Nevisport Limited

Directors' report and financial statements

Registered number SC327661

28 June 2015

Company information

Directors:	Afzal Khushi Akmal Khushi Usman Khushi
Secretary:	Afzal Khushi
Registered office:	Vermont House 149 Vermont Street Kinning Park Glasgow G41 1LU
Auditor	KPMG LLP 191 West George Street Glasgow G2 2LJ
Bankers:	Lloyds Bank plc 110 St Vincent Street Glasgow G2 5ER

Strategic Report

Principal activities, review of business, and future developments

The company's principal activity is the retailing of outdoor clothing and related goods.

The directors are pleased that turnover has risen by 3% to £5.7m *(2014: £5.5m)* but acknowledge that competition on the high street has affected gross profitability which has decreased to 23% *(2014: 24%)*. As indicated last year, the directors have implemented further cost savings but exceptional one-off costs arising from the termination of the lease on closure of the Leeds store have led to a 5% rise in administrative expenses and had a significant impact on this year's pre-tax loss which has increased to £560,000 *(2014: £386,000)*.

The directors are focussed on returning the company to profitability and expect to see a reduction in the trading losses going forward as the benefits from the above cost-cutting measures are realised.

Principal risks and uncertainties

In the outdoor clothing industry, there are many factors which can affect performance including:

Purchasing risks: these include delivery, quality and price risks related to vital supplies. The company manages these risks through careful selection of its suppliers and negotiation of order quantities and prices.

Liquidity risk: the directors believe this risk is low as the Company continues to be supported by the Group.

The directors continually review and identify the key business risks endeavouring to manage them and minimise business exposure.

By order of the board

Azal Khushi

Afzal Khushi
Director

Vermont House
149 Vermont Street
Kinning Park
Glasgow
G41 1LU

12 January 2016

Directors' Report

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

Directors

The directors who held office during the year and to the date of this report were as follows:

Afzal Khushi
Akmal Khushi
Usman Khushi

Results and proposed dividend

The profit and loss account is set out on page 6 and shows the loss for the year.

The directors do not recommend the payment of a dividend *(2014: £nil)*.

Financial instruments

The company limits the use of complex financial instruments.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Afzal Khushi
Director

Vermont House
149 Vermont Street
Kinning Park
Glasgow
G41 1LU

12 January 2016

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 their profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditor's report to the members of Nevisport Limited

We have audited the financial statements of Nevisport Limited for the year ended 28 June 2015 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 4, 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 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 company's affairs as at 28 June 2015 and of the loss for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Philip Charles (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
19 January 2016

Profit and Loss Account
for the year ended 28 June 2015

	Note	2015 £	2014 £
Turnover	1,2	**5,702,183**	5,537,597
Cost of sales		**(4,418,364)**	(4,203,644)
Gross profit		**1,283,819**	1,333,953
Distribution costs		**(68,081)**	(52,443)
Administrative expenses		**(1,922,974)**	(1,839,436)
Other operating income		**137,961**	144,038
Operating loss		**(569,275)**	(413,888)
Income from other fixed asset investments	6	**9,980**	30,473
Other interest receivable and similar income	7	**700**	271
Interest payable and similar charges	8	**(1,354)**	(3,300)
Loss on ordinary activities before taxation	3	**(559,949)**	(386,444)
Tax on loss on ordinary activities	9	**-**	-
Loss on ordinary activities after taxation and for the financial year	18	**(559,949)**	(386,444)

All activities relate to continuing activities.

There were no gains or losses for 2015 or 2014 other than those included in the results above.

The notes on pages 8 to 17 form part of these financial statements.

Balance Sheet
at 28 June 2015

	Note	**2015**	**2015**	2014	2014
		£	**£**	£	£
Fixed assets					
Intangible assets	10		**188,562**		212,082
Tangible assets	*11*		**125,048**		238,174
Investments	*12*		**1,005**		1,895,983
			314,615		2,346,239
Current assets					
Stocks	*13*	**2,907,140**		2,978,334	
Debtors	*14*	**497,045**		550,541	
Cash at bank and in hand		**4,713**		4,420	
		3,408,898		3,533,295	
Creditors: amounts falling due within one year	*15*	**(1,907,577)**		(3,540,523)	
Net current assets/(liabilities)			**1,501,321**		(7,228)
Total assets less current liabilities			**1,815,936**		2,339,011
Creditors: amounts falling due after more than one year	*16*		**(3,775,373)**		(4,088,499)
Net liabilities			**(1,959,437)**		(1,749,488)
Capital and reserves					
Called up share capital	*17*		**1**		1
Profit and loss account	*18*		**(1,959,438)**		(1,749,489)
Total equity shareholders' deficit	*19*		**(1,959,437)**		(1,749,488)

These financial statements were approved by the board of directors on 12 January 2016 and were signed on its behalf by:

Akmal Khushi
Director

Afzal Khushi
Director

Company registered number: Registered number SC327661

The notes on pages 8 to 17 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Financial year

These financial statements are drawn up for the 52 week period ended 28 June 2015.

