Financial Statements Footasylum Limited

For the year ended 28 February 2014

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COMPANIES HOUSE

Registered number: 05535565

Company Information

Directors	D M Makin C M Nesbitt J Wardle
Company secretary	C M Nesbitt
Registered number	05535565
Registered office	Sandbrook House Sandbrook Way Rochdale Lancashire OL11 1RY
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	Barclays Bank Plc 6th Floor 1 Marsden Street Manchester M2 1HW
Solicitors	Eversheds LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES

Contents

Directors' Report

For the year ended 28 February 2014

The directors present their report and the financial statements for the year ended 28 February 2014

Principal activities

The principal activity of the group during the year was the retail of sports and fashion footwear and clothing

Results

The profit for the year, after taxation, amounted to £1,264,090 (2013 - £1,403,887)

Directors

The directors who served during the year were

D M Makin
C M Nesbitt (appointed 13 February 2014)
J Wardle

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 laws) 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 and profit or loss of the company and group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Directors' Report

For the year ended 28 February 2014

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 27TH MAY 2014 and signed on its behalf

J Wardle
Director

Group Strategic Report

For the year ended 28 February 2014

Business review

In the prior year's business review, the directors of the company highlighted a positive performance, increasing momentum and increasing market share

The directors are pleased to report that the group has maintained its profitability and its positive progression in the retail sector

During the year, total sales increased by 9%, like for like sales remained positive and gross margin improved to 47 0% from 46 5% in the prior year

The group again added new stores during the year and also enhanced its infrastructure in support of growing sales levels, two new stores were opened in key locations and more are planned for the year to February 2015 as the business continues to gain momentum and increase market share

The group is well funded and maintains its focus and investment in infrastructure and the strength of its management team The directors also believe the business is well placed to exploit current market opportunities but continue forward on a prudent and cautious basis

Principal risks and uncertainties

The management of the business and the nature of the group's strategy are subject to a number of risks

The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below Where possible, processes are in place to monitor and mitigate such risks

High proportion of fixed overheads and variable revenues

A high proportion of the group's overheads are currently fixed There is therefore the risk that any significant changes in revenue may lead to the inability to cover such costs

Management closely monitor fixed overheads against budget on a monthly basis and cost saving exercises are implemented when there is an anticipated decline in revenues The proportion of fixed overheads should also continue to reduce as expansion progresses and new stores are added due to the fact that fixed costs and the infrastructure currently in place are sufficient to support a much higher store base

Competition

The market in which the group operates is highly competitive As a result, there is some downward pressure on margins and the additional risk of being unable to meet customers expectations Policies of constant price monitoring and ongoing market research are in place to mitigate such risks, together with a continuing effort to differentiate the group's offer from that of its competitors

Product obsolescence

In common with many other retailers, products are subject to seasonality and trends and as a result, obsolescence The directors are committed to the ongoing monitoring of these trends and are confident that the group is able to react effectively to developments within the market

Financial risk management objectives and policies

The group uses various financial instruments which include directors' loans, cash, equity investments, preference shares and various items such as trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the group's operations

Liquidity risk

The group seeks to manage financial risk to ensure sufficient liquidity is available to meet its needs for the foreseeable future and to invest cash assets safely and profitably

Group Strategic Report (continued)

Interest rate risk
The group primarily finances its operations through directors' loans which incur no interest

Currency risk
The group operates wholly within the United Kingdom and all transactions are denominated in Sterling Consequently, the group is not exposed to any significant currency risk

Summary of key performace indicators

The group uses a number of key performance indicators in assessing and driving performance The key financial performance indicators used by the group are

	2014	2013
	£	£
Turnover	**62,230,984**	57,107,074
Gross profit	**29,262,641**	26,563,192
Operating profit	**1,204,642**	1,121,250

The gross margin percentage for the year was 47 0 % (2013 46 5%) The stock turnover for the year was 98 days (2013 73 days)

The group also utilises a number of non-financial perfomance indicators which demonstrate its continuing focus on customer satisfaction and fashion trends

Future Developments

The directors believe continued investment in the product range, with particular emphasis on quality, design and employing people with the relevant expertise, will enable the group to improve on its market position

Going Concern

The financial statements have been prepared on a going concern basis The directors assessment of the group as a going concern is disclosed within the principal accounting policies

This report was approved by the board on 27TH MAY 2014 and signed on its behalf

J Wardle
Director

Grant Thornton

Independent Auditor's Report to the Members of Footasylum Limited

We have audited the financial statements of Footasylum Limited for the year ended 28 February 2014, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2014 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Grant Thornton

