilities are in place until the end of December 2009 and the directors are confident that these facilities will be renewed at that time.

The utilisation of bank funding exposes the company to interest rate risk. The board monitors its cash flow and any potential exposure to interest rate variance and considers appropriate action. During 2009 the group has put in place an interest rate cap facility which will protect the group from adverse interest rate movements in the future.

# **Bryncir Products Limited**

## **Report of the directors for the year ended 31 December 2008 (*continued*)**

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### **Directors**

The directors of the company during the year were:

A J Langdon  
M Welden  
I M Snelson (Appointed 1 May 2008, resigned 8 April 2009)

### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **By order of the Board**

  
M Welden  
Secretary

Date: 27/7/2009

# **Bryncir Products Limited**

## **Independent auditor's report**

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### **To the shareholders of Bryncir Products Limited**

We have audited the group and parent company financial statements (the "financial statements") of Bryncir Products Limited for the year ended 31 December 2008 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Bryncir Products Limited

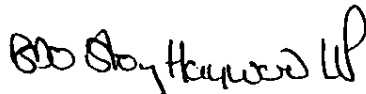
### Independent auditor's report (*continued*)

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#### *Opinion*

In our opinion:

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 December 2008 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 December 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors*  
Manchester

Date: 30th 10 09

## Bryncir Products Limited

### Consolidated profit and loss account for the year ended 31 December 2008

	Note	2008 £	2007 £
<b>Turnover</b>	2	24,555,145	19,442,278
Cost of sales		13,815,273	11,572,401
<b>Gross profit</b>		10,739,872	7,869,877
Distribution costs		5,513,488	3,911,159
Administrative expenses		3,829,727	3,343,947
<b>Group operating profit</b>	3	1,396,657	614,771
Profit on disposal of operation		-	610
Profit on disposal of fixed assets		22,400	-
<b>Profit on ordinary activities before interest and other income</b>		1,419,057	615,381
Interest payable and similar charges	6	(543,287)	(428,940)
<b>Profit on ordinary activities before taxation</b>		875,770	186,441
Taxation on profit on ordinary activities	7	258,189	88,845
<b>Profit on ordinary activities after taxation</b>		617,581	97,596

All amounts relate to continuing activities.

The notes on pages 10 to 25 form part of these financial statements.

## **Bryncir Products Limited**

### **Consolidated statement of total recognised gains and losses for the year ended 31 December 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
<b>Consolidated statement of total recognised gains and losses</b>			
Profit for the financial year		<b>617,581</b>	<b>97,596</b>
Total gains and losses for the year before currency adjustments		<b>617,581</b>	<b>97,596</b>
Exchange translation differences on consolidation	<b>20</b>	<b>(97,206)</b>	<b>(37,166)</b>
<b>Total recognised gains and losses for the financial year</b>		<b>520,375</b>	<b>60,430</b>

The notes on pages 10 to 25 form part of these financial statements.



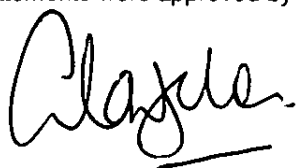
# Bryncir Products Limited

## Consolidated balance sheet at 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
<b>Fixed assets</b>					
Intangible assets	10		670,221		553,136
Tangible assets	11		2,103,785		2,043,811
			<u>2,774,006</u>		<u>2,596,947</u>
<b>Current assets</b>					
Stocks	13	5,944,462		5,503,485	
Debtors	14	4,196,559		3,588,001	
Cash at bank and in hand		1,022,832		952,873	
		<u>11,163,853</u>		<u>10,044,359</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>9,049,335</u>		<u>8,253,411</u>	
<b>Net current assets</b>			<u>2,114,518</u>		<u>1,790,948</u>
<b>Total assets less current liabilities</b>			<u>4,888,524</u>		<u>4,387,895</u>
<b>Creditors: amounts falling due after more than one year</b>	16	778,041		742,172	
<b>Provisions for liabilities</b>	17	<u>111,985</u>		<u>119,656</u>	
			<u>890,026</u>		<u>861,828</u>
			<u>3,998,498</u>		<u>3,526,067</u>
<b>Capital and reserves</b>					
Called up share capital	19		7,376		7,376
Profit and loss account	20		3,991,122		3,518,691
<b>Shareholders' funds</b>	21		<u>3,998,498</u>		<u>3,526,067</u>

The financial statements were approved by the board of directors and authorised for issue on 29/1/09

A J Langdon  
Director



The notes on pages 10 to 25 form part of these financial statements.

