

# OUTDOOR AND CYCLE CONCEPTS LIMITED

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

FRIDAY



\*A6G0J1NM\*

A07

29/09/2017

#205

COMPANIES HOUSE

## **OUTDOOR AND CYCLE CONCEPTS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	G M Nieuwenhuys (appointed 1 July 2016) F D Ball (resigned 1 February 2017) M P Smith (appointed 1 February 2017)
<b>Company secretary</b>	M P Smith
<b>Registered number</b>	03382348
<b>Registered office</b>	Unit 11 Kemble Business Park Crudwell Malmesbury Wiltshire SN16 9SH
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT
<b>Bankers</b>	Lloyds TSB Bank Pendeford Business Park Wobaston Road Wolverhampton WV9 5HA
<b>Solicitors</b>	Osborne Clarke Apex Plaza Forbury Road Reading RG1 1AX

# **OUTDOOR AND CYCLE CONCEPTS LIMITED**

## **CONTENTS**

	Page
<b>Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 5</b>
<b>Independent Auditors' Report</b>	<b>6 - 7</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11 - 27</b>

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors present the Strategic Report of Outdoor and Cycle Concepts Limited (the "Company") for the year ended 31 December 2016.

**Business review**

The principal activity of the company during the year was the retailing of outdoor clothing, footwear and equipment, as well as skiers', cyclists' and runners' accessories, clothing and equipment, both through physical stores and on-line. The Company comprises four fascia (Cotswold Outdoor, Snow and Rock, Runners Need and Cycle Surgery).

The acquisition of the Snow and Rock Group in May 2015 and the subsequent hive-up into Outdoor and Cycle Concepts on 31 October 2015, induced a period of significant change with processes, systems and platforms being unified, next to the optimisation of the store and general management structure for this joint organisation and a new Senior Leadership team being put in place.

In January 2016, Greg Nieuwenhuys was appointed as CEO, replacing Hans Falkenburg following his retirement. Greg has previously served as CEO of Bever (also part of the AS Adventure Group). During the year, other key roles, such as the Retail Director, the Buying and Merchandising Director and the Finance Director, were appointed. For the roles of HR Director and Marketing and Omnichannel Director, searches were ongoing and the team is now complete since August 2017.

Despite a difficult trading environment, 2016 was a solid year for Cotswold Outdoor with a like-for-like growth of +3.2% and an increased trade margin percentage. At the end of the year two dual fascia stores were opened in combination with Runners Need, in Dublin and Inverness, next to three Runners Need shop-in-shop that were added to existing Cotswold Outdoor stores. In addition, the e-commerce team prepared the roll-out of a new e-commerce platform (now live since August 2017) which is already successfully running for the Snow and Rock Group fascia.

On a pro forma basis Snow and Rock and Runners Need recorded a year-on-year decrease in turnover, but the last quarter of 2016 was strong, returning to significant like-for-like growth. Thanks to lower discounting activity since acquisition, an increase in the annual trade gross margin of +0.66%pts has been achieved. Leveraging the better terms of each business by creating one account at key suppliers has furthermore contributed to the margin increase. Cycle Surgery has been impacted the most by the trading environment. From an operational point of view, Cycle Surgery is quite different to the other fascia and filling the key roles for that market has proven to be a challenge. This has led to a decline in turnover by -18.5% and lower trade gross margins, but the fourth quarter showed signs that a turnaround is on its way as well.

The Company recognises that the integration of Snow and Rock has weighed on the business in terms of profitability over the past 18 months, but with the new Senior Leadership Team and supported by enthusiastic store experts and a motivated head-office and warehouse team, the business is now in a stronger position to deliver profitable growth to the Company, as demonstrated in the last quarter of the year.

**Principal risks and uncertainties**

Acknowledging the dynamic nature of our business environment, the Company intends to mitigate the relevant risks. However, circumstances can be unpredictable in which risks can materialise, having an impact on the Company's results.

