

Cotswold Outdoor Limited
Co. no. 3382348

Financial Statements

10 Months Ended
31 December 2000



COTSWOLD OUTDOOR LIMITED

Financial statements for the 10 months ended 31 December 2000

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Directors

J L Falkenburg
N D Evans (non-executive)

Secretary and registered office

J P Stansfield, Broadway Lane, South Cerney, Gloucestershire GL7 5UQ

Company number

3382348

Solicitors

Osborne Clarke, Apex Plaza, Forbury Road, Reading, Berkshire RG1 1AX

Auditors

Grant Thornton, The Quadrangle, Imperial Square, Cheltenham, Glos GL50 1PZ

Bankers

Barclays Bank, 40-46 High Street, Maidstone, Kent ME14 1TW

COTSWOLD OUTDOOR LIMITED

Chairman's statement for the 10 months ended 31 December 2000

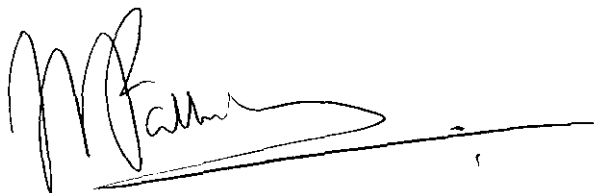
I am delighted to report that following the acquisition of the group by A.S.Lathouwers NV on 30 March 2000 substantial progress has been achieved in many areas of the business. In particular, we have established improved control over stock levels and move into 2001 well placed to face the tough trading environment which still endures. Synergies between Cotswold and its parent company have begun to be realised which will enable us to improve our financial performance in 2001. The reaction of suppliers has been especially pleasing and we look forward to developing closer links with them to mutual benefit.

The agreement to acquire the company included provision that the debt finance existing at 27 February 2000 was repaid. It was also decided to re-organise the company's capital structure to reflect the new financing following the acquisition. This process was sanctioned by the Court in December 2000 and the balance sheet at 31 December 2000 reflects the extinguishing of the accumulated losses on the profit and loss reserve, the removal of the share premium account and the capitalisation of loan capital by the new owners.

A number of significant milestones have been reached. In October, we launched our Internet site (www.cotswold-outdoor.com) as a transactional site. The initial take-up with a minimum of marketing has been encouraging and customer feedback is favourable. We shall soon be undertaking a number of marketing initiatives and hope to welcome both new and existing customers to this exciting new addition to our shopping channels. In December, our Glasgow store was transformed and re-badged into an AS Adventure format store. The stunning new layout has added an extra dimension to the store and its improved offers and new ranges have been enthusiastically welcomed by our customers.

In common with similar businesses affected by the restrictions of access to the countryside during the UK foot and mouth disease crisis, the company has experienced a downturn in like for like sales in March and April 2001. The company has made short term cost reductions and other operating decisions to enable the company to operate within its facilities for the foreseeable future.

This year will see further openings of AS Adventure format stores supported by improvements within existing Cotswold stores. These developments supported by more vigorous marketing efforts are aimed at widening the appeal of the stores and direct business channels to a broader customer base. The new year brings many challenges to the company and its staff but successes to date brings with it tremendous optimism for the future of the group.



J L Falkenburg
Chairman

Date 9 May 2001

COTSWOLD OUTDOOR LIMITED

Report of the directors for the 10 months ended 31 December 2000

The directors present their report together with the financial statements for the 10 months ended 31 December 2000 following a change of accounting reference date to coincide with the accounting reference date of the company's immediate parent undertaking.

Principal activities

The principal activities of the group are retailing of outdoor pursuits clothing and equipment.

Business review

There was a loss for the period after taxation amounting to £304,000 (17 months to 27 February 2000: £6,048,000 loss). In view of the loss the directors cannot recommend the payment of a dividend.

Policy on the payment of creditors

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 company and group, period end trade creditors represent 54 days average purchases.

Directors

The directors of the company during the period and their beneficial interests at the beginning of the period in the ordinary shares of the company were as follows:

	Number of 'A' Ordinary Shares	Number of 'B' Ordinary Shares
J L Falkenburg	-	800,000
N D Evans (appointed non-executive director 29 March 2000)	-	-

J A Lusher, M Martin, J P Stansfield and R J Steele resigned as directors on 29 March 2000.

Neither director had any interest in the ordinary share capital of the company at the end of the period.