# Bryncir Products Limited

## Company balance sheet at 31 December 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Fixed asset investments	12	1,380,541	1,380,541
<b>Creditors: amounts falling due within one year</b>	15	1,373,101	1,399,286
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>7,440</b>	<b>(18,745)</b>
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	19	7,376	7,376
Profit and loss account	20	64	(26,121)
		<hr/>	<hr/>
<b>Shareholders' funds/(deficit)</b>	21	<b>7,440</b>	<b>(18,745)</b>
		<hr/>	<hr/>

The financial statements were approved by the board of directors and authorised for issue on 29/1/09

A J Langdon  
Director



The notes on pages 10 to 25 form part of these financial statements.

# Bryncir Products Limited

## Consolidated cashflow statement for the year ended 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
<b>Net cash inflow/(outflow) from operating activities</b>	26		910,593		(335,927)
<b>Returns on investments and servicing of finance</b>					
Interest paid: bank loans		(535,836)		(375,427)	
Interest paid: hire purchase		(7,451)		(53,513)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(543,287)		(428,940)
<b>Taxation</b>					
Corporation tax paid			(125,016)		(73,688)
<b>Capital expenditure and financial investment</b>					
Payments to acquire intangible fixed assets		(203,332)		(5,965)	
Payments to acquire tangible fixed assets		(350,695)		(171,491)	
Receipts from sale of tangible fixed assets		24,997		-	
<b>Net cash outflow from capital expenditure and financial investment</b>			(529,030)		(177,456)
<b>Dividends paid</b>			(47,944)		-
<b>Cash outflow before use of financing</b>			(334,684)		(1,016,011)
<b>Financing</b>					
New loans		265,000		-	
Loans repaid		(252,967)		(284,522)	
Capital element of finance leases repaid		(67,109)		(138,781)	
<b>Net cash outflow from financing</b>			(55,076)		(423,303)
<b>Decrease in cash</b>	27		(389,760)		(1,439,314)

The notes on pages 10 to 25 form part of these financial statements.

# Bryncir Products Limited

## Notes forming part of the financial statements for the year ended 31 December 2008

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### 1 Accounting policies

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

The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of Bryncir Products Limited and all of its subsidiary undertakings as at 31 December 2008 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

#### *Goodwill*

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### *Trademarks*

Trademarks are capitalised at cost and amortised over 5 to 10 years.

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- Over 30 to 50 years
Leasehold property	- Over the life of the lease
Fixtures, fittings and equipment	- 10% to 33%
Software and computers	- 17% to 33%
Motor vehicles	- 20% to 50%

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

# **Bryncir Products Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2008 (continued)**

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### **1 Accounting policies (continued)**

#### *Foreign currency*

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except for the recognition of deferred tax assets is limited to the extent that the company/group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### *Pension costs*

The group operates a number of defined contribution pension schemes for the benefit of directors and other employees. The assets of the schemes are held separately from those of the company in administered funds. Contributions to these schemes are charged to the profit and loss account in the year in which they become payable.

#### *Government Grants*

Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as depreciation on the assets to which the grant relates.

# Bryncir Products Limited

## Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

### 1 Accounting policies (continued)

#### Basis of preparation

The accounts have been prepared on the basis that the group is a going concern.

The directors have prepared detailed trading and cash flow forecasts for the period to 31 December 2010 as part of the normal budgetary process. The directors anticipate continued growth and profitability in the forth coming year.

Bank facilities, sufficient to support current trading levels are in place and are due for review on 1 January 2010 as part of the normal annual review process. The group's officers are confident that the required facilities will be renewed in the normal course of events.

On the basis of the factors outlined above the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

### 2 Turnover

	2008 £	2007 £
Analysis by geographical market:		
United Kingdom	22,278,847	17,688,636
Europe	2,276,298	1,753,642
	<u>24,555,145</u>	<u>19,442,278</u>

Turnover is wholly attributable to the principal activity of the group.

### 3 Operating profit

	2008 £	2007 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	354,163	396,056
Amortisation of positive goodwill	61,953	61,953
Amortisation of other intangible fixed assets	24,294	6,663
Hire of plant and machinery - operating leases	219,742	156,036
Hire of other assets - operating leases	739,273	510,480
Government grants released	(22,308)	(22,308)
Exchange differences	(161,934)	-
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	21,000	21,000
	<u>21,000</u>	<u>21,000</u>

Included in the group audit fee is an amount of £4,500 (2006 - £4,250) in respect of the company.

# Bryncir Products Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (*continued*)

## 4 Employees

Staff costs (including directors) consist of:

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Wages and salaries	4,122,961	3,084,301	-	-
Social security costs	422,851	323,288	-	-
Other pension costs	127,850	112,023	-	-
	<u>4,673,662</u>	<u>3,519,612</u>	<u>-</u>	<u>-</u>

The average number of employees (including directors) during the year was 144 (2007 - 136).

