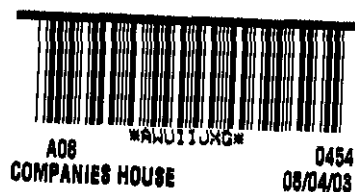


Cost 15c



**COTSWOLD OUTDOOR LIMITED
AND ITS SUBSIDIARY
UNDERTAKINGS**

FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED

29 DECEMBER 2002

Company no 3382348

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

Company registration number: 3382348

Registered office: Unit 11, Kemble Business Park
Crudwell
Malmesbury
Wiltshire
SN16 9SH

Directors: J L Falkenburg
N D Evans

Secretary: J P Stansfield

Bankers: Barclays Bank plc
40-46 High Street
Maidstone
Kent
ME14 1TW

Solicitors: Osborne Clarke
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1AX

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
The Quadrangle
Imperial Square
Cheltenham
GL50 1PZ

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

| INDEX | PAGE |
|--------------------------------------|-------------|
| Chairman's statement | 1 |
| Report of the directors | 2 - 3 |
| Report of the independent auditors | 4 - 5 |
| Accounting policies | 6 - 7 |
| Consolidated profit and loss account | 8 |
| Consolidated balance sheet | 9 |
| Balance sheet | 10 |
| Consolidated cash flow statement | 11 |
| Notes to the financial statements | 12 - 25 |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

CHAIRMAN'S STATEMENT

It gives me great pleasure to report that the business made tremendous progress during 2002 having continued its recovery from the devastating effects of the foot and mouth epidemic in 2001. In financial terms we achieved an operating profit of £713,000 representing an increase of £570,000 over 2001. Net assets increased by £721,000 to £4,467,000. We are now able to operate from a position of strength in developing our portfolio of stores and services.

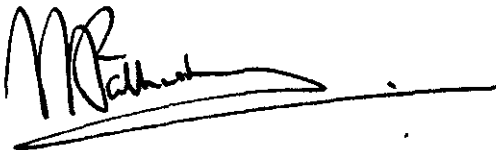
The result we achieved is a direct reflection of the outstanding contribution of our management and their teams throughout the business. Their dedication to improving the quality of service we offer to our customers is testament to their commitment to be the best in the outdoors.

July saw the opening of our first store in the Lake District in Keswick. We were pleased to receive many compliments from customers and suppliers on the design of the store being the first of the new format stores which we seek to further evolve in our planned 2003 openings. Towards the end of the year we were able to extend the trading area of our Southampton Hedge End store to provide customers with a greater choice particularly in tent displays and snow and leisure clothing.

To accommodate our plans for further store openings we have at the start of 2003 relocated our warehouse to a larger site. A suite of bespoke offices was provided with the warehouse facility allowing us to combine all our central departments in one location further adding to our logistical capabilities. Our service to all our business channels and thereby to our customers will also further improve. Growth in our online sales channel is continuing to gather impetus to meet growing demand.

Our marketing efforts have been refined throughout 2002 to broaden our appeal and bring us into more frequent contact with our customers. Our company logo has been refreshed to provide a more contemporary appeal whilst building on our heritage. The new logo has been applied to the Glasgow store as part of a more focused approach fully capitalising on the Cotswold brandname.

Despite the uncertain outlook in the world, we remain quietly optimistic for the prospects for 2003 and beyond.



J L Falkenburg
Chairman

Date: 17 MARCH 2003

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the 52 weeks ended 29 December 2002.

Under the provisions of section 223 of the Companies Act 1985 the directors have prepared accounts to 29 December 2002, rather than the accounting reference date of 31 December 2002.

Principal activities

The company and group are principally engaged in the retailing of outdoor pursuits clothing and equipment

Business review

There was a profit for the period after taxation amounting to £721,000 (30 December 2001: profit £113,000). The directors do not recommend payment of a dividend (30 December 2001: £nil) and the profit has therefore been transferred to reserves.

Directors

The present membership of the Board is set out below. Both directors served throughout the period.

J L Falkenburg
N D Evans

No director held any interest in the shares of the company or its subsidiary undertakings as at 31 December 2001 or 29 December 2002, nor any right to subscribe for shares.