COTSWOLD OUTDOOR LIMITED

Report of the directors for the 10 months ended 31 December 2000 (*Continued*)

Directors' responsibilities

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 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; and
- 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.

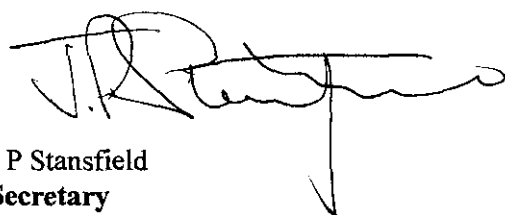
Capital reorganisation

On 28 November 2000 the company undertook a capital reorganisation. 183,465,000 1p ordinary shares were cancelled and the whole of the share premium account was extinguished. The transaction resulted in an increase in the profit and loss account reserve of £7,519,002.

Auditors

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

By order of the Board



J P Stansfield
Secretary

Date: 9 May 2001

Report of the auditors to the members of Cotswold Outdoor Limited

We have audited the financial statements on pages 5 to 23 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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.

Going Concern

In forming our opinion, we have considered the adequacy of the disclosure made in note 29 to the financial statements concerning the uncertainty surrounding the effect of the foot and mouth crisis. In view of the significance of this uncertainty we consider it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2000 and of the loss of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


GRANT THORNTON
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

Cheltenham

Date: 09:05:01

COTSWOLD OUTDOOR LIMITED

Consolidated profit and loss account for the 10 months ended 31 December 2000

		10 month period ended 31 December 2000		17 month period ended 27 February 2000 As restated	
	Note	£'000	£'000	£'000	£'000
Turnover	2		14,157		24,002
Cost of sales			12,135		21,084
Gross profit			2,022		2,918
Administrative expenses:					
Amortisation of goodwill		96		377	
Exceptional impairment of goodwill		-		2,636	
Other administrative expenses		1,949		4,761	
			2,045		7,774
Operating loss	5		(23)		(4,856)
Interest receivable			3		13
Interest payable	6		(303)		(1,205)
Loss on ordinary activities before taxation			(323)		(6,048)
Taxation on loss from ordinary activities	7		19		-
Accumulated loss for the period added to the deficit on reserves	20		(304)		(6,048)

All amounts relate to continuing activities

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

The notes on pages 9 to 23 form part of these financial statements

COTSWOLD OUTDOOR LIMITED

Consolidated balance sheet at 31 December 2000

		31 December 2000		27 February 2000 As restated	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9		1,904		2,000
Tangible assets	10		2,252		2,348
			<u>4,156</u>		<u>4,348</u>
Current assets					
Stock	12	2,328		2,582	
Debtors	14	618		784	
Cash at bank and in hand		12		8	
		<u>2,958</u>		<u>3,374</u>	
Creditors: amounts falling due within one year	15	(3,136)		(7,376)	
Net current liabilities			<u>(178)</u>		<u>(4,002)</u>
Total assets less current liabilities			<u>3,978</u>		<u>346</u>
Creditors: amounts falling due after more than one year	16		(345)		(6,953)
Provisions for liabilities and charges	17		-		(19)
			<u>3,633</u>		<u>(6,626)</u>
Capital and reserves					
Called up share capital	18		3,626		28
Share premium account	19		-		554
Profit and loss account	19		7		(7,208)
Equity shareholders' funds	20		<u>3,633</u>		<u>(6,626)</u>

The financial statements were approved by the Board on 9 May 2001

J L Falkenburg
Director

The notes on pages 9 to 23 form part of these financial statements

COTSWOLD OUTDOOR LIMITED

Company balance sheet at 31 December 2000

	Note	31 December 2000		27 February 2000 As restated	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9		1,904		2,000
Tangible assets	10		2,252		2,348
Investments	11		1,322		1,322
			<u>5,478</u>		<u>5,670</u>
Current assets					
Stock	12	2,328		2,582	
Debtors	14	623		811	
Cash at bank and in hand		12		8	
		<u>2,963</u>		<u>3,401</u>	
Creditors: amounts falling due within one year	15	(3,136)		(7,376)	
Net current liabilities			<u>(173)</u>		<u>(3,975)</u>
Total assets less current liabilities			5,305		1,695
Creditors: amounts falling due after more than one year	16		(1,672)		(8,302)
Provisions for liabilities and charges	17		-		(19)
			<u>3,633</u>		<u>(6,626)</u>
Capital and reserves					
Called up share capital	18		3,626		28
Share premium account	19		-		554
Profit and loss account	19		7		(7,208)
			<u>3,633</u>		<u>(6,626)</u>
Equity shareholders' funds	20		<u>3,633</u>		<u>(6,626)</u>

The financial statements were approved by the Board on 9 May 2001.