Independent Auditor's Report to the Members of Footasylum Limited

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Christopher Martin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Manchester
Date 2 June 2014

Consolidated profit and loss account
For the year ended 28 February 2014

	Note	2014 £	2013 £
Turnover	1,2	**62,230,984**	57,107,074
Cost of sales		**(32,968,343)**	(30,543,882)
Gross profit		**29,262,641**	26,563,192
Administrative expenses		**(28,057,969)**	(25,441,942)
Operating profit	3	**1,204,672**	1,121,250
Bank interest receivable		**750**	6,382
Other interest payable		**(45,858)**	(14,669)
Profit on ordinary activities before taxation		**1,159,564**	1,112,963
Tax on profit on ordinary activities	7	**104,526**	290,924
Profit for the financial year	17	**1,264,090**	1,403,887

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account

The notes on pages 11 to 24 form part of these financial statements

Consolidated balance sheet

As at 28 February 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	8		**190,091**		274,577
Tangible assets	9		**8,758,639**		7,717,311
Investments			**-**		-
			8,948,730		7,991,888
Current assets					
Stocks	11	**8,832,331**		6,102,981	
Debtors	12	**1,959,905**		1,702,894	
Cash at bank		**2,527,343**		3,097,121	
		13,319,579		10,902,996	
Creditors. amounts falling due within one year	13	**(7,266,450)**		(6,980,557)	
Net current assets			**6,053,129**		3,922,439
Total assets less current liabilities			**15,001,859**		11,914,327
Creditors amounts falling due after more than one year	14		**(4,881,564)**		(3,059,122)
Net assets			**10,120,295**		8,855,205
Capital and reserves					
Called up share capital	16		**18,706,000**		18,705,000
Share premium account	17		**249,100**		249,100
Profit and loss account	17		**(8,834,805)**		(10,098,895)
Shareholders' funds	18		**10,120,295**		8,855,205

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27TH MAY 2014

J Wardle
Director

The notes on pages 11 to 24 form part of these financial statements

Company balance sheet
As at 28 February 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	8		**741,517**		865,213
Tangible assets	9		**8,758,639**		7,717,311
Investments	10		**1,000**		-
			9,501,156		8,582,524
Current assets					
Stocks	11	**8,832,331**		6,102,981	
Debtors	12	**1,959,905**		1,702,894	
Cash at bank		**2,527,343**		3,097,121	
		13,319,579		10,902,996	
Creditors amounts falling due within one year	13	**(7,274,969)**		(6,980,557)	
Net current assets			**6,044,610**		3,922,439
Total assets less current liabilities			**15,545,766**		12,504,963
Creditors amounts falling due after more than one year	14		**(4,881,564)**		(3,059,122)
Net assets			**10,664,202**		9,445,841
Capital and Reserves					
Called up share capital	16		**18,706,000**		18,705,000
Share premium account	17		**249,100**		249,100
Profit and loss account	17		**(8,290,898)**		(9,508,259)
Shareholders' funds	18		**10,664,202**		9,445,841

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27TH MAY 2014

J Wardle
Director

The notes on pages 11 to 24 form part of these financial statements

Consolidated cash flow statement

For the year ended 28 February 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	**(369,184)**	3,559,172
Returns on investments and servicing of finance	20	**(45,108)**	(8,287)
Taxation		**(1,076)**	(1,915)
Capital expenditure and financial investment	20	**(2,155,410)**	(1,600,561)
Cash (outflow)/inflow before financing		**(2,570,778)**	1,948,409
Financing	20	**2,001,000**	-
(Decrease)/Increase in cash in the year		**(569,778)**	1,948,409

Reconciliation of net cash flow to movement in net funds/debt

For the year ended 28 February 2014

	2014 £	2013 £
(Decrease)/Increase in cash in the year	**(569,778)**	1,948,409
Cash inflow from increase in debt and lease financing	**(2,000,000)**	-
Movement in net debt in the year	**(2,569,778)**	1,948,409
Net funds/(debt) at 1 March 2013	**1,247,121**	(701,288)
Net (debt)/funds at 28 February 2014	**(1,322,657)**	1,247,121

The notes on pages 11 to 24 form part of these financial statements

Notes to the Financial Statements
For the year ended 28 February 2014

1. Accounting Policies

1 1 Basis of preparation of financial statements

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

1.2 Going concern

The financial statements have been prepared on a going concern basis

The group meets its day to day working capital requirements primarily through its cash balances and directors' loans Whilst the current economic conditions create uncertainty over the level of consumer spend in the retail sector, the directors have prepared forecasts and projections that take into account reasonably possible changes in trading performance due to these current economic conditions Such forecasts and projections show that there is a reasonable basis for assuming that the group will be able to operate within the working capital facilities predicated on the continued availability of directors' loans The directors have formally confirmed their ability and willingness to provide the required level of support for the foreseeable future

