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Financial Statements
Footasylum Limited

For the year ended 28 February 2015

Registered number: 05535565

Company Information

Directors	C M Nesbitt J Wardle T D Makin
Company secretary	K L Holt
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

	Page
Directors' Report	1 - 2
Group strategic report	3 - 4
Independent Auditor's Report	5 - 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the Financial Statements	11 - 24

Directors' Report
For the year ended 28 February 2015

The directors present their report and the financial statements for the year ended 28 February 2015.

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 £429,939 (2014 - £1,264,090).

Directors

The directors who served during the year were:

C M Nesbitt
J Wardle
T D Makin (appointed 8 October 2014)
D M Makin (resigned 24 February 2015)

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 2015

Principal risks and uncertainties

Financial risk management objectives and policies
The group uses various financial instruments which include directors' loans, cash, over draft facility, 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.

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.

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 23rd July 2015 and signed on its behalf.

J Wardle
Director

Group Strategic Report

For the year ended 28 February 2015

Introduction

To comply with the Companies Act 2006, the group has provided below a review of the development and performance of the business during the year, including key financial performance indicators and a description of the principal risks and uncertainties facing the group.

The business review contains forward looking statements and opinions that involve risks and uncertainties. These risks and uncertainties could cause our results to differ materially from our expectations. The principal risk factors are discussed in more detail below.

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 25.4% and like for like sales and gross margin remained significantly positive. Set off against positive trading for the year were major changes to infrastructure and in particular warehousing, creating a solid basis for the future progression of the business.

The group again added new stores during the year, adding 5 new stores in key locations and more are planned for the year to February 2016 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.

Group Strategic Report (continued)
For the year ended 28 February 2015

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.

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:

	2015	2014
	£	£
Turnover	78,011,075	62,230,984
Gross profit	35,507,098	29,262,641
Operating profit	380,844	1,204,672

The gross margin percentage for the year was 45.5% (2014: 47.0%). The stock turnover for the year was 98 days (2014: 98 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 23rd July 2015 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 2015, 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 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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

27 July 2015

Consolidated profit and loss account
For the year ended 28 February 2015

	Note	2015 £	2014 £
Turnover	1,2	**78,011,075**	62,230,984
Cost of sales		**(42,503,977)**	(32,968,343)
Gross profit		**35,507,098**	29,262,641
Administrative expenses		**(35,126,254)**	(28,057,969)
Operating profit	3	**380,844**	1,204,672
Interest receivable and similar income		**1,471**	750
Interest payable and similar charges	7	**(75,285)**	(45,858)
Profit on ordinary activities before taxation		**307,030**	1,159,564
Tax on profit on ordinary activities	8	**122,909**	104,526
Profit for the financial year	18	**429,939**	1,264,090

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

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

Footasylum Limited
Registered number: 05535565

Consolidated balance sheet

As at 28 February 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	9		**105,605**		190,091
Tangible assets	10		**9,572,530**		8,758,639
Investments			**-**		-
			9,678,135		8,948,730
Current assets					
Stocks	12	**11,470,099**		8,832,331	
Debtors	13	**2,667,736**		1,959,905	
Cash at bank		**1,550,871**		2,527,343	
		15,688,706		13,319,579	
Creditors: amounts falling due within one year	14	**(9,980,636)**		(7,266,451)	
Net current assets			**5,708,070**		6,053,128
Total assets less current liabilities			**15,386,205**		15,001,858
Creditors: amounts falling due after more than one year	15		**(4,835,972)**		(4,881,564)
Net assets			**10,550,233**		10,120,294
Capital and reserves					
Called up share capital	17		**18,706,000**		18,706,000
Share premium account	18		**249,100**		249,100
Profit and loss account	18		**(8,404,867)**		(8,834,806)
Shareholders' funds	19		**10,550,233**		10,120,294

