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Financial Statements

S'Porter International Limited

For the year ended 31 March 2012



Registered number: 07073526

Company Information

Directors	Mr G W Davies Ms M Davies Mr S Goodwin Mrs E Trayner
Company number	07073526
Registered office	The Studios GD International Draycott Business Village Draycott Moreton-in-Marsh Gloucestershire GL56 9JY
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Hartwell House 55-61 Victoria Street Bristol BS1 6FT
Bankers	HSBC Bank plc 6 Broad Street Worcester Worcestershire WR1 2EJ
Solicitors	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS

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Directors' report

For the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 estimates that are reasonable and prudent,
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The company is engaged in the design, development and wholesale of clothing, accessories and souvenirs as well as retail, mail order and operational consultancy services.

Business review

During the year, the company continued to provide consultancy services to related parties. However, at the year end, certain consultancy services were taken on by another related company. The remaining trade within the company relates entirely to football. The nature of the business remains the same. It is likely, however, that turnover in the forthcoming year will be at a lower level than previously.

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

Gross margin – 34% (2011: 36%)

Results

The profit for the year, after taxation, amounted to £1,063,472 (2011: loss £782,660).

Directors' report

For the year ended 31 March 2012

Directors

The directors who served during the year were

Mr G W Davies

Ms M Davies

Mr S Goodwin

Mrs E Trayner

Principal risks and uncertainties

Cash flow

The company has identified cash flow risk as the main financial and business risk. Management maintain close control on cash resources and monitor both short and long term cash positions on a regular basis.

Objectives and policies

The company aims to manage its financial risk exposures so as to ensure the continuing trade into the foreseeable future. Management have taken steps to ensure that this will be the case. Forecasts have been prepared for the period to 31 March 2014 showing a continuing net profitability and positive cash flow.

Price risk, credit risk and liquidity risk

Steps have been taken to ensure that all such risks are minimised and the position is monitored on a continuing basis.

Events since the end of the year

On 1 April 2012, the company's consultancy work for the FG4 group was taken on by another related company.

Also on 1 April 2012, the company acquired the whole of the issued share capital, trade and assets of GD (Gem) Limited.

Future developments

The company is now refocusing on its core activities around football and the supply of clothing and accessories to the UK retail sector.

Provision 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'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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

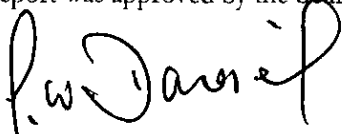
The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

S'Porter International Limited

Directors' report

For the year ended 31 March 2012

This report was approved by the board and signed on its behalf

A handwritten signature in black ink, appearing to read 'G W Davies', written over the text 'signed on its behalf'.

Mr G W Davies
Director

Date 21 January 2013



Independent auditor's report to the members of S'Porter International Limited

We have audited the financial statements of S'Porter International Limited for the year ended 31 March 2012, which comprise the Profit and loss account, the Balance sheet 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, 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of S'Porter International 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

A handwritten signature in black ink, appearing to read "James Morter".

James Morter (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Bristol

21 January 2013

Profit and loss account

For the year ended 31 March 2012

		31 March 2012 £	16 month period ended 31 March 2011 £
	Note		
Turnover	1,2	7,144,008	17,648,349
Cost of sales		(4,724,608)	(11,338,657)
Gross profit		2,419,400	6,309,692
Distribution costs		(45,461)	(20,370)
Administrative expenses		(5,176,964)	(5,289,703)
Other operating income	3	4,036,210	375,172
Operating profit	4	1,233,185	1,374,791
Exceptional items			
Exceptional items	8	174,467	(1,857,154)
Profit/(loss) on ordinary activities before interest		1,407,652	(482,363)
Interest receivable and similar income		-	224
Interest payable and similar charges	7	(28,092)	(39,521)
Profit/(loss) on ordinary activities before taxation		1,379,560	(521,660)
Tax on profit/(loss) on ordinary activities	9	(316,088)	(261,000)
Profit/(loss) for the financial year	16	1,063,472	(782,660)

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

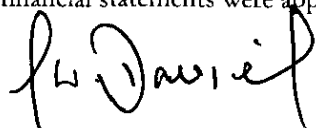
The notes on pages 8 to 20 form part of these financial statements