J L Falkenburg
Director

The notes on pages 9 to 23 form part of the financial statements

COTSWOLD OUTDOOR LIMITED

Consolidated cash flow statement for the 10 months ended 31 December 2000

		10 month period ended 31 December 2000		17 month period ended 27 February 2000 As restated	
	Note	£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	21		(221)		1,835
Returns on investments and servicing of finance					
Interest received		3		13	
Interest paid		(1,666)		(372)	
Interest element of hire purchase payments		(5)		(13)	
Net cash outflow from returns on investments and servicing of finance			(1,668)		(372)
Taxation					
UK corporation tax			21		-
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(312)		(1,505)	
Sale of tangible fixed assets		19		31	
Net cash outflow from capital expenditure and financial investment			(293)		(1,474)
Net cash outflow before financing			(2,161)		(11)
Financing					
Receipt of new loans		5,130		650	
Repayment of borrowings		(2,810)		(460)	
Capital element of hire purchase contracts		(54)		(84)	
Net cash inflow from financing			2,266		106
Increase in cash	22		105		95

The notes on pages 9 to 23 form part of these financial statements

COTSWOLD OUTDOOR LIMITED**Statement of total recognised gains and losses**

	10 month period ended 31 December 2000	17 month period ended 27 February 2000 As restated
Note	£'000	£'000
Loss for the financial year	(304)	(6,048)
Prior year adjustment (as explained in note 13)	(51)	-
	<hr/>	<hr/>
Total recognised gains and losses since last annual report	(355)	(6,048)
	<hr/>	<hr/>

The notes on pages 9 to 23 form part of these financial statements

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards and prepared on the going concern basis (see note 29). Following the acquisition of the company by A.S.Lathouwers NV a re-organisation of the capital was agreed and was sanctioned by the Companies Court in December 2000. The effect of this has been to reduce the losses brought forward from the previous period. The details are explained in note 18. The following principal accounting policies of the group have remained unchanged from the previous period and are set out below:

Basis of consolidation

The consolidated statutory financial statements incorporate the results of Cotswold Outdoor Limited and its subsidiary undertaking, Cotswold Camping Limited, as at 31 December 2000. The group uses the acquisition method of accounting to consolidate the results of the subsidiary undertaking from the date of acquisition.

Goodwill

Purchased goodwill is capitalised and is amortised on a straight line basis over its estimated useful economic life of 20 years as shown in note 9.

Turnover

Group turnover is the total amount receivable by the group for sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write down the cost, less estimated residual values, of all fixed assets, except for freehold land by equal annual instalments, over their expected useful economic lives. It is calculated at the following annual rates:

Freehold property	-	2%
Short leasehold property	-	over the period of the lease
Fixtures, fittings and office equipment	-	20%
Computer equipment	-	33 $\frac{1}{3}$ %
Motor vehicles	-	25%

Investments

Investments are included at cost less amounts written off.

Stocks

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

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (*Continued*)

1 Accounting policies (*continued*)

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.

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 exchange differences are dealt with through the profit and loss account.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

New store pre-opening costs

New store pre-opening costs are charged to the profit and loss account over a period of 36 months.

2 Turnover

Turnover and operating profit are wholly attributable to the retailing of outdoor pursuits clothing and equipment. The geographical analysis of turnover was as follows:

	10 month period ended 31 December 2000 £'000	17 month period ended 27 February 2000 £'000
United Kingdom	13,437	22,772
Rest of the world	720	1,230
	<hr/>	<hr/>
	14,157	24,002
	<hr/>	<hr/>

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (Continued)

	10 month period ended 31 December 2000 £'000	17 month period ended 27 February 2000 £'000
3 Employees		
Staff costs during the period were as follows:		
Wages and salaries	2,344	3,882
Social security costs	180	299
Other pension costs	42	36
	<u>2,566</u>	<u>4,217</u>
The average monthly number of employees during the period was:	Number	Number
Sales	139	184
Administration	49	51
	<u>188</u>	<u>235</u>
4 Directors' emoluments	£'000	£'000
Remuneration in respect of directors was as follows:		
Fees	30	60
Other emoluments	96	211
Pensions	17	33
	<u>143</u>	<u>304</u>

During the period one director (Feb 2000: one) participated in the defined contribution pension scheme.

