

# **Cotswold Outdoor Limited**

Financial statements

For the period from 27 December 2004 to  
1 January 2006

Grant Thornton 



**Company No. 3382348**



Financial statements of the  
Company for the year ended 31 March 2000  
in Hong Kong

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## Chief executive statement

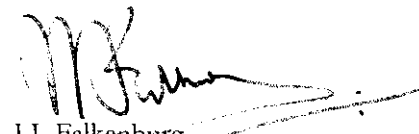
I am delighted to report another set of excellent trading results for 2005. In financial terms we achieved an operating profit of £2,990,000 representing an increase of 62.3% over 2004. The operating profit included an exceptional gain of £1.5 million. Net assets increased by £910,000 to £6,461,000. A strong, predominantly debt-free balance sheet places us in a position to push forward with our expansion plans in 2006.

In comparison with the previous three years the trading environment was much less buoyant. In particular, autumn weather was mild and dry in complete contrast to the previous year. It was not until mid-November that colder weather led to a pick up in sales of winter ranges enabling us to have a strong end to the year.

We opened three stores during the year in Nottingham and Grasmere together with a small unit within the newly opened Manchester Climbing Centre. There was one closure at Shepherds Bush due to the development of the adjacent White City shopping centre. Total store numbers at the year end were seventeen. Since the year-end we have opened in Cardiff, Orpington, Belfast and will open in Droitwich in August. Further stores are planned for later in the year.

Our multi-channel strategy continues to be developed as we strive to offer the best levels of service to our existing customers to retain their business and to expand our customer base. We shall further invest in our systems infrastructure to enable us to achieve these aims.

Our staff are key to our success and we shall continue to invest in them to improve their retail and management skills to achieve best practice at all levels of the business and thereby improve our service to our customers. The investments being made in new stores, systems and our staff will impact levels of profitability in the short-term. However, we are confident that our expansion strategy will improve our position as the leading provider of high-quality outdoor goods.



J L Falkenburg  
Chief Executive

## Report of the directors

The directors present their report and the financial statements of the company for the period from 27 December 2004 to 1 January 2006.

Under the provisions of section 223 of the Companies Act 1985 the directors have prepared accounts to 1 January 2006 rather than the accounting reference date of 31 December 2005.

### Principal activities and business review

The principal activity of the company during the year was the retailing of outdoor pursuits clothing and equipment.

A summary of the business review and future strategy of the business is given in the Chief Executive Statement on page 3.

### Results and dividends

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have recommended the following dividends:

|                                   | Period from<br>27 December 2004 to<br>1 January 2006 | Period from<br>29 December 2003 to<br>26 December 2004 |
|-----------------------------------|--|--|
|                                   | £000   | £000   |
| Dividends paid on ordinary shares | <u>1,634</u>   | <u>600</u>   |

### Directors

The directors who served the company during the period were as follows:

E P J Lathouwers  
J L Falkenburg  
F L P Leflot  
C Olbrechts  
P De Waha  
P Lathouwers

No director held an interest in the shares of the company as at 1 January 2006 or 26 December 2004, nor any right to subscribe for shares.

### Directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disabled employees**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

#### **Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

#### **Auditor**

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



J P Stansfield  
Secretary  
04/08/06

## Report of the independent auditor to the member of Cotswold Outdoor Limited

We have audited the financial statements of Cotswold Outdoor Limited for the period from 27 December 2004 to 1 January 2006 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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

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

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chief Executive Statement and the Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

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

## Report of the independent auditor to the member of Cotswold Outdoor Limited (continued)

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

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 1 January 2006 and of its profit for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
CHELTENHAM

.....13-06-06.....



## Principal accounting policies

### Basis of accounting

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

### Consolidation

As both the company's subsidiary undertakings were dormant in the current and preceding accounting periods, the company is not required to produce, and has not published, consolidated accounts.

### Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods provided during the period, exclusive of Value Added Tax.

### Goodwill

Purchased Goodwill is amortised on a straight-line basis over its estimated useful economic life of 20 years.

### Patents and trademarks

Costs relating to patents and trademarks purchased separately from a business are written off as incurred.

### Goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|          |                    |
|----------|--------------------|
| Goodwill | - 5% straight line |
|----------|--------------------|

### Fixed assets

All fixed assets are initially recorded at cost.

### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                        |                                |
|------------------------|--------------------------------|
| Freehold Property      | - 2% straight line             |
| Leasehold Improvements | - over the period of the lease |
| Fixtures & Fittings    | - 20 - 50% straight line       |
| Motor Vehicles         | - 25% straight line            |
| Computer Equipment     | - 33.3% straight line          |

### Stocks

Stocks are stated at the lower of weighted average cost and net realisable value.

### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### **Retirement benefits**

#### **Defined contribution pension scheme**

The company operates one stakeholder pension scheme for the benefit of the employees and two defined contribution pension schemes for the benefit of managers and directors. The pension costs charged against profits represent the amount of the contributions payable to the schemes during the accounting period. The assets of the scheme are administered by trustees in funds independent from those of the company.

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

## Profit and loss account

|  | Note | Period to<br>1 Jan 06<br>£000 | Period to<br>26 Dec 04<br>£000 |
|--|------|-------------------------------|--------------------------------|
| Turnover   | 1    | 29,241                        | 26,142                         |
| Cost of sales  |      | (23,918)                      | (21,223)                       |
| Gross profit   |      | 5,323                         | 4,919                          |
| Other operating charges                              | 2    | (3,888)                       | (3,077)                        |
| Exceptional income                                   | 3    | 1,495                         | -                              |
| Other operating income                               |      | 60                            | -                              |
| <b>Operating profit</b>                              | 3    | <b>2,990</b>                  | <b>1,842</b>                   |
| Profit on disposal of fixed asset                    |      | 207                           | -                              |
| Interest receivable                                  |      | 30                            | 6                              |
| Interest payable and similar charges                 | 6    | (17)                          | (18)                           |
| <b>Profit on ordinary activities before taxation</b> |      | <b>3,210</b>                  | <b>1,830</b>                   |
| Tax on profit on ordinary activities                 | 7    | (666)                         | (635)                          |
| <b>Profit on ordinary activities after taxation</b>  |      | <b>2,544</b>                  | <b>1,195</b>                   |
| Dividends  | 8    | (1,634)                       | (600)                          |
| <b>Retained profit for the financial period</b>      | 22   | <b>910</b>                    | <b>595</b>                     |


All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

## Balance sheet

|  | Note | 1 Jan 06<br>£000 | 26 Dec 04<br>£000 |
|--|------|------------------|-------------------|
| <b>Fixed assets</b>  |      |                  |                   |
| Intangible assets  | 9    | 1,325            | 1,456             |
| Tangible assets  | 10   | 2,990            | 3,069             |
| Investments  | 11   | —                | —                 |
|  |      | <u>4,315</u>     | <u>4,525</u>      |
| <b>Current assets</b>  |      |                  |                   |
| Stocks   | 12   | 4,915            | 4,643             |
| Debtors  | 13   | 1,060            | 956               |
| Cash at bank and in hand                                       |      | 415              | —                 |
|  |      | <u>6,390</u>     | <u>5,599</u>      |
| <b>Creditors: amounts falling due within one year</b>          | 14   | <u>4,166</u>     | <u>4,406</u>      |
| <b>Net current assets</b>                                      |      | <u>2,224</u>     | <u>1,193</u>      |
| <b>Total assets less current liabilities</b>                   |      | <u>6,539</u>     | <u>5,718</u>      |
| <b>Creditors: amounts falling due after more than one year</b> | 15   | 27               | 41                |
|  |      | <u>6,512</u>     | <u>5,677</u>      |
| <b>Provisions for liabilities and charges</b>                  |      |                  |                   |
| Other provisions   | 18   | 51               | 126               |
|  |      | <u>6,461</u>     | <u>5,551</u>      |
| <b>Capital and reserves</b>                                    |      |                  |                   |
| Called-up equity share capital                                 | 21   | 3,626            | 3,626             |
| Profit and loss account  | 22   | 2,835            | 1,925             |
| <b>Shareholder's funds</b>                                     | 23   | <u>6,461</u>     | <u>5,551</u>      |

These financial statements were approved by the directors on ~~05/08/06~~ and are signed on their behalf by:

  
 J L Falkenberg

## Cash flow statement

|   | Note | Period to<br>1 Jan 06<br>£000 | Period to<br>26 Dec 04<br>£000 |
|---|------|-------------------------------|--------------------------------|
| <b>Net cash inflow from operating activities</b>                                      | 24   | <b>3,552</b>                  | <b>1,524</b>                   |
| <b>Returns on investments and servicing of finance</b>                                |      |                               |                                |
| Interest received   |      | 30                            | 6                              |
| Interest paid   |      | (7)                           | (8)                            |
| Interest element of finance leases and hire purchase                                  |      | (10)                          | (10)                           |
| <b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b> |      | <b>13</b>                     | <b>(12)</b>                    |
| Taxation  |      | (637)                         | (647)                          |
| <b>Capital expenditure</b>  |      |                               |                                |
| Payments to acquire intangible fixed assets   |      | —                             | (5)                            |
| Payments to acquire tangible fixed assets   |      | (984)                         | (612)                          |
| Receipts from sale of fixed assets  |      | 617                           | 4                              |
| <b>Net cash outflow from capital expenditure</b>                                      |      | <b>(367)</b>                  | <b>(613)</b>                   |
| <b>Equity dividends paid</b>  |      | <b>(1,634)</b>                | <b>(600)</b>                   |
| <b>Cash inflow/(outflow) before financing</b>   |      | <b>927</b>                    | <b>(348)</b>                   |
| <b>Financing</b>  |      |                               |                                |
| Capital element of finance leases and hire purchase                                   |      | (17)                          | (15)                           |
| <b>Net cash outflow from financing</b>  |      | <b>(17)</b>                   | <b>(15)</b>                    |
| <b>Increase/(decrease) in cash</b>  | 24   | <b>910</b>                    | <b>(363)</b>                   |

## Notes to the financial statements

**1 Turnover**

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

|                | Period to<br>1 Jan 06 | Period to<br>26 Dec 04 |
|----------------|-----------------------|------------------------|
|                | £000                  | £000                   |
| United Kingdom | 28,951                | 25,759                 |
| Overseas       | 290                   | 383                    |
|                | <u>29,241</u>         | <u>26,142</u>          |

**2 Other operating charges**

|                         | Period to<br>1 Jan 06 | Period to<br>26 Dec 04 |
|-------------------------|-----------------------|------------------------|
|                         | £000                  | £000                   |
| Administrative expenses | <u>3,888</u>          | <u>3,077</u>           |

**3 Operating profit**

Operating profit is stated after charging/(crediting):

|   | Period to<br>1 Jan 06 | Period to<br>26 Dec 04 |
|---|-----------------------|------------------------|
|   | £000                  | £000                   |
| Amortisation  | 130                   | 116                    |
| Depreciation of owned fixed assets  | 616                   | 659                    |
| Depreciation of assets held under finance leases and hire purchase agreements | 31                    | 29                     |
| Loss/(profit) on disposal of fixed assets                                     | 6                     | (1)                    |
| Exceptional income  |                       |                        |
| Compensation for surrender of a property lease                                | (1,495)               | -                      |
| Auditor's remuneration:   |                       |                        |
| Audit fees  | 27                    | 26                     |
| Accountancy fees  | 3                     | 4                      |
| Operating lease costs:  |                       |                        |
| Land and buildings  | <u>1,526</u>          | <u>1,350</u>           |

#### 4 Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

|                          | Period to<br>1 Jan 06 | Period to<br>26 Dec 04 |
|--------------------------|-----------------------|------------------------|
|                          | No                    | No                     |
| Selling and distribution | 388                   | 335                    |
| Administration           | 54                    | 64                     |
|                          | <u>442</u>            | <u>399</u>             |

The aggregate payroll costs of the above were:

|                       | Period to<br>1 Jan 06 | Period to<br>26 Dec 04 |
|-----------------------|-----------------------|------------------------|
|                       | £000                  | £000                   |
| Wages and salaries    | 4,610                 | 3,921                  |
| Social security costs | 364                   | 307                    |
| Other pension costs   | 52                    | 53                     |
|                       | <u>5,026</u>          | <u>4,281</u>           |

In respect of the defined contribution scheme, there was an outstanding contribution balance of £17,606 at 1 January 2006 (26 December 2004: £11,748).