As an omni-channel retailer, the macro-economic circumstances in the UK could have an influence on the Company's results. The 'Brexit' decision had a negative effect on consumer confidence and weakened the pound sterling. This could cause inflation to rise and adjust consumer spending behavior, leading to aggressive actions from competition. It is embedded in our strategy to monitor these trends closely and react smart in a timely manner.

Further, the unpredictable weather patterns also pose a risk to trading but the company is in a strong position to manage this risk with its updated store portfolio and wider category appeal, such as the new summer proposition across Snow and Rock.

For strategic, operational, compliance and financial risks, the risk appetite is low and comparable to last year. The Company adapts its risk management in a pragmatic and workable manner. The risks are managed by our strategy, control environment, budget and policies. Within the Company, cost control and tight monitoring between

incoming and outgoing cash flows are key focus areas.

## **OUTDOOR AND CYCLE CONCEPTS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

Finally, long-standing relationships with our main suppliers have proven to be powerful tools to reduce the impact of these strategic risks.

#### **Financial key performance indicators**

The company defined its key performance indicators as:

- like-for-like sales growth;
- trade gross margin %; and
- Adjusted REBITDA (recurring earnings before interest, tax, depreciation and amortisation). This is after adjusting for non-cash, one-off and store set-up costs.

#### **Operating results 2016**

On a like-for-like basis, the largest fascia (Cotswold Outdoor, 67% of total sales) achieved a sound +£4m or +3.2% sales growth. Including the new stores, Cotswold Outdoor turnover grew to £129m, whilst increasing the trade gross margin % by +0.85%pts and keeping store operating costs well under control. E-commerce sales have grown by +23.8% and managed to increase the trade margin +1.3%pts.

The results of the Snow & Rock Group show a mixed picture. Note that the income statement of last year only included the results of the last two months of the year, which are peak trading months heading up to the winter and Christmas. As we are trading at full price during these months, the margin % of last year was higher than the annual average. Comparing those two months only, the Snow & Rock Group has shown sales increases of +10.6% in November and +9.2% in December. At the beginning of the year, the group was trading against high discount activity ahead of the acquisition and the summer season was affected by low consumer confidence. This has resulted in a decline of the annual turnover by approx. 10% and led to a triggering event with respect to the assessment of the goodwill that had been recognised at hive-up.

The drop on last year's sales and trade gross margin at Cycle Surgery is mainly attributable to delayed purchases by UK consumers over the summer, in spite of the olympics. Runners Need sales declined by -5.7% and Snow & Rock by -5.3%, partly offset by better trade gross margins (+0.66%pts).

Restructuring the management and organisation structure in combination with the operational integration of the four fascia and preparing teams and processes for the future has resulted in an increased overhead cost from 9.7% to 10.2% of sales, whilst logistics expenses have increased in line with turnover.

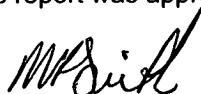
The lower trading of Snow & Rock group, especially Cycle Surgery, was a triggering event to assess the carrying value of the goodwill that was created from the acquisition and hive-up last year. The goodwill was created post-acquisition by restructuring the subsidiaries of Snow & Rock Group Holdings Ltd at book value and subsequently transferring all assets and liabilities from these entities to Outdoor & Cycle Concepts Ltd. To better reflect current financial performance and revised aspirations the Company decided to impair part of this goodwill (non-cash).

#### **Future developments**

The Company continues to look at new opportunities for stores to add to the current portfolio, with Biggleswade (Cotswold Outdoor / Runners Need), Bagshot (Cotswold Outdoor / Runners Need) and Bluewater (Snow and Rock / Runners Need) being important new developments for the forthcoming year.

After the experience build from the move of Cycle Surgery, Runners Need and Snow and Rock websites to the AEM platform (Adobe Experience Manager) in 2016, Cotswold Outdoor was the last fascia to be moved to this new technology. With these new websites that were developed in-house, we look confident to the future and are convinced that we will continue to offer the best service to the customer, through whatever retail channel she or he prefers.