Balance sheet

As at 31 March 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	10		127,901		215,664
Current assets					
Stocks		-		22,172	
Debtors	12	4,261,251		3,946,804	
Cash at bank and in hand		1,184,027		954,127	
		<u>5,445,278</u>		<u>4,923,103</u>	
Creditors, amounts falling due within one year	13	<u>(2,292,367)</u>		<u>(2,885,427)</u>	
Net current assets			<u>3,152,911</u>		<u>2,037,676</u>
Total assets less current liabilities			<u>3,280,812</u>		<u>2,253,340</u>
Provisions for liabilities					
Deferred tax	14		-		(36,000)
Net assets			<u>3,280,812</u>		<u>2,217,340</u>
Capital and reserves					
Called up share capital	15		3,000,000		3,000,000
Profit and loss account	16		280,812		(782,660)
Shareholders' funds	17		<u>3,280,812</u>		<u>2,217,340</u>

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



Mr G W Davies
Director

Date 21 January 2013

The notes on pages 8 to 20 form part of these financial statements

Notes to the financial statements

For the year ended 31 March 2012

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 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.

Revenue relating to the wholesale and retail of clothing and footwear is recognised upon delivery of goods to customers.

Revenue relating to the provision of retail, mail order and operational consultancy services is recognised in the period that the services are provided.

1.4 Other operating income

Other operating income is income from operating leases and consultancy fees and service charges to related parties. The income is recognised in the period to which it relates.

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:

Fixtures & fittings	-	20 - 33 33% straight line
Computer equipment	-	20 - 33 33% straight line
Leasehold improvements	-	over the period of the lease

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the financial statements

For the year ended 31 March 2012

1. Accounting policies (continued)

1.7 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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.9 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

1.10 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

The results of foreign subsidiaries and their balance sheets are translated at the rates ruling at the balance sheet date

1.11 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 31 March 2012

2. Turnover

An analysis of turnover by class of business is as follows

	31 March 2012 £	16 month period ended 31 March 2011 £
Wholesale and retail of clothing and footwear	6,415,793	14,771,197
Retail, mail order and operational consultancy services	728,215	2,877,152
	<u>7,144,008</u>	<u>17,648,349</u>

All turnover arose within the United Kingdom

3. Other operating income

	31 March 2012 £	16 month period ended 31 March 2011 £
Leasing charges	-	375,172
Consultancy fees and services	4,036,210	-
	<u>4,036,210</u>	<u>375,172</u>

4. Operating profit

The operating profit is stated after charging/(crediting)

	31 March 2012 £	16 month period ended 31 March 2011 £
Depreciation of tangible fixed assets		
- owned by the company	116,356	406,511
Auditor's remuneration	42,000	50,000
Auditor's remuneration - non-audit	30,448	28,000
Operating lease rentals		
- land and buildings	104,899	518,481
Difference on foreign exchange	(92,795)	(14,336)
	<u></u>	<u></u>

Notes to the financial statements

For the year ended 31 March 2012

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	31 March 2012 £	16 month period ended 31 March 2011 £
Wages and salaries	2,212,433	2,201,234
Social security costs	240,578	234,818
Other pension costs	191,370	152,473
	<u>2,644,381</u>	<u>2,588,525</u>

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

	31 March 2012 No.	16 month period ended 31 March 2011 No
Number of admin staff	68	46
Number of management staff	4	4
	<u>72</u>	<u>50</u>

6. Directors' remuneration

	31 March 2012 £	16 month period ended 31 March 2011 £
Emoluments	<u>333,303</u>	<u>508,634</u>
Company pension contributions to defined contribution pension schemes	<u>46,152</u>	<u>44,492</u>

During the year retirement benefits were accruing to 3 directors (2011 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £142,157 (2011 - £185,982)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £28,152 (2011 - £22,992)

Notes to the financial statements

For the year ended 31 March 2012

7. Interest payable

	31 March 2012	16 month period ended 31 March 2011
	£	£
On bank loans and overdrafts	28,092	39,521

8. Exceptional items

	31 March 2012	16 month period ended 31 March 2011
	£	£
S'Porter Limited provision	(174,467)	1,164,295
Impairment of fixtures and fittings	-	692,859
	(174,467)	1,857,154

On 25 November 2009 the company acquired the trade and net assets of the wholesale business and the moveable fixtures and fittings of the retail business from a related party, S'Porter Limited

At 31 March 2011 the directors reassessed the value of the transferred retail business fixtures and fittings to the remaining business. As a result of this review, an impairment provision was made against these assets. During the year these assets have been disposed of at the impaired value.