#### 5 Directors

Remuneration in respect of directors was as follows:

|  | Period to<br>1 Jan 06 | Period to<br>26 Dec 04 |
|--|-----------------------|------------------------|
|  | £000                  | £000                   |
| Emoluments receivable  | 192                   | 150                    |
| Value of company pension contributions to money purchase schemes | 21                    | 21                     |
|  | <u>213</u>            | <u>171</u>             |

The number of directors who accrued benefits under company pension schemes was as follows:

|                        | Period to<br>1 Jan 06 | Period to<br>26 Dec 04 |
|------------------------|-----------------------|------------------------|
|                        | No                    | No                     |
| Money purchase schemes | <u>1</u>              | <u>1</u>               |

## 6 Interest payable and similar charges

|  | Period to<br>1 Jan 06<br>£000 | Period to<br>26 Dec 04<br>£000 |
|--|-------------------------------|--------------------------------|
| Interest payable on bank borrowing     | 3                             | 6                              |
| Finance charges                        | 10                            | 10                             |
| Interest payable to group undertakings | —                             | 2                              |
| Other similar charges                  | 4                             | —                              |
|  | <u>17</u>                     | <u>18</u>                      |

## 7 Taxation on ordinary activities

### (a) Analysis of charge in the period

|  | Period to<br>1 Jan 06<br>£000 | Period to<br>26 Dec 04<br>£000 |
|--|-------------------------------|--------------------------------|
| Current tax:   |                               |                                |
| In respect of the period:  |                               |                                |
| UK Corporation tax based on the results for the period at 30% (2004 - 30%) | 640                           | 664                            |
| Under provision in prior year  | 2                             | —                              |
| Total current tax  | <u>642</u>                    | <u>664</u>                     |
| Deferred tax:  |                               |                                |
| Origination and reversal of timing differences                             | 24                            | (29)                           |
| Tax on profit on ordinary activities                                       | <u>666</u>                    | <u>635</u>                     |



the period ended 26 December 2004. The profit for the period ended 26 December 2004 is £1,830,000 (2003: £3,210,000).

## 7 Taxation on ordinary activities (continued)

### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

|   | Period to<br>1 Jan 06<br>£000 | Period to<br>26 Dec 04<br>£000 |
|---|-------------------------------|--------------------------------|
| Profit on ordinary activities before taxation   | 3,210                         | 1,830                          |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 30% (26 December 2004: 30%) | 963                           | 549                            |
| Expenses not deductible for tax purposes  | 101                           | 90                             |
| Depreciation in excess of capital allowances for the period   | (28)                          | 36                             |
| Short term timing differences   | 3                             | 1                              |
| Adjustments to tax charge in respect of previous periods  | 2                             | -                              |
| Utilisation of tax losses   | (399)                         | (12)                           |
| Total current tax (note 7(a))   | 642                           | 664                            |

## 8 Dividends

|                                  | Period to<br>1 Jan 06<br>£000 | Period to<br>26 Dec 04<br>£000 |
|----------------------------------|-------------------------------|--------------------------------|
| Equity dividends:                |                               |                                |
| Dividend paid on ordinary shares | 1,634                         | 600                            |

During the period, four quarterly dividends, each of £150,000 (0.04p per share), and a special dividend of £1,034,276 (0.29p per share) were paid. In the prior year, a dividend of £600,000 (0.17p per share) was paid.

## 10 Tangible fixed assets

|                       | Goodwill<br>£000 | Patents and<br>trademarks<br>£000 | Total<br>£000 |
|-----------------------|------------------|-----------------------------------|---------------|
| Cost                  |                  |                                   |               |
| At 27 December 2004   | 5,347            | 15                                | 5,362         |
| Fully written off     | —                | (15)                              | (15)          |
| At 1 January 2006     | <u>5,347</u>     | <u>—</u>                          | <u>5,347</u>  |
| Amortisation          |                  |                                   |               |
| At 27 December 2004   | 3,906            | —                                 | 3,906         |
| Charge for the period | 116              | —                                 | 116           |
| At 1 January 2006     | <u>4,022</u>     | <u>—</u>                          | <u>4,022</u>  |
| Net book value        |                  |                                   |               |
| At 1 January 2006     | <u>1,325</u>     | <u>—</u>                          | <u>1,325</u>  |
| At 26 December 2004   | 1,441            | 15                                | 1,456         |