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (Continued)

5 Operating loss

	10 month period ended 31 December 2000 £'000	17 month period ended 27 February 2000 £'000
The loss on ordinary activities is stated after:		
Goodwill amortisation	96	3,013
Depreciation – tangible fixed assets owned	372	902
Depreciation – tangible fixed assets under hire purchase contracts	22	62
Auditors remuneration - statutory audit	18	18
- other services	5	35
Operating leases - land and buildings	590	776
- other	101	98
Gain on sale of assets	5	-
Rent receivable in respect of operating leases	23	19
	<u> </u>	<u> </u>

6 Interest payable

Bank loans and overdrafts	16	354
Long term funding interest	75	838
Group interest	207	-
Hire purchase interest	5	13
	<u> </u>	<u> </u>
	303	1,205
	<u> </u>	<u> </u>

The loan from the parent undertaking was capitalised during the period.

7 Taxation on loss from ordinary activities

Deferred taxation	(19)	-
	<u> </u>	<u> </u>

There is no tax charge for the period due to the availability of losses.

The group has approximately £1,466,000 of non-trading losses to carry forward against future non-trading income and approximately £1,350,000 of trading losses to carry forward against future trading income.

8 Loss for the financial period

The company has taken advantage of the exemption allowed under Section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group loss for the period includes £304,000 (Feb 2000 - £6,048,000 loss) in respect of the company.

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (*Continued*)

9 Intangible assets

Group and Company	Purchased goodwill £'000
<i>Cost</i>	
At 27 February 2000 and 31 December 2000	5,347
<i>Amortisation</i>	
At 27 February 2000	3,347
Provision for the period	96
At 31 December 2000	3,443
<i>Net book amount</i>	
At 31 December 2000	1,904
At 27 February 2000	2,000

In carrying out the impairment review at 27 February 2000, detailed cash flow projections were reviewed for a period of five years using a discount rate of 15%. The actual performance of the company to 31 December 2000 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

Notes to the financial statements for the 10 months ended 31 December 2000 (*Continued*)

10 Tangible fixed assets

Group and company	Freehold property £'000	Short leasehold property £'000	Fixtures and office equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost</i>						
At 27 February 2000	443	1,211	929	758	244	3,585
Reclassification	-	(78)	78	-	-	-
Additions	-	60	197	55	-	312
Disposals	-	(32)	(250)	(108)	(76)	(466)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	443	1,161	954	705	168	3,431
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>						
At 27 February 2000	24	254	437	387	135	1,237
Reclassification	-	(1)	1	-	-	-
Provided in the period	7	75	119	148	45	394
Eliminated on disposals	-	(32)	(250)	(108)	(62)	(452)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	31	296	307	427	118	1,179
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book amount</i>						
At 31 December 2000	412	865	647	278	50	2,252
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 27 February 2000	419	957	492	371	109	2,348
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The figures stated above include assets held under finance leases and hire purchase contracts as follows:

	Group & Company Motor vehicles £'000
Net book amount at 31 December 2000	45
	<hr/>
Net book amount at 27 February 2000	122
	<hr/>
Depreciation provided in the period	22
	<hr/>

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 Months ended 31 December 2000 (Continued)

11 Fixed asset investments

Company	Total £'000
At 27 February 2000 and 31 December 2000	1,322

The company has one 100% owned subsidiary company, Cotswold Camping Limited. This company was incorporated in England and was dormant during the period ended 31 December 2000. The aggregate share capital and reserves in Cotswold Camping Limited at 31 December 2000 was £1,349,653.

12 Stocks

	31 December 2000 £'000	27 February 2000 As restated £'000
Group and Company		
Goods for resale (see note 13)	2,319	2,573
Non-trading stock	9	9
	<u>2,328</u>	<u>2,582</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

13 Prior period adjustment

Goods for resale at 27 February 2000 have been restated by £51,000. This restatement arose as a result of fundamental errors discovered in the stock counts of two stores taken in February 2000. The effect of the restatement is to increase the loss for the period to 27 February 2000 by £51,000 to £6,048,000 and reduce shareholders funds at that date by £51,000.

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (Continued)

14 Debtors	31 December 2000		27 February 2000	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	322	322	445	445
Prepayments and accrued income	296	301	339	366
	<u>618</u>	<u>623</u>	<u>784</u>	<u>811</u>

All amounts shown under debtors fall due for payment within one year.