At 31 March 2012 there were significant balances due from S'Porter Limited, a company in creditors voluntary liquidation. A provision was made at 31 March 2011 against the amounts viewed by the directors as being irrecoverable. During the year and subsequent to the year end, the company has recovered amounts in excess of expectation and the provision has been revised accordingly.

Notes to the financial statements

For the year ended 31 March 2012

9. Taxation

	31 March 2012 £	16 month period ended 31 March 2011 £
Analysis of tax charge in the year/16 month period		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year/16 month period	378,772	225,000
Adjustments in respect of prior periods	(26,684)	-
Total current tax	352,088	225,000
Deferred tax		
Origination and reversal of timing differences	(10,689)	36,000
Effect of increased tax rate on opening liability	(891)	-
Adjustments in respect of prior periods	(24,420)	-
Total deferred tax (see note 14)	(36,000)	36,000
Tax on profit/loss on ordinary activities	316,088	261,000

Notes to the financial statements

For the year ended 31 March 2012

9. Taxation (continued)

Factors affecting tax charge for the year/16 month period

The tax assessed for the year/16 month period is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below

	31 March 2012 £	16 month period ended 31 March 2011 £
Profit/loss on ordinary activities before tax	<u>1,379,560</u>	<u>(521,660)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	358,686	(146,065)
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,537	367,046
Capital allowances for year/16 month period in excess of depreciation	12,995	4,019
Adjustments to tax charge in respect of prior periods	(26,684)	-
Other timing differences leading to an increase (decrease) in taxation	49,915	-
Expenses not deductible for tax purposes on exceptional write back of bad debt provision	(45,361)	-
Current tax charge for the year/16 month period (see note above)	<u>352,088</u>	<u>225,000</u>

Notes to the financial statements

For the year ended 31 March 2012

10. Tangible fixed assets

	Leasehold improvements £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 April 2011	54,664	332,358	205,767	592,789
Additions	-	6,649	21,944	28,593
Disposals	-	(253,018)	(5,042)	(258,060)
At 31 March 2012	54,664	85,989	222,669	363,322
Depreciation				
At 1 April 2011	8,228	266,264	102,633	377,125
Charge for the year	7,264	16,591	92,501	116,356
On disposals	-	(253,018)	(5,042)	(258,060)
At 31 March 2012	15,492	29,837	190,092	235,421
Net book value				
At 31 March 2012	39,172	56,152	32,577	127,901
At 31 March 2011	46,436	66,094	103,134	215,664

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2011	27,112
Additions	81
At 31 March 2012	27,193
Impairment	
At 1 April 2011	27,112
Charge for the year	81
At 31 March 2012	27,193
Net book value	
At 31 March 2012	-
At 31 March 2011	-

Notes to the financial statements

For the year ended 31 March 2012

11. Fixed asset investments (continued)

Subsidiary undertakings

On 6 April 2011, S'Porter Hong Kong International Limited was incorporated with 100% ownership held by S'Porter International Limited

Additionally, during the year S'Porter Garments India Private Limited, a wholly owned subsidiary of S'Porter International Limited, ceased trading

At the year end the company has the following subsidiary undertaking

Name	Class of shares	Holding
S'Porter Garments India Private Limited	Ordinary	100%
S'Porter International Hong Kong Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2012 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
S'Porter Garments India Private Limited	100,041	(61,618)
S'Porter International Hong Kong Limited	14,095	14,014

12. Debtors

	2012 £	2011 £
Trade debtors	892,269	1,473,549
Amounts owed by group undertakings	71,060	-
Amounts owed by related parties	3,161,670	2,306,240
VAT repayable	42,549	-
Other debtors	19,696	66,395
Prepayments and accrued income	74,007	100,620
	<u>4,261,251</u>	<u>3,946,804</u>

Notes to the financial statements

For the year ended 31 March 2012

13. Creditors:**Amounts falling due within one year**

	2012	2011
	£	£
Bank loans and overdrafts	792,584	588,760
Trade creditors	593,283	773,074
Amounts owed to group undertakings	167,996	68,519
Amounts owed to related parties	260,499	911,882
Corporation tax	257,088	225,000
Social security and other taxes	59,745	127,660
Director loan account	58	14,534
Other creditors	10,736	-
Accruals and deferred income	150,378	175,998
	<u>2,292,367</u>	<u>2,885,427</u>