## 5 Directors' remuneration

	2008 £	2007 £
Directors' emoluments	345,192	271,603
Company contributions to money purchase pension schemes	<u>24,352</u>	<u>11,700</u>

There were 3 directors in the group's defined contribution pension scheme during the year (2007 - 2).

The total amount payable to the highest paid director in respect of emoluments was £156,130 (2007 - £172,740).

## 6 Interest payable and similar charges

	2008 £	2007 £
Bank loans and overdrafts	535,836	375,427
Finance leases and hire purchase contracts	<u>7,451</u>	<u>53,513</u>
	<u>543,287</u>	<u>428,940</u>

# Bryncir Products Limited

## Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

### 7 Taxation on profit on ordinary activities

	2008 £	2007 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	263,318	115,819
Adjustment in respect of previous periods	2,542	4,588
Total current tax	265,860	120,407
<i>Deferred tax</i>		
Origination and reversal of timing differences	(7,671)	(31,562)
Taxation on profit on ordinary activities	258,189	88,845

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	875,770	186,441
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	249,594	55,932
Effect of:		
Expenses not deductible for tax purposes	40,408	43,385
Depreciation for period in excess of capital allowances	7,639	26,523
Adjustment to tax charge in respect of previous periods	2,542	4,588
Other timing differences	-	(1,431)
Marginal relief	-	(8,590)
Overseas losses utilised	(41,962)	-
Chargeable gain	7,639	-
Current tax charge for the year	265,860	120,407

### 8 Dividends

	2008 £	2007 £
Ordinary shares		
Dividends paid of £6.50 (2007 - £Nil) per share	47,944	-



# Bryncir Products Limited

## Notes forming part of the financial statements for the year ended 31 December 2008 (*continued*)

### 9 Profit for the financial year

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £74,129 (2007 - £Nil) which is dealt with in the financial statements of the parent company.

### 10 Intangible fixed assets

#### Group

	Goodwill on consolidation £	Trademarks £	Total £
<i>Cost or valuation</i>			
At 1 January 2008	1,239,050	55,968	1,295,018
Additions	-	203,332	203,332
	<hr/>	<hr/>	<hr/>
At 31 December 2008	<b>1,239,050</b>	<b>259,300</b>	<b>1,498,350</b>
	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>			
At 1 January 2008	703,579	38,303	741,882
Provided for the year	61,953	24,294	86,247
	<hr/>	<hr/>	<hr/>
At 31 December 2008	<b>765,532</b>	<b>62,597</b>	<b>828,129</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2008	<b>473,518</b>	<b>196,703</b>	<b>670,221</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2007	<b>535,471</b>	<b>17,665</b>	<b>553,136</b>
	<hr/>	<hr/>	<hr/>

## Bryncir Products Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (*continued*)

### 11 Tangible fixed assets

#### Group

	Freehold land and buildings £	Leasehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>					
At 1 January 2008	1,139,423	240,260	64,305	3,179,689	4,623,677
Additions	-	31,531	-	367,722	399,253
Disposals	-	-	-	(2,997)	(2,997)
Exchange adjustments	-	-	-	43,714	43,714
<b>At 31 December 2008</b>	<b>1,139,423</b>	<b>271,791</b>	<b>64,305</b>	<b>3,588,128</b>	<b>5,063,647</b>
<i>Depreciation</i>					
At 1 January 2008	196,417	88,481	30,754	2,264,214	2,579,866
Provided for the year	31,711	16,923	12,084	293,445	354,163
Disposals	-	-	-	(400)	(400)
Exchange adjustments	-	-	-	26,233	26,233
<b>At 31 December 2008</b>	<b>228,128</b>	<b>105,404</b>	<b>42,838</b>	<b>2,583,492</b>	<b>2,959,862</b>
<i>Net book value</i>					
At 31 December 2008	911,295	166,387	21,467	1,004,636	2,103,785
At 31 December 2007	943,006	151,779	33,551	915,475	2,043,811

The net book value of tangible fixed assets includes an amount of £359,607 (2007 - £391,333) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £80,284 (2007 - £147,499).