15 Creditors: amounts falling due within one year	31 December 2000		27 February 2000	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank overdraft	158	158	259	259
Term loan	-	-	2,549	2,549
Trade creditors	1,521	1,521	3,124	3,124
Social security and other taxes	280	280	184	184
Other creditors	-	-	345	345
Accruals and deferred income	1,162	1,162	863	863
Obligations under hire purchase contracts	15	15	52	52
	<u>3,136</u>	<u>3,136</u>	<u>7,376</u>	<u>7,376</u>

The overdraft is secured by a fixed and floating charge over the assets of the group and company.

16 Creditors: amounts falling due beyond one year	31 December 2000		27 February 2000	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts owing to parent undertaking	329	329	-	-
Amounts owing to group undertakings	-	1,327	-	1,349
10% unsecured loan stock 2002/05	-	-	5,009	5,009
10% unsecured loan stock 2006/07	-	-	1,417	1,417
6% unsecured loan stock 2002	-	-	225	225
6% unsecured loan stock 2002/05	-	-	269	269
Obligations under hire purchase contracts	16	16	33	33
	<u>345</u>	<u>1,672</u>	<u>6,953</u>	<u>8,302</u>

All long-term loan capital was repaid on 30 March 2000.

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (*Continued*)

16 Creditors falling due after more than one year (*continued*)

Group and Company

	31 December 2000 £'000	27 February 2000 £'000
Obligations under hire purchase contracts are repayable as follows:		
In more than one year but not more than two years	9	23
In more than two years but not more than five years	7	10
	<u>16</u>	<u>33</u>

17 Provisions for liabilities and charges

Group and Company	Deferred Taxation £'000
At 27 February 2000	19
Reversed during the period	(19)
	<u>-</u>
At 31 December 2000	<u>-</u>

Deferred taxation provided for in the prior period related to accelerated capital allowances.

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (Continued)

18 Share capital	31 December 2000 £'000	27 February 2000 £'000
<i>Authorised</i>		
384,035,000 ordinary shares of 1p each fully paid	3,840	-
Nil (27 Feb 2000: 1,777,777 'A' ordinary shares of 1p each)	-	18
Nil (27 Feb 2000: 1,333,333 'B' ordinary shares of 1p each)	-	13
	<hr/>	<hr/>
	3,840	31
<i>Allotted, called up and fully paid</i>		
362,569,578 ordinary shares of £1 each fully paid	3,626	-
Nil (27 Feb 2000: 1,777,777 'A' ordinary shares of 1p each)	-	18
Nil (27 Feb 2000: 1,000,000 'B' ordinary shares of 1p each)	-	10
	<hr/>	<hr/>
	3,626	28
	<hr/>	<hr/>

During the period the company increased the authorised share capital of its 'A' ordinary 1p shares to £5,675,000 and made an allotment of 543,256,800 'A' ordinary 1p shares at par value. The consideration for the shares was met by the capitalisation of loan stock in issue at 27 February 2000. On 27 November 2000 the company reclassified the existing 'A' ordinary 1p shares and 'B' ordinary 1p shares as ordinary 1p shares.

The Company made an allotment of 1 ordinary 1p share by way of an issue to an existing member. The difference between the total consideration and the total nominal value of 1p created a share premium of £5,130,393 which was credited to the share premium account.

On 28 November 2000 the company undertook a capital re-organisation; 183,465,000 ordinary 1p shares were cancelled and the whole of the share premium account of £5,684,352 was extinguished. The effect of this transaction has been to increase the profit and loss reserve by £7,519,002.

All ordinary shares rank pari passu in all respects.

The £6,426,000 10% unsecured loans provided by the equity shareholders included within creditors falling due after more than one year at 27 February 2000 were wholly repaid or capitalised during the period.

19 Reserves	Group and Company Share Premium account £'000	Profit and loss account £'000
At 27 February 2000 as previously stated	554	(7,157)
Prior period adjustment (see note 13)	-	(51)
At 27 February 2000 as restated	<hr/> 554	<hr/> (7,208)
Issue of ordinary shares	5,130	-
Capital reorganisation	(5,684)	7,519
Loss for the period	-	(304)
	<hr/>	<hr/>
At 31 December 2000	-	7
	<hr/>	<hr/>

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (Continued)