|                       | Freehold<br>Property<br>£000 | Leasehold<br>improvements<br>£000 | Assets in the<br>course of<br>construction<br>£000 | Fixtures &<br>Fittings<br>£000 | Other<br>Assets<br>£000 | Total<br>£000 |
|-----------------------|------------------------------|-----------------------------------|--|--------------------------------|-------------------------|---------------|
| Cost                  |                              |                                   |  |                                |                         |               |
| At 27 December 2004   | 443                          | 2,024                             | —  | 2,414                          | 1,372                   | 6,253         |
| Additions             | —                            | 288                               | 342  | 266                            | 88                      | 984           |
| Disposals             | (443)                        | (75)                              | —  | (87)                           | (57)                    | (662)         |
| At 1 January 2006     | <u>—</u>                     | <u>2,237</u>                      | <u>342</u>   | <u>2,593</u>                   | <u>1,403</u>            | <u>6,575</u>  |
| Depreciation          |                              |                                   |  |                                |                         |               |
| At 27 December 2004   | 66                           | 615                               | —  | 1,394                          | 1,109                   | 3,184         |
| Charge for the period | 3                            | 134                               | —  | 358                            | 152                     | 647           |
| On disposals          | (69)                         | (69)                              | —  | (73)                           | (35)                    | (246)         |
| At 1 January 2006     | <u>—</u>                     | <u>680</u>                        | <u>—</u>   | <u>1,679</u>                   | <u>1,226</u>            | <u>3,585</u>  |
| Net book value        |                              |                                   |  |                                |                         |               |
| At 1 January 2006     | <u>—</u>                     | <u>1,557</u>                      | <u>342</u>   | <u>914</u>                     | <u>177</u>              | <u>2,990</u>  |
| At 26 December 2004   | 377                          | 1,409                             | —  | 1,020                          | 263                     | 3,069         |

Included within the net book value of £2,990,000 is £40,000 (2004 - £72,000) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £31,000 (2004 - £29,000).

## 11 Investments

|  | Shares in<br>group<br>undertakings<br>£000 |
|--|--|
| Cost                                   |  |
| At 27 December 2004 and 1 January 2006 | <u>1,342</u>                               |
| Amounts written off                    |  |
| At 27 December 2004 and 1 January 2006 | <u>1,342</u>                               |
| Net book value                         |  |
| At 1 January 2006                      | <u>-</u>                                   |

At 1 January 2006 the company held more than 20% of the allotted share capital of the following undertakings:

|                              | Country of<br>registration | Class of<br>share<br>capital held | Proportion<br>held | Nature of<br>business | Capital<br>and<br>reserves<br>£000 | Profit for<br>the year<br>£000 |
|------------------------------|----------------------------|-----------------------------------|--------------------|-----------------------|------------------------------------|--------------------------------|
| Cotswold Camping<br>Limited  | England                    | Ordinary                          | 100%               | Dormant               | -                                  | -                              |
| AS Adventure (UK)<br>Limited | England                    | Ordinary                          | 100%               | Dormant               | (26)                               | -                              |

## 12 Stocks

|                   | 1 Jan 06<br>£000 | 26 Dec 04<br>£000 |
|-------------------|------------------|-------------------|
| Goods for resale  | 4,896            | 4,625             |
| Non-trading stock | 19               | 18                |
|                   | <u>4,915</u>     | <u>4,643</u>      |

## 13 Debtors

|                                    | 1 Jan 06<br>£000 | 26 Dec 04<br>£000 |
|------------------------------------|------------------|-------------------|
| Trade debtors                      | 143              | 165               |
| Amounts owed by group undertakings | 26               | 26                |
| Other debtors                      | 71               | 83                |
| Prepayments and accrued income     | 789              | 627               |
| Deferred taxation (note 17)        | 31               | 55                |
|                                    | <u>1,060</u>     | <u>956</u>        |

**14 Creditors: amounts falling due within one year**

|   | 1 Jan 06     | 26 Dec 04    |
|---|--------------|--------------|
|   | £000         | £000         |
| Bank loans and overdrafts                                     | —            | 495          |
| Trade creditors   | 2,162        | 2,083        |
| Amounts owed to group undertakings                            | 26           | —            |
| Corporation tax   | 360          | 355          |
| Other taxation and social security                            | 691          | 525          |
| Amounts due under finance leases and hire purchase agreements | 14           | 17           |
| Other creditors   | 356          | 154          |
| Accruals and deferred income                                  | 557          | 777          |
|   | <u>4,166</u> | <u>4,406</u> |

Amounts due under finance leases and hire purchase agreements are secured on the assets to which they relate.