Directors' responsibilities for the financial statements

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 the group and of the profit or loss of the group 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 maintaining proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Payment policy and practice

The majority of suppliers to the group and company are of a long standing nature and mutually acceptable payment terms, which have been established over the relationship period, will continue during the next year. General payments will be made between 30 and 60 days from the end of the month of delivery. In certain circumstances payment terms will be agreed with suppliers as part of the overall terms of the transaction, and will be adhered to by the company and group.

In respect of the group, period end trade creditors represent 55 days of average purchases.

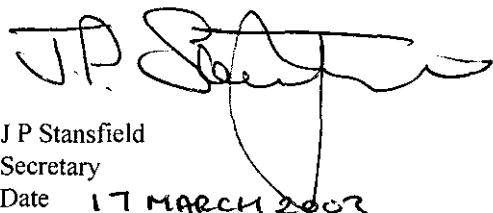
COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'J P Stansfield', is written over the typed name and date.

J P Stansfield
Secretary

Date 17 MARCH 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COTSWOLD OUTDOOR LIMITED

We have audited the financial statements of Cotswold Outdoor Limited and its subsidiary undertakings for the 52 weeks ended 29 December 2002 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated 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 members, 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 members those matters we are required to state to them in an auditors' 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 the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This information comprises only the directors' report and the chairman's statement. 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

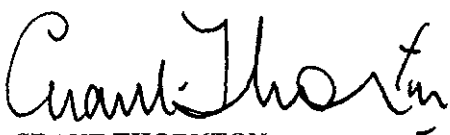
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
COTSWOLD OUTDOOR LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 29 December 2002 and the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Grant Thornton', is written over the printed name.

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

CHELTENHAM

Date 17:03:03

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the group have remained unchanged from the previous period and are set out below.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary undertakings (see note 8) drawn up to 29 December 2002. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

As a matter of accounting policy, goodwill arising on consolidation accounted for in accounting periods ending before 23 December 1998, the implementation date of Financial Reporting Standard No 10: Goodwill and Intangible Assets, was written off to reserves on acquisition. Such goodwill will be charged or credited to the profit and loss account on the subsequent disposal of the business to which it relates.

TURNOVER

Group turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

| | |
|-----------------------|------------------------------|
| Freehold buildings | 2% |
| Leasehold buildings | over the period of the lease |
| Motor vehicles | 25% |
| Fixtures and fittings | 20-50% |
| Computer equipment | 33.3% |

INTANGIBLE FIXED ASSETS AND GOODWILL

Trademarks purchased separately from a business are included at cost and amortised over their useful economic lives.

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

STOCKS

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

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group 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 assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

PRINCIPAL ACCOUNTING POLICIES

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.

RETIREMENT BENEFITS

Defined contribution pension scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 29 December 2002

| | Note | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|--|------|---|---|
| Turnover | 1 | 18,960 | 15,876 |
| Cost of sales | | (15,923) | (13,071) |
| Gross profit | | 3,037 | 2,805 |
| Administrative expenses | | (2,357) | (2,694) |
| Other operating income | | 33 | 32 |
| Operating profit | | 713 | 143 |
| Other interest receivable and similar income | | 4 | - |
| Interest payable and similar charges | 2 | (37) | (23) |
| Profit on ordinary activities before taxation | 1 | 680 | 120 |
| Tax on profit on ordinary activities | 4 | 41 | (7) |
| Profit for the financial period transferred to reserves | 16 | 721 | 113 |

There were no recognised gains or losses other than the profit for the period.

The accompanying accounting policies and notes form an integral part of these financial statements.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET AT 29 DECEMBER 2002