20 Reconciliation of movements in shareholders' funds

Group and Company	31 December 2000	27 February 2000
	£'000	As restated £'000
Loss for period as restated (see note 13)	(304)	(6,048)
Issue of ordinary shares	5,130	-
Issue of 'A' ordinary shares	5,433	-
	<hr/>	<hr/>
	10,259	(6,048)
Opening shareholders' funds	(6,626)	(578)
	<hr/>	<hr/>
Closing shareholders' funds	3,633	(6,626)
	<hr/>	<hr/>

21 Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	10 month period ended 31 December 2000	17 month period ended 27 February 2000
	£'000	As restated £'000
Operating loss as restated (see note 13)	(23)	(4,856)
Depreciation	394	964
Profit on disposal of tangible fixed assets	(5)	-
Investment transferred to debtors	-	7
Amortisation of goodwill	96	3,013
Amortisation of initial costs	-	44
Decrease in stocks	254	103
Decrease/(increase) in debtors	145	(194)
(Decrease)/increase in creditors	(1,082)	2,754
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(221)	1,835
	<hr/>	<hr/>

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 (Continued)

22 Reconciliation of net cash flow to movement in net debt

	10 month period ended 31 December 2000 £'000	17 month period ended 27 February 2000 £'000
Increase in cash in the period	105	95
Cash inflow from financing	(2,266)	(106)
	<hr/>	<hr/>
Change in net debt resulting from cashflows	(2,161)	(11)
New finance leases	-	(70)
Other non-cash items (see note 23)	10,563	-
	<hr/>	<hr/>
Movement in net debt in the period	8,402	(81)
Opening net debt	(8,579)	(8,498)
	<hr/>	<hr/>
Closing net debt	(177)	(8,579)
	<hr/>	<hr/>

23 Analysis of net debt

	At 27 February 2000 £'000	Non-cash items £'000	Cashflow £'000	At 31 December 2000 £'000
Cash in hand and at bank	8	-	4	12
Overdrafts	(259)	-	101	(158)
Debt due after one year	(5,643)	10,563	(4,920)	-
Debt due within one year	(2,600)	-	2,600	-
Finance leases	(85)	-	54	(31)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(8,579)	10,563	(2,161)	(177)
	<hr/>	<hr/>	<hr/>	<hr/>

Non-cash items relate to the capitalisation of loans of £5,432,568 and £5,130,393 as detailed in note 18.

24 Commitments under operating leases

Operating lease payments amounting to £808,000 (Feb 2000: £850,000) are due within one year. The leases to which these relate expire as follows:

	31 December 2000		27 February 2000	
	Group and Company		Group and Company	
	Land and	Other	Land and	Other
	buildings		buildings	
	£'000	£'000	£'000	£'000
Operating lease which expire:				
Within one year	-	56	34	47
In more than one year but not more than two years	-	63	-	3
In more than two years but not more than five years	-	18	-	40
In more than five years	671	-	717	9
	<u>671</u>	<u>137</u>	<u>751</u>	<u>99</u>

25 Transactions with directors and related party transactions

As a wholly owned subsidiary of A.S. Lathouwers NV the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Mitiska NV. During the period N D Evans invoiced the company £30,000 for services as a non-executive director of the company. During the period to 27 February 2000 the company was invoiced for £59,500 by companies connected with three directors for their services. Incidental expenses of £8,125 were also invoiced by those companies.

26 Capital commitments

The group had no capital commitments at 31 December 2000 or 27 February 2000.

27 Contingent liabilities

The group has a guarantee with HM Customs & Excise for a maximum liability of £30,000.

28 Pensions

The group operates a defined contribution pension scheme for the benefit of employees and directors. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

COTSWOLD OUTDOOR LIMITED

Notes to the financial statements for the 10 months ended 31 December 2000 *(Continued)*

29 Post balance sheet event and going concern

In common with similar businesses affected by the restrictions of access to the countryside during the UK foot and mouth disease crisis, the company has experienced a downturn in like for like sales in March and April 2001. The company has made short term cost reductions and other operating decisions to enable the company to operate within its facilities for the foreseeable future.

30 Controlling party

The ultimate controlling related parties of the company are Mitiska NV and Emiel Lathouwers as a result of their holding 50% each of the share capital of A.S. Lathouwers NV.

A.S.Lathouwers NV is the company's controlling related party by virtue of its 100% holding of the issued share capital of this company.

The largest group undertakings for which the group accounts have been drawn up is that headed by Mitiska NV incorporated in Belgium and the smallest such group of undertakings, including this company is A.S. Lathouwers NV incorporated in Belgium.