**15 Creditors: amounts falling due after more than one year**

|   | 1 Jan 06  | 26 Dec 04 |
|---|-----------|-----------|
|   | £000      | £000      |
| Amounts due under finance leases and hire purchase agreements | <u>27</u> | <u>41</u> |

**16 Commitments under finance leases and hire purchase agreements**

Future commitments under finance leases and hire purchase agreements are as follows:

|                                       | 1 Jan 06  | 26 Dec 04 |
|---------------------------------------|-----------|-----------|
|                                       | £000      | £000      |
| Amounts payable within 1 year         | 14        | 17        |
| Amounts payable between 1 and 2 years | 14        | 13        |
| Amounts payable between 3 and 5 years | 13        | 28        |
|                                       | <u>41</u> | <u>58</u> |

**17 Deferred taxation**

The deferred tax included in the Balance sheet is as follows:

|                               | <b>1 Jan 06</b> | <b>26 Dec 04</b> |
|-------------------------------|-----------------|------------------|
|                               | <b>£000</b>     | <b>£000</b>      |
| Included in debtors (note 13) | <b>31</b>       | <b>55</b>        |

The movement in the deferred taxation account during the period was:

|  | <b>1 Jan 06</b> | <b>26 Dec 04</b> |
|--|-----------------|------------------|
|  | <b>£000</b>     | <b>£000</b>      |
| Balance brought forward                                    | <b>(55)</b>     | <b>(26)</b>      |
| Profit and loss account movement arising during the period | <b>24</b>       | <b>(29)</b>      |
| Balance carried forward                                    | <b>(31)</b>     | <b>(55)</b>      |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

|                                | <b>1 Jan 06</b> |                   | <b>26 Dec 04</b> |                   |
|--------------------------------|-----------------|-------------------|------------------|-------------------|
|                                | <b>Provided</b> | <b>Unprovided</b> | <b>Provided</b>  | <b>Unprovided</b> |
|                                | <b>£000</b>     | <b>£000</b>       | <b>£000</b>      | <b>£000</b>       |
| Accelerated capital allowances | <b>(24)</b>     | <b>-</b>          | <b>(48)</b>      | <b>-</b>          |
| Tax losses available           | <b>-</b>        | <b>-</b>          | <b>-</b>         | <b>(399)</b>      |
| Other timing differences       | <b>(7)</b>      | <b>-</b>          | <b>(7)</b>       | <b>-</b>          |
|                                | <b>(31)</b>     | <b>-</b>          | <b>(55)</b>      | <b>(399)</b>      |

## 18 Other provisions

|  | 1 Jan 06<br>£000 |
|--|------------------|
| <b>Commitments under leasehold agreements:</b> |                  |
| At 27 December 2004                            | 20               |
| Provided during the period                     | 5                |
| Reversed during the period                     | (6)              |
| At 1 January 2006                              | <u>19</u>        |
| <b>Other provisions:</b>                       |                  |
| At 27 December 2004                            | 106              |
| Provided during the period                     | 39               |
| Reversed during the period                     | (113)            |
| At 1 January 2006                              | <u>32</u>        |
| <b>Total provisions</b>                        | <u><b>51</b></u> |

Other provisions consist of provisions for customer returns, which are expected to be utilised during the current accounting period.

## 19 Leasing commitments

At 1 January 2006 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | 1 Jan 06                    |                        | 26 Dec 04                   |                        |
|--------------------------------|-----------------------------|------------------------|-----------------------------|------------------------|
|                                | Land &<br>Buildings<br>£000 | Other<br>Items<br>£000 | Land &<br>Buildings<br>£000 | Other<br>Items<br>£000 |
| Operating leases which expire: |                             |                        |                             |                        |
| Within 1 year                  | -                           | 4                      | 13                          | 18                     |
| Within 2 to 5 years            | 58                          | 93                     | 48                          | 55                     |
| After more than 5 years        | 1,979                       | 2                      | 1,413                       | -                      |
|                                | <u>2,037</u>                | <u>99</u>              | <u>1,474</u>                | <u>73</u>              |

## 20 Related party transactions

During the period, the company entered into transactions with its immediate parent undertaking, A.S. Lathouwers nv, which is incorporated in Belgium. The company incurred management charges from and paid dividends to A.S. Lathouwers nv of £181,701 (2004: £60,000) and £1,634,276 (2004: £600,000) respectively. The amount owed to A.S. Lathouwers nv at the balance sheet date was £25,821 (2004: £nil).