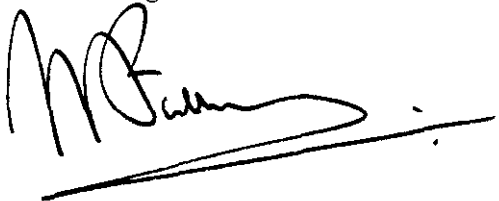
| | Note | 29 December 2002 £'000 | 29 December 2002 £'000 | 30 December 2001 £'000 | 30 December 2001 £'000 |
|--|------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Fixed assets | | | | | |
| Intangible assets | 6 | | 1,677 | | 1,788 |
| Tangible assets | 7 | | 2,351 | | 1,972 |
| | | | <u>4,028</u> | | <u>3,760</u> |
| Current assets | | | | | |
| Stock | 9 | 3,039 | | 2,799 | |
| Debtors | 10 | 520 | | 612 | |
| Cash at bank and in hand | | 421 | | 11 | |
| | | | <u>3,980</u> | <u>3,422</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(3,154)</u> | | <u>(2,997)</u> | |
| Net current assets | | | <u>826</u> | | <u>425</u> |
| Total assets less current liabilities | | | <u>4,854</u> | | <u>4,185</u> |
| Creditors: amounts falling due after more than one year | 12 | | (256) | | (349) |
| Provisions for liabilities and charges | 14 | | (131) | | (90) |
| | | | <u>4,467</u> | | <u>3,746</u> |
| Capital and reserves | | | | | |
| Called up share capital | 15 | | 3,626 | | 3,626 |
| Profit and loss account | 16 | | 841 | | 120 |
| Equity shareholders' funds | 17 | | <u>4,467</u> | | <u>3,746</u> |

The financial statements were approved by the Board of Directors on

17 MARCH 2003

J L Falkenburg

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

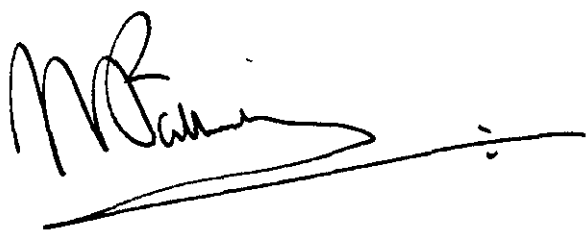
COMPANY BALANCE SHEET AT 29 DECEMBER 2002

| | Note | 29 December 2002 £'000 | 29 December 2002 £'000 | 30 December 2001 £'000 | 30 December 2001 £'000 |
|--|------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Fixed assets | | | | | |
| Intangible assets | 6 | | 1,677 | | 1,788 |
| Tangible assets | 7 | | 2,351 | | 1,497 |
| | | | <u>4,028</u> | | <u>3,285</u> |
| Current assets | | | | | |
| Stock | 9 | 3,039 | | 2,499 | |
| Debtors | 10 | 546 | | 1,289 | |
| Cash at bank and in hand | | 421 | | 11 | |
| | | <u>4,006</u> | | <u>3,799</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(3,154)</u> | | <u>(2,884)</u> | |
| Net current assets | | | <u>852</u> | | <u>915</u> |
| Total assets less current liabilities | | | <u>4,880</u> | | <u>4,200</u> |
| Creditors: amounts falling due after more than one year | 12 | | (256) | | (350) |
| Provisions for liabilities and charges | 14 | | (131) | | (90) |
| | | | <u>4,493</u> | | <u>3,760</u> |
| Capital and reserves | | | | | |
| Called up share capital | 15 | | 3,626 | | 3,626 |
| Profit and loss account | 16 | | 867 | | 134 |
| Equity shareholders' funds | | | <u>4,493</u> | | <u>3,760</u> |

The financial statements were approved by the Board of Directors on 17 March 2003

J L Falkenburg

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 29 December 2002

| | Note | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|--|------|---|---|
| Net cash inflow from operating activities | 18 | 1,256 | 392 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 4 | - |
| Interest paid | | (35) | (19) |
| Finance lease interest paid | | (2) | (4) |
| Net cash outflow from returns on investments and servicing of finance | | (33) | (23) |
| Taxation | | - | - |
| Capital expenditure and financial investment | | | |
| Purchase of intangible fixed assets | | (4) | - |
| Purchase of tangible fixed assets | | (800) | (209) |
| Sale of tangible fixed assets | | 7 | 21 |
| Net cash outflow from capital expenditure and financial investment | | (797) | (188) |
| Financing | | | |
| Capital element of finance lease rentals | | (16) | (24) |
| Net cash outflow from financing | | (16) | (24) |
| Increase in cash | 19 | 410 | 157 |

The accompanying accounting policies and notes form an integral part of these financial statements.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to the retailing of outdoor pursuit clothing and equipment.