After making enquiries, taking account of existing directors' loans, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

1 3 Basis of consolidation

The financial statements consolidate the accounts of Footasylum Limited and all of its subsidiary undertakings ('subsidiaries')

The financial statements of all group companies are adjusted, where necessary, to ensure the use of consistent accounting policies Acquisitions are accounted for under the acquisition method of accounting The results of companies acquired or disposed of are included in the group profit and loss account from or up to the date that control passes respectively

A separate profit and loss account for the parent company is not presented with the group financial statements as permitted by section 408 of the Companies Act 2006

1 4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Sales of goods are recognised when the group sells clothing and footwear to the customer Retail sales are usually in cash or by credit card

It is the group's policy to sell its clothing and footwear to the retail customer with a right to return within 14 days The company does not operate any loyalty programmes

Notes to the Financial Statements
For the year ended 28 February 2014

1. Accounting Policies (continued)

1 5 Tangıble fixed assets and depreciation

Tangıble fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	10% straight line or over the term of the lease
Computer equipment	-	17 - 25% straight line

1.6 Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the seperable net assets acquired) arising on business combinations is capitalised The cost of goodwill is amortised on a straight line basis over its estimated useful economic life, which is considered to be 10 years

Following the hive up of trade and assets of Drome Limited into Footasylum Limited on 1 March 2010, the investment was reclassified as goodwill and is being amortised over 10 years

1 7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

Net realisable value is the estimated selling price less all further costs to complete and all costs to be incurred in marketing, selling and distribution

1 8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1 9 Pensions

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

1 10 Current tax

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses

Notes to the Financial Statements

For the year ended 28 February 2014

1. Accounting Policies (continued)

1 11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1 12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.13 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to financial instruments are debited direct to equity

Notes to the Financial Statements

For the year ended 28 February 2014

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group An analysis of turnover is given below

	2014	2013
	£	£
United Kingdom	**62,230,984**	57,107,074

3. Operating profit

The operating profit is stated after charging

	2014	2013
	£	£
Amortisation - intangible fixed assets	**84,486**	84,486
Depreciation of tangible fixed assets		
- owned by the group	**1,112,158**	972,071
Impairment of fixed assets	**-**	361,814
Provision for impaired assets	**238,550**	-
Reassignment of operating lease	**-**	285,189
Loss on disposal of fixed assets	**1,924**	88,017
Audit fees	**18,025**	17,000
Other fees - taxation compliance	**4,600**	4,600
Other fees - turnover certificates	**995**	600

4. Auditors' remuneration

	2014	2013
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**18,025**	17,000
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	**4,600**	4,600
Other fees - turnover certificates	**995**	600

Notes to the Financial Statements

For the year ended 28 February 2014

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2014	2013
	£	£
Wages and salaries	9,237,144	7,947,415
Social security costs	516,064	445,772
Other pension costs	14,693	14,612
	9,767,901	8,407,799

The average monthly number of employees, including the directors, during the year was as follows

	2014	2013
	No.	No
Retail	928	759
Administration	94	77
Warehouse	72	52
	1,094	888

6. Directors' remuneration

	2014	2013
	£	£
Remuneration	38,250	45,000
Company pension contributions to defined contribution pension schemes	43	4,500

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes

Notes to the Financial Statements

For the year ended 28 February 2014

7. Taxation

	2014	2013
	£	£
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	1,076
Adjustments in respect of prior periods	**4,213**	(4,213)
Total current tax	**4,213**	(3,137)
Deferred tax		
Origination and reversal of timing differences	**(117,939)**	(287,787)
Adjustments in respect of prior periods	**9,200**	-
Total deferred tax (see note 15)	**(108,739)**	(287,787)
Tax on profit on ordinary activities	**(104,526)**	(290,924)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23 08% (2013 - 20 00%) The differences are explained below

	2014	2013
	£	£
Profit on ordinary activities before tax	**1,159,564**	1,112,963
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 08% (2013 - 20 00%)	**256,897**	222,593
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**151,118**	52,623
Capital allowances for year in excess of depreciation	**57,737**	54,200
Adjustments to tax charge in respect of prior periods	**4,213**	(4,213)
Short term timing differences leading to a (decrease)/increase in taxation	**(23,361)**	182,065
Utilisation of tax losses and other deductions	**(442,391)**	(510,405)
Current tax charge/(credit) for the year (see note above)	**4,213**	(3,137)