## Bryncir Products Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 *(continued)*

### 12 Fixed asset investments

#### Company

	Group undertakings £
<i>Cost</i>	
At 1 January 2008 and 31 December 2008	1,382,541
<i>Provisions</i>	
At 1 January 2008 and 31 December 2008	2,000
<i>Net book value</i>	
At 31 December 2007 and 31 December 2008	1,380,541

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
<i>Wholly owned subsidiary undertakings</i>				
Gelert Limited	England	Ordinary	100%	Distributors of outdoor leisure products
Gelert Europe B.V.	Netherlands	Ordinary	100%	Distributors of outdoor leisure products
Fairway Supplies Limited	England	Ordinary	100%	Dormant
Salewa (UK) Limited	England	Ordinary	100%	Dormant

## Bryncir Products Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (*continued*)

### 13 Stocks

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Finished goods and goods for resale	5,944,462	5,503,485	-	-

There is no material difference between the replacement cost of stocks and the amounts stated above.

### 14 Debtors

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Trade debtors	3,164,997	2,948,875	-	-
Other debtors	157,714	147,013	-	-
Prepayments and accrued income	873,848	492,113	-	-
	<u>4,196,559</u>	<u>3,588,001</u>	<u>-</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year.

### 15 Creditors: amounts falling due within one year

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Bank loans and overdrafts (secured)	7,039,635	6,699,135	-	-
Trade creditors	1,416,619	568,454	-	-
Amounts owed to group undertakings	-	-	1,373,101	1,399,286
Corporation tax	235,328	94,484	-	-
Other taxation and social security	126,164	284,289	-	-
Obligations under finance lease and hire purchase contracts	48,997	25,902	-	-
Other creditors	16,242	8,300	-	-
Accruals and deferred income	144,050	550,547	-	-
Grants	22,300	22,300	-	-
	<u>9,049,335</u>	<u>8,253,411</u>	<u>1,373,101</u>	<u>1,399,286</u>

Bank loans and overdrafts are secured over the freehold property of the group and with a floating charge over the trade debtors and stocks of the group.

## Bryncir Products Limited

**Notes forming part of the financial statements  
for the year ended 31 December 2008 (continued)**

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

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Bank loans (secured)	626,316	526,493	-	-
Obligations under finance lease and hire purchase contracts	59,586	101,232	-	-
Grants	92,139	114,447	-	-
	<u>778,041</u>	<u>742,172</u>	<u>-</u>	<u>-</u>
Maturity of debt:				
	Loans and overdrafts 2008 £	Loans and overdrafts 2007 £	Finance leases 2008 £	Finance leases 2007 £
In one year or less, or on demand	<u>7,039,635</u>	<u>6,699,135</u>	<u>48,997</u>	<u>25,902</u>
In more than one year but not more than two years	126,640	76,546	59,586	81,539
In more than two years but not more than five years	219,065	135,697	-	19,693
In more than five years	280,611	314,250	-	-
	<u>626,316</u>	<u>526,493</u>	<u>59,586</u>	<u>101,232</u>

Loans due after more than one year include an amount of £280,611 (2007 - £314,250) due after more than five years. This loan is payable within 11 years at an initial monthly repayment of £4,310. The loan attracts an interest rate of 6%.

Bank loans and overdrafts are secured over the freehold property of the group and with a floating charge over the trade debtors and stocks of the group.

## Bryncir Products Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (*continued*)

### 17 Provisions for liabilities

#### Group

	Deferred taxation £
At 1 January 2008	119,656
Credited to profit and loss account	(7,671)
	<hr/>
At 31 December 2008	111,985
	<hr/>

#### *Deferred taxation*

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Accelerated capital allowances	114,037	121,803	-	-
Sundry timing differences	(2,052)	(2,147)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	111,985	119,656	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

There is no provided or unprovided deferred tax in the group or company.

### 18 Pensions

The group contributes to a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the group in an independently administered fund. The pension charge amounted to £112,405 (2007 - £105,325). Contributions amounting to £14,590 (2007 - £14,341) were payable to the funds and are included in creditors.

# Bryncir Products Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (*continued*)

## 19 Share capital

	2008 £	2007 £
<i>Authorised</i>		
50,000 Ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>
	2008 £	2007 £
<i>Allotted, called up and fully paid</i>		
7,376 Ordinary shares of £1 each	7,376	7,376
	<hr/>	<hr/>

## 20 Reserves

### Group

	Profit and loss account £
At 1 January 2008	3,518,691
Translation differences on foreign currency net investments in subsidiary undertakings	(97,206)
Profit for the year	617,581
Dividends	(47,944)
	<hr/>
At 31 December 2008	3,991,122
	<hr/>

### Company

	Profit and loss account £
At 1 January 2008	(26,121)
Profit for the year	74,129
Dividends	(47,944)
	<hr/>
At 31 December 2008	64
	<hr/>