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23rd JULY 2015

J Wardle
Director

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

Company balance sheet
As at 28 February 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	9		**617,821**		741,517
Tangible assets	10		**9,572,530**		8,758,639
Investments	11.		**1,000**		1,000
			10,191,351		9,501,156
Current assets					
Stocks	12	**11,470,099**		8,832,331	
Debtors	13	**2,667,736**		1,959,905	
Cash at bank		**1,550,871**		2,527,343	
		15,688,706		13,319,579	
Creditors: amounts falling due within one year	14	**(9,989,154)**		(7,274,969)	
Net current assets			**5,699,552**		6,044,610
Total assets less current liabilities			**15,890,903**		15,545,766
Creditors: amounts falling due after more than one year	15		**(4,835,972)**		(4,881,564)
Net assets			**11,054,931**		10,664,202
Capital and reserves					
Called up share capital	17		**18,706,000**		18,706,000
Share premium account	18		**249,100**		249,100
Profit and loss account	18		**(7,900,169)**		(8,290,898)
Shareholders' funds	19		**11,054,931**		10,664,202

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23rd JULY 2015

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 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	**1,676,212**	(369,184)
Returns on investments and servicing of finance	21	**(73,814)**	(45,108)
Taxation		-	(1,076)
Capital expenditure and financial investment	21	**(2,578,870)**	(2,155,410)
Cash outflow before financing		**(976,472)**	(2,570,778)
Financing	21	-	2,001,000
Decrease in cash in the year		**(976,472)**	(569,778)

Reconciliation of net cash flow to movement in net funds/debt
For the year ended 28 February 2015

	2015 £	2014 £
Decrease in cash in the year	**(976,472)**	(569,778)
Cash inflow from increase in debt and lease financing	-	(2,000,000)
Movement in net debt in the year	**(976,472)**	(2,569,778)
Net (debt)/funds at 1 March 2014	**(1,322,657)**	1,247,121
Net debt at 28 February 2015	**(2,299,129)**	(1,322,657)

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

Notes to the Financial Statements

For the year ended 28 February 2015

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. Post year end the directors renegotiated the terms of the overdraft facility.

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 2015

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible 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 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 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.

1.9 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.

1.10 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.

Notes to the Financial Statements
For the year ended 28 February 2015

1. Accounting Policies (continued)

1.11 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.

1.12 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.

1.13 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.

1.14 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 2015

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.

	2015	2014
	£	£
United Kingdom	**78,011,075**	62,230,984

3. Operating profit

The operating profit is stated after charging:

	2015	2014
	£	£
Amortisation - intangible fixed assets	**84,486**	84,486
Depreciation of tangible fixed assets:		
- owned by the group	**1,649,119**	1,112,158
Impairment of fixed assets	**89,305**	238,550
Difference on foreign exchange	**(4,531)**	-
Loss on disposal of fixed assets	**26,555**	1,924
Audit fees	**18,565**	18,025
Other fees - taxation compliance	**3,700**	4,600
Other fees - turnover certificates	**945**	995

4. Auditors' remuneration

	2015	2014
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**18,565**	18,025
Fees payable to the company's auditor and its associates in respect of:		
Other services relating to taxation	**3,700**	4,600
Other fees - turnover certificates	**945**	995

Notes to the Financial Statements

For the year ended 28 February 2015

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015	2014
	£	£
Wages and salaries	11,407,473	9,237,144
Social security costs	628,748	516,064
Other pension costs	43,668	14,693
	12,079,889	9,767,901

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

	2015	2014
	No.	No.
Retail	438	408
Administration	115	94
Warehouse	112	72
	665	574

6. Directors' remuneration

	2015	2014
	£	£
Remuneration	88,583	38,250
Company pension contributions to defined contribution pension schemes	1,150	43

During the year retirement benefits were accruing to 2 directors (2014 - 1) in respect of defined contribution pension schemes.

7. Interest payable

	2015	2014
	£	£
On bank loans and overdrafts	75,285	45,858

Notes to the Financial Statements

For the year ended 28 February 2015

8. Taxation

	2015	2014
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
Adjustments in respect of prior periods	-	4,213
Deferred tax		
Origination and reversal of timing differences	**(122,909)**	(117,939)
Adjustments in respect of prior periods	-	9,200
Total deferred tax (see note 16)	**(122,909)**	(108,739)
Tax on profit on ordinary activities	**(122,909)**	(104,526)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21.17% (2014 - 23.08%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	**307,030**	1,159,564
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.17% (2014 - 23.08%)	**64,998**	256,897
Effects of:		
Expenses not deductible for tax purposes	**54,392**	151,118
Depreciation in excess of capital allowances	**107,901**	57,737
Adjustments to tax charge in respect of prior periods	-	4,213
Short term timing differences leading to a decrease in taxation	**(17,359)**	(23,361)
Utilisation of tax losses and other deductions	**(209,932)**	(442,391)
Current tax charge for the year (see note above)	-	4,213

Factors that may affect future tax charges

Unrelieved tax losses of £3,080,290 (2014 - £4,071,945) remain to offset against future taxable trading profits.