Factors that may affect future tax charges

Unrelieved tax losses of £4,071,945 (2013 - £5,958,810) remain to offset against future taxable trading profits

There is a potential net deferred tax asset of £464,183 (2013- £981,955) which has not been recognised in the financial statements in respect of trade losses and other timing differences

Notes to the Financial Statements

For the year ended 28 February 2014

8. Intangible fixed assets

	Goodwill
Group	£
Cost	
At 1 March 2013 and 28 February 2014	844,860
Amortisation	
At 1 March 2013	570,283
Charge for the year	84,486
At 28 February 2014	654,769
Net book value	
At 28 February 2014	190,091
At 28 February 2013	274,577

	Goodwill
Company	£
Cost	
At 1 March 2013 and 28 February 2014	1,236,015
Amortisation	
At 1 March 2013	370,802
Charge for the year	123,696
At 28 February 2014	494,498
Net book value	
At 28 February 2014	741,517
At 28 February 2013	865,213

Notes to the Financial Statements

For the year ended 28 February 2014

9. Tangible fixed assets

Group	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 March 2013	460,482	9,760,296	1,163,195	11,383,973
Additions	155,749	1,647,629	398,661	2,202,039
Disposals	(109,650)	-	-	(109,650)
At 28 February 2014	506,581	11,407,925	1,561,856	13,476,362
Depreciation and impairment				
At 1 March 2013	148,918	2,791,849	725,895	3,666,662
Charge for the year	91,919	859,500	160,739	1,112,158
On disposals	(61,097)	-	-	(61,097)
At 28 February 2014	179,740	3,651,349	886,634	4,717,723
Net book value				
At 28 February 2014	326,841	7,756,576	675,222	8,758,639
At 28 February 2013	311,564	6,968,447	437,300	7,717,311

Company	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 March 2013	460,482	9,760,296	1,163,195	11,383,973
Additions	155,749	1,647,629	398,661	2,202,039
Disposals	(109,650)	-	-	(109,650)
At 28 February 2014	506,581	11,407,925	1,561,856	13,476,362
Depreciation and impairment				
At 1 March 2013	148,918	2,791,849	725,895	3,666,662
Charge for the year	91,919	859,500	160,739	1,112,158
On disposals	(61,097)	-	-	(61,097)
At 28 February 2014	179,740	3,651,349	886,634	4,717,723
Net book value				
At 28 February 2014	326,841	7,756,576	675,222	8,758,639
At 28 February 2013	311,564	6,968,447	437,300	7,717,311

Notes to the Financial Statements
For the year ended 28 February 2014

10. Investments

The company had the following subsidiary undertaking at 28 February 2014, of which the net book value of the investment was £1,000 (2013 - £nil)

On the 25 February 2013, Footasylum Limited acquired 100% of the share capital of Projekts NYC Limited, a company which J Wardle is a director of The company issued 1,000 A ordinary shares of £1 each in consideration for the shares of Projekts NYC Limited

Company name	Country	Percentage Shareholding	Description
Drome Limited	England and Wales	100	Dormant
Projekts NYC Limited	England and Wales	100	Dormant

11. Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Finished goods and goods for resale	8,832,331	6,102,981	8,832,331	6,102,981

12. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	963	943	963	943
Other debtors	212,089	239,191	212,089	239,191
Prepayments and accrued income	1,350,327	1,174,973	1,350,327	1,174,973
Deferred tax asset (see note 15)	396,526	287,787	396,526	287,787
	1,959,905	1,702,894	1,959,905	1,702,894

13. Creditors:
Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	2,433,101	2,839,263	2,433,101	2,839,263
Amounts owed to group undertakings	-	-	8,519	-
Other taxation and social security	2,080,955	1,639,519	2,080,955	1,639,519
Accruals and deferred income	2,752,394	2,501,775	2,752,394	2,501,775
	7,266,450	6,980,557	7,274,969	6,980,557

Notes to the Financial Statements

For the year ended 28 February 2014

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

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Directors' loan accounts	**3,850,000**	1,850,000	**3,850,000**	1,850,000
Accruals and deferred income	**1,031,564**	1,209,122	**1,031,564**	1,209,122
	4,881,564	3,059,122	**4,881,564**	3,059,122

15. Deferred tax asset

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
At beginning of year	**287,787**	-	**287,787**	-
Credited during the year	**108,739**	287,787	**108,739**	287,787
At end of year	**396,526**	287,787	**396,526**	287,787