An analysis of turnover by geographical market is given below:

| | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|---------------|---|---|
| UK | 18,617 | 15,466 |
| Rest of world | 343 | 410 |
| | <u>18,960</u> | <u>15,876</u> |

The profit on ordinary activities is stated after:

| | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|--|---|---|
| Auditors' remuneration: | | |
| Audit services | 17 | 17 |
| Non-audit services | 6 | 6 |
| Depreciation and amortisation: | | |
| Goodwill | 115 | 116 |
| Tangible fixed assets, owned | 455 | 482 |
| Tangible fixed assets, held under finance leases and hire purchase contracts | 18 | 14 |
| Other operating lease rentals | <u>790</u> | <u>842</u> |
| Other operating income comprises: | | |
| Lecture income | 2 | 1 |
| Rent receivable in respect of: | | |
| Operating leases | <u>31</u> | <u>31</u> |

2 INTEREST PAYABLE AND SIMILAR CHARGES

| | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|---|---|---|
| On bank overdrafts | 1 | 19 |
| Finance charges in respect of hire purchase contracts | 2 | 4 |
| Interest payable to group undertakings | 34 | - |
| | <u>37</u> | <u>23</u> |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

3 DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

| | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|-----------------------|--|--|
| Wages and salaries | 3,038 | 2,737 |
| Social security costs | 211 | 205 |
| Other pension costs | 53 | 49 |
| | 3,302 | 2,991 |

The average number of employees of the group during the period were as follows:

| | 52 weeks ended 29 December 2002 Number | 52 weeks ended 30 December 2001 Number |
|--------------------------|---|---|
| Selling and distribution | 174 | 143 |
| Administration | 38 | 37 |
| | 212 | 180 |

Remuneration in respect of directors was as follows:

| | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|---|--|--|
| Emoluments | 165 | 149 |
| Pension contributions to money purchase pension schemes | 21 | 21 |
| | 186 | 170 |

During the 52 weeks ended 29 December 2002 one director (52 weeks ended 30 December 2001: one) participated in money purchase pension schemes.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit/(charge) represents:

| | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|--|---|---|
| Adjustment in respect of prior periods | - | 7 |
| Total current tax | - | 7 |
| Origination and reversal of timing differences | (41) | - |
| Tax on profit on ordinary activities | (41) | 7 |

The group has unrelieved tax losses of £112,000 (52 weeks ended 30 December 2001: £852,000) available to offset against future taxable trading profits and unrelieved non trading losses of £1,410,000 (52 weeks ended 30 December 2001: £1,445,000) available to offset against future non-trading income.

The tax assessed for the period is lower than the standard rate of corporation tax in the United Kingdom of 30% (52 weeks ended 30 December 2001: 30%). The differences are explained as follows:

| | 52 weeks ended 29 December 2002 £'000 | 52 weeks ended 30 December 2001 £'000 |
|---|---|---|
| Profit on ordinary activities before taxation | 680 | 120 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 30% (30 December 2001: 30%) | 204 | 36 |
| Effect of: | | |
| Expenses not deductible for tax purposes | 6 | - |
| Depreciation in excess of capital allowances | 63 | 80 |
| Utilisation of tax losses | (232) | (106) |
| Short term timing differences | (41) | (10) |
| Adjustments in respect of prior periods | - | 7 |
| Total current tax | - | 7 |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

5 PROFIT FOR THE FINANCIAL PERIOD

The parent company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the period includes a profit of £733,000 (30 December 2001: profit of £127,000) which is dealt with in the financial statements of the company.

6 INTANGIBLE FIXED ASSETS

| Group and Company | Patents and trademarks £'000 | Purchased goodwill £'000 | Total £'000 |
|--|------------------------------------|--------------------------------|----------------|
| Cost | | | |
| At 31 December 2001 | - | 5,347 | 5,347 |
| Additions | 4 | - | 4 |
| At 29 December 2002 | 4 | 5,347 | 5,351 |
| Amortisation | | | |
| At 31 December 2001 | - | 3,559 | 3,559 |
| Charge for the period | - | 115 | 115 |
| At 29 December 2002 | - | 3,674 | 3,674 |
| Net book amount at 29 December 2002 | 4 | 1,673 | 1,677 |
| Net book amount at 30 December 2001 | - | 1,788 | 1,788 |

In carrying out an impairment review at 29 December 2002, detailed cash flow projections were reviewed for a period of five years using a discount rate of 10%. The actual performance of the company has been assessed against these projections. This supports the carrying value of goodwill stated above.