## 21 Share capital

Authorised share capital:

|   | 1 Jan 06     | 26 Dec 04    |
|---|--------------|--------------|
|   | £000         | £000         |
| 384,035,000 Ordinary shares of £0.01 each | <u>3,840</u> | <u>3,840</u> |

Allotted, called up and fully paid:

|                               | 1 Jan 06    |       | 26 Dec 04   |       |
|-------------------------------|-------------|-------|-------------|-------|
|                               | No          | £000  | No          | £000  |
| Ordinary shares of £0.01 each | 362,569,578 | 3,626 | 362,569,578 | 3,626 |

## 22 Reserves

|                                | Profit and loss<br>account |
|--------------------------------|----------------------------|
|                                | £000                       |
| At 27 December 2004            | 1,925                      |
| Retained profit for the period | <u>910</u>                 |
| At 1 January 2006              | <u>2,835</u>               |

## 23 Reconciliation of movements in shareholder's funds

|                                    | 1 Jan 06       | 26 Dec 04    |
|------------------------------------|----------------|--------------|
|                                    | £000           | £000         |
| Profit for the financial period    | 2,544          | 1,195        |
| Dividends                          | <u>(1,634)</u> | <u>(600)</u> |
|                                    | 910            | 595          |
| Opening shareholder's equity funds | <u>5,551</u>   | <u>4,956</u> |
| Closing shareholder's equity funds | <u>6,461</u>   | <u>5,551</u> |

## 24 Notes to the statement of cash flows

### Reconciliation of operating profit to net cash inflow from operating activities

|   | Period to<br>1 Jan 06 | Period to<br>26 Dec 04 |
|---|-----------------------|------------------------|
|   | £000                  | £000                   |
| Operating profit                            | 2,990                 | 1,842                  |
| Amortisation                                | 116                   | 116                    |
| Depreciation                                | 647                   | 688                    |
| Write off of amounts previously capitalised | 15                    | 109                    |
| Loss/(profit) on disposal of fixed assets   | 6                     | (1)                    |
| Increase in stocks                          | <u>(272)</u>          | <u>(1,004)</u>         |
| Increase in debtors                         | <u>(128)</u>          | <u>(222)</u>           |
| Increase/(decrease) in creditors            | 253                   | (38)                   |
| (Decrease)/increase in provisions           | <u>(75)</u>           | <u>34</u>              |
| Net cash inflow from operating activities   | <u>3,552</u>          | <u>1,524</u>           |

## 24 Notes to the statement of cash flows (continued)

### Reconciliation of net cash flow to movement in net funds

|   | 1 Jan 06<br>£000 | 26 Dec 04<br>£000 |
|---|------------------|-------------------|
| Increase/(decrease) in cash in the period                   | 910              | (363)             |
| Cash outflow in respect of finance leases and hire purchase | 17               | 15                |
| Change in net funds   | 927              | (348)             |
| Net debt at 27 December 2004                                | (553)            | (205)             |
| Net funds at 1 January 2006                                 | 374              | (553)             |

### Analysis of changes in net funds

|   | At<br>27 Dec 2004<br>£000 | Cash flows<br>£000 | At<br>1 Jan 2006<br>£000 |
|---|---------------------------|--------------------|--------------------------|
| Net cash:                                   |                           |                    |                          |
| Cash in hand and at bank                    | —                         | 415                | 415                      |
| Overdrafts                                  | (495)                     | 495                | —                        |
|   | (495)                     | 910                | 415                      |
| Debt:                                       |                           |                    |                          |
| Finance leases and hire purchase agreements | (58)                      | 17                 | (41)                     |
| Net funds                                   | (553)                     | 927                | 374                      |

## 25 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £366,000 (2004 - £2,000).

## 26 Ultimate parent company

A.S. Lathouwers nv, which is a joint venture between S.D.M. nv and Retail Partners bv, is this company's controlling related party by virtue of its 100% shareholding of the issued share capital of the company. Retail Partners bv is ultimately controlled by Mitiska nv, which has a 50.5% holding in that company. The ultimate controlling related party of S.D.M nv is Emiel Lathouwers.

The largest group of undertakings for which group accounts have been drawn up is that headed by Mitiska nv which is incorporated in Belgium and the smallest such group of undertakings, including this company, is that headed by A.S.Lathouwers nv which is incorporated in Belgium. Copies of the group accounts can be obtained at Mitiska nv, Pontbeekstraat 2, 1702, Grootbijgaarden, Belgium.