There is a potential net deferred tax asset of £21,858 (2014 - £464,383) 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 2015

9. Intangible fixed assets

	Goodwill
Group	**£**
Cost	
At 1 March 2014 and 28 February 2015	**844,860**
Amortisation	
At 1 March 2014	**654,769**
Charge for the year	**84,486**
At 28 February 2015	**739,255**
Net book value	
At 28 February 2015	**105,605**
At 28 February 2014	190,091

	Goodwill
Company	**£**
Cost	
At 1 March 2014 and 28 February 2015	**1,236,015**
Amortisation	
At 1 March 2014	**494,498**
Charge for the year	**123,696**
At 28 February 2015	**618,194**
Net book value	
At 28 February 2015	**617,821**
At 28 February 2014	741,517

Notes to the Financial Statements

For the year ended 28 February 2015

10. Tangible fixed assets

Group	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 March 2014	506,581	11,407,925	1,561,856	13,476,362
Additions	346,531	1,889,003	389,376	2,624,910
Disposals	(162,540)	(5,400)	(1,366)	(169,306)
At 28 February 2015	690,572	13,291,528	1,949,866	15,931,966
Depreciation				
At 1 March 2014	179,740	3,651,349	886,634	4,717,723
Charge for the year	115,947	1,338,310	194,862	1,649,119
On disposals	(92,384)	(4,118)	(209)	(96,711)
Impairment charge	-	89,305	-	89,305
At 28 February 2015	203,303	5,074,846	1,081,287	6,359,436
Net book value				
At 28 February 2015	487,269	8,216,682	868,579	9,572,530
At 28 February 2014	326,841	7,756,576	675,222	8,758,639

Company	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 March 2014	506,581	11,407,925	1,561,856	13,476,362
Additions	346,531	1,889,003	389,376	2,624,910
Disposals	(162,540)	(5,400)	(1,366)	(169,306)
At 28 February 2015	690,572	13,291,528	1,949,866	15,931,966
Depreciation and impairment				
At 1 March 2014	179,740	3,651,349	886,634	4,717,723
Charge for the year	115,947	1,338,310	194,862	1,649,119
On disposals	(92,384)	(4,118)	(209)	(96,711)
Impairment charge	-	89,305	-	89,305
At 28 February 2015	203,303	5,074,846	1,081,287	6,359,436
Net book value				
At 28 February 2015	487,269	8,216,682	868,579	9,572,530
At 28 February 2014	326,841	7,756,576	675,222	8,758,639

Notes to the Financial Statements
For the year ended 28 February 2015

11. Investments

The company had the following subsidiary undertakings at 28 February 2015, of which the net book value of the investments were £1,000 (2014 - £nil).

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

12. Stocks

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Finished goods and goods for resale	**11,470,099**	8,832,331	**11,470,099**	8,832,331

13. Debtors

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Trade debtors	**492,647**	963	**492,647**	963
Other debtors	**243,895**	212,089	**243,895**	212,089
Prepayments and accrued income	**1,411,759**	1,350,327	**1,411,759**	1,350,327
Deferred tax asset (see note 16)	**519,435**	396,526	**519,435**	396,526
	2,667,736	1,959,905	**2,667,736**	1,959,905

14. Creditors:
Amounts falling due within one year

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Trade creditors	**4,388,622**	2,433,101	**4,388,622**	2,433,101
Amounts owed to group undertakings	**-**	-	**8,519**	8,519
Other taxation and social security	**2,320,650**	2,080,955	**2,320,650**	2,080,955
Accruals and deferred income	**3,271,364**	2,752,395	**3,271,363**	2,752,394
	9,980,636	7,266,451	**9,989,154**	7,274,969

Notes to the Financial Statements
For the year ended 28 February 2015

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

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Directors' loan accounts	**3,850,000**	3,850,000	**3,850,000**	3,850,000
Accruals and deferred income	**985,972**	1,031,564	**985,972**	1,031,564
	4,835,972	4,881,564	**4,835,972**	4,881,564