The deferred tax asset is made up as follows

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Accelerated capital allowances	**(42,297)**	-	**(42,297)**	-
Tax losses brought forward	**350,206**	287,787	**350,206**	287,787
Short term timing differences	**88,617**	-	**88,617**	-
	396,526	287,787	**396,526**	287,787

16. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
6,000 (2013 - 5,000) 'A' Ordinary shares shares of £1 each	**6,000**	5,000
18,700,000 'B' Preference shares shares of £1 each	**18,700,000**	18,700,000
	18,706,000	18,705,000

Notes to the Financial Statements

For the year ended 28 February 2014

16. Share capital (continued)

Rights
'B' preference shares may only be redeemed at the discretion of the company at a value of £1 per share Accordingly, the shares are presented in equity in accordance with FRS 25

On the 25 February 2013, the company issued 1,000 A ordinary shares in consideration for a 100% shareholding in Projekts NYC Limited

17. Reserves

Group	Share premium account £	Profit and loss account £
At 1 March 2013	249,100	(10,098,895)
Profit for the financial year	-	1,264,090
At 28 February 2014	249,100	(8,834,805)

Company	Share premium account £	Profit and loss account £
At 1 March 2013	249,100	(9,508,259)
Profit for the financial year	-	1,217,361
At 28 February 2014	249,100	(8,290,898)

Notes to the Financial Statements

For the year ended 28 February 2014

18. Reconciliation of movement in shareholders' funds

Group	2014 £	2013 £
Opening shareholders' funds	8,855,205	7,451,318
Profit for the financial year	1,264,090	1,403,887
Shares issued during the year	1,000	-
Closing shareholders' funds	10,120,295	8,855,205

Company	2014 £	2013 £
Opening shareholders' funds	9,445,841	8,791,233
Profit for the financial year	1,217,361	654,608
Shares issued during the year	1,000	-
Closing shareholders' funds	10,664,202	9,445,841

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the year dealt with in the accounts of the company was £1,217,361 (2013 - £17,256)

19. Net cash flow from operating activities

	2014 £	2013 £
Operating profit	1,204,672	1,121,250
Amortisation of intangible fixed assets	84,486	84,486
Depreciation of tangible fixed assets	1,112,158	972,071
Impairments of fixed assets	-	361,813
Loss on disposal of tangible fixed assets	1,924	88,017
(Increase)/decrease in stocks	(2,729,350)	193,465
Increase in debtors	(151,408)	(126,506)
Increase in creditors	108,334	864,576
Net cash (outflow)/inflow from operating activities	(369,184)	3,559,172

Notes to the Financial Statements

For the year ended 28 February 2014

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	750	6,382
Interest paid	(45,858)	(14,669)
Net cash outflow from returns on investments and servicing of finance	(45,108)	(8,287)

	2014	2013
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,202,039)	(1,691,457)
Sale of tangible fixed assets	46,629	90,896
Net cash outflow from capital expenditure	(2,155,410)	(1,600,561)

	2014	2013
	£	£
Financing		
Issue of ordinary shares	1,000	-
Other new loans	2,000,000	-
Net cash inflow from financing	2,001,000	-

21. Analysis of changes in net funds

	1 March 2013	Cash flow	Other non-cash changes	28 February 2014
	£	£	£	£
Cash at bank and in hand	3,097,121	(569,778)	-	2,527,343
Debt:				
Debts due within one year	-	(2,000,000)	2,000,000	-
Debts falling due after more than one year	(1,850,000)	-	(2,000,000)	(3,850,000)
Net funds	1,247,121	(2,569,778)	-	(1,322,657)

Notes to the Financial Statements

For the year ended 28 February 2014

22. Operating lease commitments

At 28 February 2014 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2014	2013	**2014**	2013
Group	**£**	£	**£**	£
Expiry date.				
Within 1 year	**66,000**	-	-	-
Between 2 and 5 years	**2,641,874**	1,429,180	-	-
After more than 5 years	**6,048,604**	6,226,514	-	-

At 28 February 2014 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2014	2013	**2014**	2013
Company	**£**	£	**£**	£
Expiry date.				
Within 1 year	**66,000**	-	-	-
Between 2 and 5 years	**2,641,874**	1,429,180	-	-
After more than 5 years	**6,048,604**	6,226,514	-	-

23. Related party transactions

The company has taken advantage of the exemption in FRS 8 "related party transactions" and has not disclosed transactions with group undertakings

The company has a loan outstanding from one of its directors, J Wardle, for £3,850,000 (2013 - £1,850,000)

24. Controlling party

During the year, the company was controlled by J Wardle who held 100% of the company's issued share capital at 28 February 2014