This report was approved by the board on 29<sup>th</sup> SEPTEMBER 2017 and signed on its behalf.



M P Smith  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors present their report and the audited financial statements of Outdoors and Cycle Concepts (the "Company") for the year ended 31 December 2016.

**Results and dividends**

The loss for the year, after taxation, amounted to £49,161,000 (2015: £14,166,000 Profit). The directors do not propose the payment of a dividend (2015: £nil).

**Financial risk management**

The Company uses various financial instruments these include loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance to fund the company's operations.

The main risks arising from the Company's financial instruments are currency risk, cash flow interest rate risk, credit risk and liquidity risk. No transactions of a speculative nature are undertaken. The Director reviews and agrees policies for minimising each of these risks and they are summarised below.

***Currency risk***

The Company has a low level of exposure to translation and transaction foreign exchange risk. Transactions with the parent company are denominated in sterling. Foreign exchange differences on retranslation of foreign currency assets and liabilities are taken to the Statement of Comprehensive Income of the Company.

***Cash flow interest rate risk***

Due to its borrowings, the Company is exposed to a cash flow risk resulting from the variable portion of the interest (LIBOR). The Company has an interest policy aimed at reducing volatility in its interest expense. For this purpose, the Company took out a floating to fixed interest rate swap.

***Credit risk***

The Company's financial assets include trade debtors. In order to manage credit risk the Directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

***Liquidity risk***

The Company manages its financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by a combination of overdraft facilities and short-term loans.

**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. There is a performance related bonus scheme for management based on their performance as well as the overall performance of the Company.

**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.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Environment**

The Company recognises its responsibilities towards the management of the impact of the business on the environment. Our customers' outdoor activities using the products we sell demand that we adopt a proactive stance to the sustainability of the environment for all outdoor users.

The Board continues to review all the major areas where positive action can be taken to reduce the impact of the Company's activities on the environment. The review includes the actions required to achieve carbon neutrality and our plans for achieving that aim. Included in the review are energy, transport, waste and packaging. We aim to continue to make substantial progress over the course of the year.

Paper and other waste recycling is already undertaken at our stores and head-office. Our staff are encouraged to participate in recycling and to provide ideas where the Company could reduce any potential impacts on the environment.

**Matters covered in the strategic report**

Future developments are discussed in the strategic report.

**Directors**

The Directors who served during the year and up to the date of approval of these financial statements, unless otherwise stated, were:

G M Nieuwenhuys (appointed 1 July 2016)

F D Ball (resigned 1 February 2017)

M P Smith (appointed 1 February 2017)

**Going Concern**

The Directors are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern and have gained confirmation from the parent undertaking that they will continue to support the Company for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the Director has the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group also purchased and maintained throughout the financial year Director's and Officers' liability insurance in respect of itself and the Company.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on *29<sup>TH</sup> SEPTEMBER 2017* and signed on its behalf.



M P Smith  
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OUTDOOR AND CYCLE CONCEPTS LIMITED**

**Report on the financial statements**

**Our opinion**

In our opinion, Outdoor and Cycle Concepts Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**What we have audited**

The financial statements, included in the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive income for the year ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinions on matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OUTDOOR AND CYCLE CONCEPTS LIMITED**

**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Neil Philpott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
29 September 2017