Goodwill included above relates to Cotswold Camping Limited acquired on 2 July 1997. The original cost of the goodwill to the group and company was £5,347,000. Goodwill is amortised over 20 years.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

7 TANGIBLE FIXED ASSETS

| Group | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Motor vehicles £'000 | Fixtures and fittings £'000 | Computer equipment £'000 | Total £'000 |
|--|--|---|----------------------------|--------------------------------------|--------------------------------|----------------|
| Cost | | | | | | |
| At 31 December 2001 | 443 | 1,167 | 115 | 1,022 | 839 | 3,586 |
| Additions | - | 281 | 5 | 392 | 178 | 856 |
| Disposals | - | - | (39) | - | (10) | (49) |
| At 29 December 2002 | 443 | 1,448 | 81 | 1,414 | 1,007 | 4,393 |
| Depreciation | | | | | | |
| At 31 December 2001 | 40 | 375 | 84 | 503 | 612 | 1,614 |
| Charged for the period | 9 | 61 | 19 | 216 | 168 | 473 |
| Eliminated on disposals | - | - | (38) | - | (7) | (45) |
| At 29 December 2002 | 49 | 436 | 65 | 719 | 773 | 2,042 |
| Net book amount at 29 December 2002 | 394 | 1,012 | 16 | 695 | 234 | 2,351 |
| Net book amount at 30 December 2001 | 403 | 792 | 31 | 519 | 227 | 1,972 |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

7 TANGIBLE FIXED ASSETS (CONTINUED)

| Company | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Motor vehicles £'000 | Fixtures and fittings £'000 | Computer equipment £'000 | Total £'000 |
|--|--|---|----------------------------|-----------------------------------|--------------------------------|----------------|
| Cost | | | | | | |
| At 31 December 2001 | 443 | 906 | 106 | 687 | 822 | 2,964 |
| Additions | - | 281 | 5 | 354 | 176 | 816 |
| Transfers from group undertakings | - | 261 | - | 373 | 19 | 653 |
| Disposals | - | - | (30) | - | (10) | (40) |
| At 29 December 2002 | 443 | 1,448 | 81 | 1,414 | 1,007 | 4,393 |
| Depreciation | | | | | | |
| At 31 December 2001 | 40 | 349 | 75 | 405 | 598 | 1,467 |
| Charge for the period | 9 | 50 | 19 | 144 | 165 | 387 |
| Transfers from group undertakings | - | 37 | - | 170 | 17 | 224 |
| Eliminated on disposals | - | - | (29) | - | (7) | (36) |
| At 29 December 2002 | 49 | 436 | 65 | 719 | 773 | 2,042 |
| Net book amount at 29 December 2002 | 394 | 1,012 | 16 | 695 | 234 | 2,351 |
| Net book amount at 30 December 2001 | 403 | 557 | 31 | 282 | 224 | 1,497 |

The figures stated above include assets held under hire purchase contracts, as follows:

| Group and company | Motor vehicles £'000 | Fixtures and fittings £'000 |
|-------------------------------------|----------------------------|-----------------------------------|
| Net book amount at 29 December 2002 | 15 | 54 |
| Net book amount at 30 December 2001 | 32 | - |
| Depreciation provided in the period | 16 | 2 |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

8 FIXED ASSETS INVESTMENTS

| Company | Shares in group under- takings £'000 |
|---|---|
| Cost | |
| At 31 December 2001 and 29 December 2002 | 1,342 |
| Amounts written off | |
| At 31 December 2001 and at 29 December 2002 | 1,342 |
| Net book amount at 29 December 2002 | - |
| Net book amount at 30 December 2001 | - |

At 29 December 2002 the group and company held more than 10% of a class of the allotted equity share capital of the following:

| Name of undertaking | Country of registration and incorporation | Class of share capital held | Proportion held by | | Nature of business |
|--------------------------|---|-----------------------------|--------------------|-------|--|
| | | | Parent company | Group | |
| Subsidiary undertakings: | | | | | |
| Cotswold Camping Limited | United Kingdom | Ordinary | 100% | - | Dormant |
| AS Adventure UK Limited | United Kingdom | Ordinary | 100% | - | Retail of outdoor pursuit clothing and equipment |