16. Deferred tax asset

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
At beginning of year	**396,526**	287,787	**396,526**	287,787
Credited during the year	**122,909**	108,739	**122,909**	108,739
At end of year	**519,435**	396,526	**519,435**	396,526

The deferred tax asset is made up as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Accelerated capital allowances	**146,982**	42,097	**146,982**	42,297
Tax losses brought forward	**(594,200)**	(350,006)	**(594,200)**	(350,206)
Short term timing differences	**(72,217)**	(88,617)	**(72,217)**	(88,617)
	(519,435)	(396,526)	**(519,435)**	(396,526)

Notes to the Financial Statements

For the year ended 28 February 2015

17. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
6,000 'A' Ordinary shares shares of £1 each	**6,000**	6,000
18,700,000 'B' Preference shares shares of £1 each	**18,700,000**	18,700,000
	18,706,000	18,706,000

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.

18. Reserves

	Share premium account	**Profit and loss account**
Group	**£**	**£**
At 1 March 2014	**249,100**	**(8,834,806)**
Profit for the financial year	**-**	**429,939**
At 28 February 2015	**249,100**	**(8,404,867)**

	Share premium account	**Profit and loss account**
Company	**£**	**£**
At 1 March 2014	**249,100**	**(8,290,898)**
Profit for the financial year	**-**	**390,729**
At 28 February 2015	**249,100**	**(7,900,169)**

Notes to the Financial Statements

For the year ended 28 February 2015

19. Reconciliation of movement in shareholders' funds

Group	2015 £	2014 £
Opening shareholders' funds	**10,120,294**	8,855,204
Profit for the financial year	**429,939**	1,264,090
Shares issued during the year	**-**	1,000
Closing shareholders' funds	**10,550,233**	10,120,294

Company	2015 £	2014 £
Opening shareholders' funds	**10,664,202**	9,445,841
Profit for the financial year	**390,729**	1,217,361
Shares issued during the year	**-**	1,000
Closing shareholders' funds	**11,054,931**	10,664,202

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 £390,729 (2014 - £1,217,361).

20. Net cash flow from operating activities

	2015 £	2014 £
Operating profit	**380,844**	1,204,672
Amortisation of intangible fixed assets	**84,486**	84,486
Depreciation of tangible fixed assets	**1,649,119**	1,112,158
Impairments of fixed assets	**89,305**	-
Loss on disposal of tangible fixed assets	**26,555**	1,924
Increase in stocks	**(2,795,713)**	(2,729,350)
Increase in debtors	**(98,541)**	(151,408)
Increase in creditors	**2,340,157**	108,334
Net cash inflow/(outflow) from operating activities	**1,676,212**	(369,184)

Notes to the Financial Statements

For the year ended 28 February 2015

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

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	**1,471**	750
Interest paid	**(75,285)**	(45,858)
Net cash outflow from returns on investments and servicing of finance	**(73,814)**	(45,108)

	2015	2014
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(2,624,910)**	(2,202,039)
Sale of tangible fixed assets	**46,040**	46,629
Net cash outflow from capital expenditure	**(2,578,870)**	(2,155,410)

	2015	2014
	£	£
Financing		
Issue of ordinary shares	-	1,000
Other new loans	-	2,000,000
Net cash inflow from financing	-	2,001,000

22. Analysis of changes in net debt

	1 March 2014	Cash flow	Other non-cash changes	28 February 2015
	£	£	£	£
Cash at bank and in hand	2,527,343	(976,472)	-	1,550,871
Debt:				
Debts falling due after more than one year	(3,850,000)	-	-	(3,850,000)
Net debt	(1,322,657)	(976,472)	-	(2,299,129)

Notes to the Financial Statements

For the year ended 28 February 2015

23. Operating lease commitments

At 28 February 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	**2015**	2014
Group	**£**	£	**£**	£
Expiry date:				
Within 1 year	**-**	66,000	**-**	-
Between 2 and 5 years	**4,066,958**	2,641,874	**-**	-
After more than 5 years	**5,889,199**	6,048,604	**-**	-

At 28 February 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	**2015**	2014
Company	**£**	£	**£**	£
Expiry date:				
Within 1 year	**-**	66,000	**-**	-
Between 2 and 5 years	**4,066,958**	2,641,874	**-**	-
After more than 5 years	**5,889,199**	6,048,604	**-**	-

24. 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 (2014 - £3,850,000).

25. 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 2015.