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	£000	2016 £000	2015 £000
Turnover	4		191,620	135,530
Cost of sales			(104,963)	(73,119)
<b>Gross profit</b>			86,657	62,411
Distribution costs			(66,390)	(44,985)
Administrative expenses		(23,773)		(12,377)
Exceptional administrative expenses	13	(42,609)		(10,326)
Administrative expenses			(66,382)	(22,703)
Other operating income	5		1,018	845
<b>Adjusted REBITDA</b>			7,229	10,708
Less: Depreciation and Amortisation			(8,542)	(3,873)
Less: Exceptional administrative expenses	13		(42,609)	(10,326)
Less: Finance Costs **			(833)	(408)
Less: Preopening expenses ...			(342)	533)
<b>Operating loss</b>			(45,097)	(4,432)
Income from shares in group undertakings			-	22,724
Other Interest receivable and similar	10		2	8
Interest payable and similar expenses	11		(5,240)	(3,412)
<b>(Loss)/profit before taxation</b>			(50,335)	14,888
Tax on (Loss)/profit	12		1,300	(722)
<b>(Loss)/profit for the financial year</b>			(49,035)	14,166
<b>Other comprehensive loss for the year</b>			(126)	-
Loss on fair value of derivative financial				
<b>Total comprehensive loss for the year</b>			(49,161)	14,166

\* Exceptional administrative expenses and hive up expenses

\*\* Foreign Exchange, bank charges and similar charges

\*\*\* Store preopening expenses

The notes on pages 11 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016

	Note	£000	2016 £000	£000	2015 £000
<b>Fixed assets</b>					
Intangible assets	14		23,726		69,207
Tangible assets	15		21,209		21,991
Investments	16		20,094		20,094
			<u>65,029</u>		<u>111,292</u>
<b>Current assets</b>					
Stocks	17	46,508		44,317	
Debtors: amounts falling due within one year	18	8,333		15,429	
Cash at bank and in hand	19	7,954		6,441	
		<u>62,795</u>		<u>66,187</u>	
Creditors: amounts falling due within one year	20	(80,076)		(76,304)	
<b>Net current liabilities</b>			<u>(17,281)</u>		<u>(10,117)</u>
<b>Total assets less current liabilities</b>			<u>47,748</u>		<u>101,175</u>
Creditors: amounts falling due after more than one year	21		(62,276)		(65,276)
<b>Provisions for liabilities</b>					
Deferred tax	22		(3,190)		(4,456)
<b>Net assets</b>			<u>(17,718)</u>		<u>31,443</u>
<b>Capital and reserves</b>					
Called up share capital	23		3,626		3,626
Reserves			(21,344)		27,817
			<u>(17,718)</u>		<u>31,443</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
29 September 2017



M P Smith  
Director

The notes on pages 11 to 27 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2016	3,626	27,817	31,443
<b>Comprehensive Loss for the year</b>			
Loss for the year	-	(49,035)	(49,035)
Other comprehensive Loss for the year	-	(126)	(126)
<b>Total comprehensive loss for the year</b>	-	(49,161)	(49,161)
<b>At 31 December 2016</b>	<b>3,626</b>	<b>(21,344)</b>	<b>(17,718)</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2015	3,626	13,651	17,277
<b>Comprehensive income for the year</b>			
Profit for the year	-	14,166	14,166
<b>Total comprehensive income for the year</b>	-	14,166	14,166
<b>At 31 December 2015</b>	<b>3,626</b>	<b>27,817</b>	<b>31,443</b>

The notes on pages 11 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. General information**

Outdoor and Cycle Concepts Limited (the "Company"), is a private limited company incorporated and domiciled in England and Wales.

The Company's registered office is Unit 11, Kemble Business Park, Crudwell, Malmesbury, Wiltshire, SN16 9SH.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. These financial statements have been prepared on the going concern basis in accordance with applicable UK accounting and financial reporting standards and the Companies Act 2006.

The financial statements are presented in GBP and rounded to the nearest thousand unless otherwise stated.

The company has taken advantage of the exemption permitted by section 400 of the Companies Act 2006 and not produced consolidated financial statements as, at 31 December 2016, it was itself a wholly owned subsidiary of Retail Concepts N.V and its ultimate parent company AS Adventure Coöperatief U.A. whose consolidated financial statements are publicly available from Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands. The financial statements therefore present information about the company as an individual undertaking and not about its group.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of AS Adventure Coöperatief U.A. as at 31 December 2016 and these financial statements may be obtained from Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life which is considered to be 20 years.