Basis of preparation

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

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly owned subsidiary of Jacobs and Turner Limited, and its cash flows are included within the consolidated cash flows of that company.

As the company is a wholly owned subsidiary of the group by Jacobs and Turner Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements can be obtained from the address set out in note 22.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the loss of £559,949 *(2014: £386,444)* incurred for the financial year, net current assets of £1,501,321 and net liabilities of £1,959,437 *(2014: £1,749,488)* at the financial year end, which the directors believe to be appropriate for the following reasons. The day to day working capital requirements of Nevisport Limited are provided by the ultimate parent undertaking, Jacobs and Turner Limited. The directors of Jacobs and Turner Limited have indicated to the directors of Nevisport Limited that the ultimate parent will continue to provide such funds as are necessary to enable it to continue to trade and to meet its liabilities as they fall due and that the ultimate parent will not seek repayment of the amounts currently made available. As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based upon the undertaking of financial support outlined above, and after making appropriate enquiries, the directors of Nevisport Limited have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the company's annual financial statements

Goodwill and negative goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	–	earliest of the first break in lease, term of lease or 7 years
Plant and machinery	–	earliest of the first break in lease, term of lease or 7 years; 3-7 years straight line
Fixtures and fittings	–	earliest of the first break in lease, term of lease or 7 years; 3-7 years straight line
Motor vehicles	–	25% reducing balance
Computer equipment	–	33% straight line

Impairment of fixed assets and goodwill

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost consists of purchase invoice costs.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods have passed to the customer.

Dividends on shares presented within equity

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Segmental information

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

The analysis of turnover and costs by geographical market required by paragraph 68 of Schedule 1 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 has not been provided as in the opinion of the directors, such disclosure would seriously prejudice the interests of the company.

3 Loss on ordinary activities before taxation

	2015	2014
	£	£
Loss on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets	**145,774**	202,317
Amortisation of goodwill	**23,520**	23,521
Loss on sale of tangible fixed asset	**294**	4,298
Land and buildings – operating leases	**943,872**	756,013

Auditor's remuneration:

	2015	2014
	£	£
Audit of these financial statements	**6,000**	6,000
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	**1,711**	3,000

Notes *(continued)*

4 Remuneration of directors

The directors received no remuneration in respect of services to the Company in the current or prior year.

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Administration	**3**	3
Retail	**86**	93
	89	96

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£	£
Wages and salaries	**1,034,921**	1,072,232
Social security costs	**58,042**	64,769
Pension costs	**4,703**	2,438
	1,097,666	1,139,439

6 Income from other fixed asset investments

	2015	2014
	£	£
Income from other investments	**9,980**	30,473

7 Other interest receivable and similar income

	2015	2014
	£	£
Bank deposits	**700**	271

8 Interest payable and similar charges

	2015	2014
	£	£
On bank loans and overdrafts	**1342**	3,234
Other interest	**12**	66
	1,354	3,300

Notes *(continued)*

9 Taxation

Analysis of credit in year

	2015	2014
	£	£
UK corporation tax		
Current tax on loss for the year	**-**	-

Factors affecting the tax credit for the current year

The current tax credit *(2014: credit)* for the year is lower *(2014: lower)* than the standard rate of corporation tax in the UK of 20% (*2014: 20%*). The differences are explained below.

	2015	2014
	£	£
Current tax reconciliation		
Loss on ordinary activities before tax	**(559,949)**	(386,444)
Current tax at 20% *(2014: 20%)*	**(111,990)**	(77,289)
Effects of:		
Expenses not deductible for tax purposes	**7,448**	11,438
Depreciation for year in excess of capital allowances	**8,147**	9,574
Group relief surrendered	**94,580**	62,117
Income not taxable	**-**	(5,840)
Losses utilised	**1,815**	-
Total current tax credit (see above)	**-**	-

Factors that may affect future current and total tax charges

The company has a deferred tax asset in relation to the difference between capital allowances and depreciation of £80,366 *(2014: £72,219)* which has not been recognised due to uncertainty over the availability of future suitable profit to utilise the asset.

Notes *(continued)*

10 Intangible fixed assets

	Goodwill £
Cost at beginning and end of the year	365,817
Amortisation	
At beginning of year	153,735
Charged in year	23,520
At end of year	177,255
Net book value	
At 28 June 2015	**188,562**
At 29 June 2014	212,082

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises.