# Bryncir Products Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (continued)

## 21 Reconciliation of movements in shareholders' funds/(deficit)

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Profit/(loss) for the year	617,581	97,596	74,129	(26,121)
Dividends	(47,944)	-	(47,944)	-
	<u>569,637</u>	<u>97,596</u>	<u>26,185</u>	<u>(26,121)</u>
Other net recognised gains and losses relating to the year	(97,206)	(37,166)	-	-
	<u>472,431</u>	<u>60,430</u>	<u>26,185</u>	<u>(26,121)</u>
Net additions to/(deductions from) shareholders' funds/(deficit)	472,431	60,430	26,185	(26,121)
Opening shareholders' funds/(deficit)	3,526,067	3,465,637	(18,745)	7,376
	<u>3,998,498</u>	<u>3,526,067</u>	<u>7,440</u>	<u>(18,745)</u>
Closing shareholders' funds/(deficit)	3,998,498	3,526,067	7,440	(18,745)

## 22 Contingent liabilities

A Deferred Duty Guarantee of £150,000 (2007 - £150,000) in favour of HM Customs and Excise is held by HSBC Bank plc.

## 23 Commitments under operating leases

The group and company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2008 £	Other 2008 £	Land and buildings 2007 £	Other 2007 £
Operating leases which expire:				
Within one year	186,957	64,458	-	26,010
In two to five years	117,940	175,296	251,778	146,708
After five years	335,575	-	287,500	-
	<u>640,472</u>	<u>239,754</u>	<u>539,278</u>	<u>172,718</u>



# Bryncir Products Limited

## Notes forming part of the financial statements for the year ended 31 December 2008 (*continued*)

### 24 Related party disclosures

#### *Related party transactions and balances*

During the year, Gelert paid rent on premises of £48,000 (2006 - £48,000) to a group pension scheme of which Mr A J Langdon, a director and shareholder of the company, and Mrs J Langdon, a shareholder of the company, are both beneficiaries.

Included within other debtors is £81,478 (2007 - £92,347) relating to an amount due from Mr A J Langdon. The maximum amount outstanding during the period was £92,347.

Included within other debtors is £26,687 (2007 - £34,558) relating to an amount due from Mr M Welden, a director. The maximum amount outstanding during the period was £34,558.

Included within other debtors is £15,000 (2007 - £Nil) relating to an amount due from Mr I Snelson, a director during the year. The maximum amount outstanding during the period was £20,500.

### 25 Ultimate parent company and parent undertaking of larger group

The ultimate controlling party is Mr A J Langdon.

### 26 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2008 £	2007 £
Operating profit	1,396,657	614,771
Amortisation of intangible fixed assets	86,247	68,616
Depreciation of tangible fixed assets	354,163	396,056
Government grants released	(22,308)	(22,308)
Increase in stocks	(440,977)	(975,826)
(Increase)/decrease in debtors	(596,156)	668,093
Increase/(decrease) in creditors	132,967	(1,085,329)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	910,593	(335,927)
	<hr/>	<hr/>

# Bryncir Products Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (continued)

## 27 Reconciliation of net cash flow to movement in net debt

	2008 £	2007 £
Decrease in cash	(389,760)	(1,463,989)
Cash inflow from changes in debt	55,076	423,303
Movement in net debt resulting from cash flows	(334,684)	(1,040,686)
Inception of finance leases	(48,558)	-
Exchange translation	31,429	31,429
Movement in net debt	(351,813)	(1,009,257)
Opening net debt	(6,399,889)	(5,390,632)
Closing net debt	(6,751,702)	(6,399,889)

## 28 Analysis of net debt

	At 1 January 2008 £	Cash flow £	Other non- cash items £	Exchange adjustment £	At 31 December 2008 £
Cash at bank and in hand	952,873	38,530	-	31,429	1,022,832
Bank overdrafts	(6,486,548)	(428,290)	-	-	(6,914,838)
		(389,760)			
Debt due within one year	(212,587)	212,587	(124,797)	-	(124,797)
Debt due after one year	(526,493)	(224,620)	124,797	-	(626,316)
Finance leases	(127,134)	67,109	(48,558)	-	(108,583)
		55,076			
Total	(6,399,889)	(334,684)	(48,558)	31,429	(6,751,702)

## **Bryncir Products Limited**

### **Notes forming part of the financial statements for the year ended 31 December 2008 (*continued*)**

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#### **29 Financial commitments**

The group has entered into forward contracts to buy foreign currency. Dependent upon US dollar exchange rates ruling at various transaction dates, Gelert Limited was committed to purchase up to a maximum of \$18,517,000 as at 31 December 2008. There was no similar commitment as at 31 December 2007.

The company has letters of credit outstanding to the value of £646,415 (2007 - £738,530) in relation to future purchases of goods for resale.