The brand name intangible has been recognised at fair value to the extent it is probable that the expected future economic benefits attributable to the asset will flow to the Company and that its cost can be measured reliably. The intangible has been valued based on discounted future net cash flows. The cost of the asset is amortised through the statement of comprehensive income on a straight line basis over its estimated economic life of 15 years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- Over the life of the lease
Fixtures and fittings	- 2 to 5 years
Computer equipment	- 3 years
Assets in the course of construction	- Not depreciated

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

**2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.10 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**2.13 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.14 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.15 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.16 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.17 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.19 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.20 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Valuation of intangible assets**

FRS102 required the identification of acquired intangible assets as part of a business combination. The methods used to value such intangible assets require the use of estimates. Future results are impacted by the amortisation periods adopted and changes to the estimated useful lives would result in different effects on the Statement of Comprehensive Income and Statement of Financial Position.

**Impairment Review**

The recoverable amount of the Snow & Rock cash generating unit is determined based on fair value less costs to sell calculations. These calculations use cash flow projections covering an indefinite period and are based on budgets approved by management. Cash flows beyond this period are extrapolated using estimated growth rate that do not exceed the long-term average growth rate for the retail trade business in which the cash-generating unit operates and is consistent with forecasts included in industry reports. Approximately 11% was used to discount the projected cash flows, which reflects specific risks relating to the Company or relevant cash generating unit. The main assumptions for the cash flow projections are a like-for-like cumulative aggregate growth rate over the period of 5 years up to 2021 of 7.5% (incl online), opening one new store per year and an inflation rate at 3% per annum. The impact of the Brexit is considered to be limited. All of the intangible assets represented by legal titles or of similar status have been pledged to secure borrowings of the Company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

**Stock provisioning**

Stock is included in the Statement of Financial Position at the lower of cost and net realizable value. The assessment of net realisable value for old and obsolete stock requires the use of estimates and future changes to the assumptions used would result in different effects on the Statement of Comprehensive Income and Statement of Financial Position.

**4. Turnover**

The whole of the turnover is attributable to the Company's principal activity.

Analysis of turnover by country of destination:

	<b>2016 £000</b>	<b>2015 £000</b>
United Kingdom	187,319	133,705
Rest of Europe	2,773	1,825
Rest of World	1,528	-
	<b>191,620</b>	<b>135,530</b>

**5. Other operating income**

	<b>2016 £000</b>	<b>2015 £000</b>
Other operating income	1,018	845
	<b>1,018</b>	<b>845</b>

**6. Operating loss**

The operating loss is stated after charging/(crediting):

	<b>2016 £000</b>	<b>2015 £000</b>
Depreciation of tangible fixed assets	4,560	3,122
Amortisation of intangible assets, including goodwill	3,982	751
Exchange differences	601	200
Other operating lease rentals	17,653	10,446
(Credit)/charge to stock provision	(191)	165
Credit to debtor provision	(58)	(10)
Loss on sale of fixed asset	253	51
Inventory usage included in cost of sales	<b>103,138</b>	<b>72,221</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

<b>7. Auditors' remuneration</b>	<b>2016 £000</b>	<b>2015 £000</b>
Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements	63	130
<b>Fees payable to the Company's auditors and its associates in respect</b>		
Other assurance fees	-	30
Other services relating to taxation	30	28
	<u>93</u>	<u>188</u>

**8. Employees**

Staff costs, including Directors' remuneration, were as follows:

	<b>2016 £000</b>	<b>2015 £000</b>
Wages and salaries	29,103	18,188
Social security costs	2,000	1,301
Other pension costs	318	226
	<u>31,421</u>	<u>19,715</u>

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

	<b>2016 No.</b>	<b>2015 No.</b>
Selling and distribution	1,910	1,222
Administration	185	188
	<u>2,095</u>	<u>1,410</u>