11 Tangible fixed assets

	Leasehold improvements £	Plant, machinery and computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At beginning of year	873,407	167,145	547,621	1,029	1,589,202
Additions	18,200	16,146	-	-	34,346
Disposals	(157,546)	(10,920)	(3,009)	-	(171,475)
At end of year	734,061	172,371	544,612	1,029	1,452,073
Depreciation					
At beginning of year	773,758	99,355	477,472	443	1,351,028
Charge for year	77,152	31,816	36,662	144	145,774
On disposals	(157,546)	(9,516)	(2,715)	-	(169,777)
At end of year	693,364	121,655	511,419	587	1,327,025
Net book value					
At 28 June 2015	**40,697**	**50,716**	**33,193**	**442**	**125,048**
At 29 June 2014	99,649	67,790	70,149	586	238,174

Notes *(continued)*

12 Fixed asset investments

	Interests in group undertakings	Other Investments (note 16)	Total
	£	£	£
Cost			
At beginning and end of year	1,000	2,602,714	2,603,714
Disposal in year	-	(1,894,978)	(1,894,978)
At end of year	1,000	707,736	708,736
Provisions			
At beginning and end of year	-	707,731	707,731
Net book value			
At 28 June 2015	**1,000**	**5**	**1,005**
At 29 June 2014	1,000	1,894,983	1,895,983

The principal undertakings in which the Company's interest at the year end is more than 20% are as follows.

	Country of incorporation	Principal activity	Last year end	Class and percentage of shares held Company
Subsidiary undertakings				
Wilderness Ways Limited	United Kingdom	Non-trading	28 February 2015	Ordinary 100%

13 Stocks

	2015	2014
	£	£
Finished goods and goods for resale	**2,907,140**	2,978,334

14 Debtors

	2015	2014
	£	£
Amounts receivable within one year		
Trade debtors	**52,812**	43,301
Other debtors	**79,258**	79,258
Prepayments and accrued income	**364,975**	427,982
	497,045	550,541

Notes *(continued)*

15 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	**217,784**	134,226
Other loans	**-**	1,894,978
Trade creditors	**474,228**	395,275
Amounts owed to group undertakings	**939,207**	831,951
Corporation tax	**-**	-
Other taxation and social security	**57,145**	68,898
Other creditors	**84,641**	89,057
Accruals and deferred income	**134,572**	126,138
	1,907,577	3,540,523

The Nevisport Limited overdraft is guaranteed by Jacobs and Turner Limited, for a principal sum of £500,000, in respect of all liabilities of Nevisport Limited to Lloyds Bank Plc.

16 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Other loans	**-**	-
Amounts owed to group undertakings	**3,775,373**	4,087,727
Other creditors	**-**	772
	3,775,373	4,088,499

The maturity of the bank overdrafts and other loans is as follows:

	2015 £	2014 £
Within one year	**217,784**	2,029,204
In the second to fifth years	**-**	-
Over five years	**-**	-
	217,784	2,029,204

On 17 December 2014, following the termination of the film services agreement, the other loan from Ingenious Media Investments was settled in full. The other loan was linked to the other investments disclosed in note 12.

Notes *(continued)*

17 Called up share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 *(2014: 1)* ordinary share of £1 each	**1**	1

18 Reserves

	Profit and loss account £
At beginning of year	(1,749,489)
Loss for the year	(559,949)
Intercompany loan waiver (see note 19)	350,000
At end of year	**(1,959,438)**

19 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Loss for the year	**(559,949)**	(386,444)
Intercompany loan waiver	**350,000**	350,000
Net decrease in shareholders' funds	**(209,949)**	(36,444)
Opening shareholders' deficit	**(1,749,489)**	(1,713,044)
Closing shareholders' deficit	**(1,959,438)**	(1,749,488)

During the year, the directors of Jacobs and Turner Limited agreed to waive £350,000 of the amounts owed by the company which is treated as a capital contribution by the parent undertaking.

Notes *(continued)*

20 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2015 Land and buildings £	2014 Land and buildings £
Operating leases which expire:		
Within one year	**389,932**	379,986
In the second to fifth years inclusive	**304,250**	154,250
Over five years	**58,532**	318,532
	752,714	852,768

21 Pension scheme

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £4,703 *(2014:£2,438)*.

There were outstanding contributions of £856 payable to the scheme at the year end *(2014: £769)*.

22 Ultimate parent undertaking

The Company is a subsidiary undertaking of Jacobs and Turner Limited which is the ultimate parent company incorporated in the United Kingdom. The largest and smallest group in which the results of the company are consolidated, is that headed by Jacobs and Turner Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.