9 STOCKS

| | 29 December 2002 £'000 | Group 30 December 2001 £'000 | 29 December 2002 £'000 | Company 30 December 2001 £'000 |
|-------------------|---------------------------------|--|---------------------------------|--|
| Goods for resale | 3,031 | 2,788 | 3,031 | 2,489 |
| Non trading stock | 8 | 11 | 8 | 10 |
| | <u>3,039</u> | <u>2,799</u> | <u>3,039</u> | <u>2,499</u> |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

10 DEBTORS

| | 29 December 2002 £'000 | Group 30 December 2001 £'000 | 29 December 2002 £'000 | Company 30 December 2001 £'000 |
|------------------------------------|---------------------------------|--|---------------------------------|--|
| Trade debtors | 113 | 255 | 113 | 255 |
| Amounts owed by group undertakings | - | - | 26 | 710 |
| Other debtors | 22 | 63 | 22 | 63 |
| Taxation recoverable | 41 | - | 41 | - |
| Prepayments and accrued income | 344 | 294 | 344 | 261 |
| | 520 | 612 | 546 | 1,289 |

Included above are the following amounts which are due after more than one year:

| | 29 December 2002 £'000 | Company 30 December 2001 £'000 |
|------------------------------------|---------------------------------|--|
| Amounts owed by group undertakings | - | 710 |

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 29 December 2002 £'000 | Group 30 December 2001 £'000 | 29 December 2002 £'000 | Company 30 December 2001 £'000 |
|------------------------------------|---------------------------------|--|---------------------------------|--|
| Trade creditors | 1,775 | 1,480 | 1,775 | 1,480 |
| Amounts owed to group undertakings | 110 | 112 | 110 | 112 |
| Social security and other taxes | 441 | 834 | 441 | 834 |
| Other creditors | 96 | 58 | 96 | 58 |
| Accruals | 713 | 500 | 713 | 387 |
| Amounts due under finance leases | 19 | 13 | 19 | 13 |
| | 3,154 | 2,997 | 3,154 | 2,884 |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 29 December 2002 £'000 | Group 30 December 2001 £'000 | 29 December 2002 £'000 | Company 30 December 2001 £'000 |
|------------------------------------|---------------------------------|--|---------------------------------|--|
| Amounts owed to group undertakings | 207 | 334 | 207 | 335 |
| Amounts due under finance leases | 49 | 15 | 49 | 15 |
| | <u>256</u> | <u>349</u> | <u>256</u> | <u>350</u> |

13 BORROWINGS

Borrowings are repayable as follows:

| | 29 December 2002 £'000 | Group 30 December 2001 £'000 |
|---------------------------------|---------------------------------|--|
| Within one year | | |
| Finance leases | 19 | 13 |
| After one and within two years | | |
| Finance leases | 15 | 11 |
| After two and within five years | | |
| Finance leases | 28 | 4 |
| After five years | | |
| Finance leases | 6 | - |
| | <u>68</u> | <u>28</u> |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

14 PROVISION FOR LIABILITIES AND CHARGES

Group and company

Other
provisions
£'000

At 31 December 2001

90

Provided during the period

91

Utilised during the period

(50)

At 29 December 2002

131

Included in other provisions are the following amounts: £73,000 (2001: £40,000) relating to commitments under leasehold agreements, and other provisions totalling £58,000 (2001: £50,000). All of these provisions are expected to be utilised during the current accounting period.