The bank holds a debenture dated 29 July 2010 including a fixed and floating charge over all present freehold and leasehold property, a first fixed charge over book and other debts, goodwill and uncalled capital, both present and future, and a first floating charge over all assets and undertakings both present and future

14. Deferred taxation

	2012	2011
	£	£
At beginning of year/16 month period	36,000	-
(Released during)/charge for year/16 month period	(36,000)	36,000
At 31 March 2011	<u>-</u>	<u>36,000</u>

The provision for deferred taxation is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	<u>-</u>	<u>36,000</u>

15. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
3,000,000 Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

Notes to the financial statements

For the year ended 31 March 2012

16. Reserves

	Profit and loss account £
At 1 April 2011	(782,660)
Profit for the year	1,063,472
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At 31 March 2012	280,812
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17. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	2,217,340	-
Profit/(loss) for the year/16 month period	1,063,472	(782,660)
Shares issued during the year/16 month period	-	3,000,000
	<hr/>	<hr/>
Closing shareholders' funds	3,280,812	2,217,340
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18. Operating lease commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiry date				
Within 1 year	-	2,897	-	-
Between 2 and 5 years	9,540	-	-	1,776
After more than 5 years	91,950	91,950	-	-
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Notes to the financial statements

For the year ended 31 March 2012

19. Related party transactions

During the period the company entered into transactions with the entities noted below, which are related by common ownership and directorship. Amounts invoiced (exclusive of VAT) to and from these related parties during the period are set out below.

	Sales to related party 2012 £	Purchased from related party 2012 £	Debtor/ (creditor) at 31 March 2012 £
FG4 General Trading FZE	3,454,185	-	2,608,950
Red Creative Limited	89,005	49,046	105,502
GIV Airways LLP	322	158,375	(96,618)
GIVe Properties	-	89,749	-
S'Porter Management Limited	-	-	(52,132)
S'Porter Limited	-	14,175	325,765
GD (Gem) Limited	241,543	-	83,379
GWD Enterprises Limited	840	-	840

	Sales to related party 2011 £	Purchased from related party 2011 £	Debtor/ (creditor) at 31 March 2011 £
FG4 General Trading FZE	2,123,987	-	1,959,616
Red Creative Limited	74,283	137,875	(622,196)
GIV Airways LLP	3,488	334,457	(206,493)
GIVe Properties	-	92,730	(31,061)
S'Porter Management Limited	-	68,832	(52,132)
S'Porter Limited	128,147	47,452	346,623

At 31 March 2012, the company owed Mr G W Davies, a director and shareholder of the company, £58 (2011, £14,534)

During the year in addition to the sales and purchases noted above S'Porter International Limited recharged expenses of £nil (16 month period 2011, £2,910,430) to S'Porter Limited. This included leasing charges of £nil (2011, £375,172). A dividend of £326,133 was received from the liquidator during the year. At the year end the gross balance due from S'Porter Limited was £1,250,764 (2011, £1,510,918) against which a provision of £924,999 (2011, £1,164,295) has been made.

During the year S'Porter International Limited recharged expenses of £nil (16 months 2011, £26,833) to FiveHongKong Limited. At the period end the gross balance due from FiveHongKong Limited was £12,136 (2011, £26,833) which was fully provided for.

At the year end the gross balance due from Five Hong Kong Limited to S'Porter International Limited was £26,833 which was fully provided for and from FG4 General Trading FZE to S'Porter International Limited was £2,800,933 of which £191,983 provided for.

The company has taken advantage of the exemption under FRS 8 from disclosing transactions with wholly owned group companies.

Notes to the financial statements

For the year ended 31 March 2012

20. Post balance sheet events

On 1 April 2012, the company's consultancy work for the I-G4 group was taken on by another related company

Also on 1 April 2012, the company acquired the whole of the issued share capital, trade and assets of GD (Gem) Limited

21. Ultimate parent undertaking and controlling party

S'Porter 2009 Limited, incorporated in England, is the company's controlling related party by virtue of 100% shareholding in this company. The ultimate controlling related party is Mr G W Davies by virtue of his majority shareholding.