15 SHARE CAPITAL

| 29 December 2002 £'000 | 30 December 2001 £'000 |
|---------------------------------|---------------------------------|
|---------------------------------|---------------------------------|

Authorised

567,500,000 ordinary shares of 1p each

5,675

5,675

Allotted, called up and fully paid

362,569,578 ordinary shares of 1p each

3,626

3,626

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

16 RESERVES

| Group | Profit and loss account £'000 |
|--------------------------------|-------------------------------------|
| At 31 December 2001 | 120 |
| Retained profit for the period | 721 |
| At 29 December 2002 | <u>841</u> |
| Company | Profit and loss account £'000 |
| At 31 December 2001 | 134 |
| Retained profit for the period | 733 |
| At 29 December 2002 | <u>867</u> |

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 29 December 2002 £'000 | 30 December 2001 £'000 |
|---|---------------------------------|---------------------------------|
| Profit for the financial period | 721 | 113 |
| Net increase in shareholders' funds | 721 | 113 |
| Shareholders' funds at 31 December 2001 | 3,746 | 3,633 |
| Shareholders' funds at 29 December 2002 | <u>4,467</u> | <u>3,746</u> |

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

18 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

| | 29 December 2002 £'000 | 30 December 2001 £'000 |
|--|---------------------------------|---------------------------------|
| Operating profit | 713 | 143 |
| Depreciation and amortisation | 588 | 612 |
| Profit on sale of tangible fixed assets | (3) | (7) |
| Increase in stocks | (240) | (471) |
| Decrease in debtors | 133 | 6 |
| Increase in creditors | 65 | 109 |
| Net cash inflow from continuing operating activities | <u>1,256</u> | <u>392</u> |

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 29 December 2002 £'000 | 30 December 2001 £'000 |
|--|---------------------------------|---------------------------------|
| Increase in cash in the period | 410 | 157 |
| Cash outflow from finance leases in the period | 16 | 24 |
| Change in net debt resulting from cashflows | <u>426</u> | <u>181</u> |
| Inception of finance leases | (56) | (21) |
| Movement in net debt in the period | <u>370</u> | <u>160</u> |
| Net debt at 31 December 2001 | (17) | (177) |
| Net funds at 29 December 2002 | <u>353</u> | <u>(17)</u> |

20 ANALYSIS OF CHANGES IN NET DEBT

| | At 31 December 2001 £'000 | Cashflow £'000 | Non-cash items £'000 | At 29 December 2002 £'000 |
|--------------------------|------------------------------------|-------------------|----------------------------|------------------------------------|
| Cash in hand and at bank | 11 | 410 | - | 421 |
| Finance leases | (28) | 16 | (56) | (68) |
| | <u>(17)</u> | <u>426</u> | <u>(56)</u> | <u>353</u> |

21 CAPITAL COMMITMENTS

Neither the group nor the company had any capital commitments at 29 December 2002 or 30 December 2001.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

22 CONTINGENT LIABILITIES

There were no contingent liabilities at 29 December 2002 or 30 December 2001 except for a guarantee made by the company with HM Customs and Exise for a maximum liability of £60,000 (30 December 2001: £60,000).

23 LEASING COMMITMENTS

Operating lease payments amounting to £945,000 (30 December 2001: £841,000) are due within one year. The leases to which these amounts relate expire as follows:

| | 29 December 2002 Land and buildings £'000 | 29 December 2002 Other £'000 | 30 December 2001 Land and buildings £'000 | 30 December 2001 Other £'000 |
|----------------------------|--|--|--|--|
| In one year or less | - | 42 | - | 114 |
| Between one and five years | 53 | 43 | - | 46 |
| In five years or more | 807 | - | 681 | - |
| | <u>860</u> | <u>85</u> | <u>681</u> | <u>160</u> |

24 RETIREMENT BENEFITS

Defined Contribution Pension Scheme

The group operates one stakeholder pension scheme for the benefit of the employees and two defined contribution pension schemes for the benefit of management and directors. The assets of the schemes are administered by trustees in a fund independent from those of the group.

25 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of A.S. Lathouwers NV the company is exempt from the requirements of FRS 8: Related Party Disclosures to disclose transactions with other members of the group headed by A.S. Lathouwers NV.

During the period N D Evans invoiced the company £43,750 (52 weeks ended 30 December 2001: £39,996) for services as a non-executive director of the company.

COTSWOLD OUTDOOR LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2002

26 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

A.S. Lathouwers NV is this company's controlling related party by virtue of its 100% holding of the issued share capital of the company. The ultimate controlling related parties are Mitiska NV and Emiel Lathouwers as a result of their holding 50% each of the share capital of A.S. Lathouwers NV.

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, Industrielan 23, 1740 Ternat, Brussels, Belgium.