**9. Directors' remuneration**

	<b>2016 £000</b>	<b>2015 £000</b>
Directors' emoluments	226	237
Company contributions to defined contribution pension schemes	15	40
Compensation for loss of office	-	206
	<u>241</u>	<u>483</u>

During the year retirement benefits were accruing to 2 Directors (2015 : 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £132,531 (2015 : £220,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £11,437 (2015 : £40,000).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

10. Other interest receivable and similar income

	2016 £000	2015 £000
Other interest receivable	2	8

11. Interest payable and similar charges

	2016 £000	2015 £000
Bank interest payable	2,684	1,465
Other loan interest payable	140	82
Loans from group undertakings	2,416	1,866
	5,240	3,412

12. Taxation

	2016 £000	2015 £000
<b>Corporation tax</b>		
Current tax on (loss)/ profits for the year	-	554
Adjustments in respect of previous periods	(34)	39
<b>Total current tax</b>	(34)	593
<b>Deferred tax</b>		
Current period charge	(676)	147
Changes to tax rates	(455)	(18)
Adjustments in respect of previous periods	(135)	-
<b>Total deferred tax</b>	(1,266)	129
<b>Taxation on (loss)profit on ordinary activities</b>	(1,300)	722

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**12. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 : lower than) the standard rate of corporation tax in the UK of 20% (2015 : 20.25%). The differences are explained below:

	<b>2016 £000</b>	<b>2015 £000</b>
(Loss) Profit on ordinary activities before tax	(50,334)	14,888
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 : 20.25%)	(10,067)	3,015
<b>Effects of:</b>		
Deferred tax rate change	(454)	-
Adjustments to tax charge in respect of prior periods	(169)	39
Group relief not paid for	-	(364)
Non-taxable income	-	(4,640)
UK GAAP permanent disallowance	9,271	2,682
Deferred tax recognition	119	(10)
<b>Total tax charge for the year</b>	<b>(1,300)</b>	<b>722</b>

**Factors that may affect future tax charges**

The July 2015 Budget Statement announced changes to the UK Corporation tax regime which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 that have been substantively enacted at the year end date. A further change was announced in the March 2016 budget to further reduce the rate to 17% from 1 April 2020.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

13. Exceptional administrative expenses

	2016 £000	2015 £000
Impairment of intercompany debtor	-	1,850
Impairment of investments	-	7,220
Impairment of Goodwill	41,499	-
Impairment of tangible assets	406	-
Hive up expenses	704	1,256
	<u>42,609</u>	<u>10,070</u>

14. Intangible assets

	Goodwill £000	Brand Name £000	Total £000
<b>Cost</b>			
At 1 January 2016	<u>55,271</u>	<u>19,749</u>	<u>75,020</u>
At 31 December 2016	<u>55,271</u>	<u>19,749</u>	<u>75,020</u>
<b>Accumulated Amortisation</b>			
At 1 January 2016	5,594	219	5,813
Charge for the year	2,665	1,317	3,982
Impairment	41,499	-	41,499
At 31 December 2016	<u>49,758</u>	<u>1,536</u>	<u>51,294</u>
<b>Net book value</b>			
At 31 December 2016	<u>5,513</u>	<u>18,213</u>	<u>23,726</u>
At 31 December 2015	<u>49,677</u>	<u>19,530</u>	<u>69,207</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

15. Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Assets in the course of construction £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2016	36,118	23,169	5,899	1,182	66,368
Additions	3,335	748	152	200	4,435
Disposals	(194)	(302)	(56)	-	(553)
Transfers between classes	601	87	429	(1,118)	-
At 31 December 2016	39,860	23,702	6,424	264	70,250
<b>Depreciation</b>					
At 1 January 2016	19,670	19,565	5,142	-	44,377
Charge owned for the period	2,963	1,083	514	-	4,560
Disposals	(154)	(91)	(55)	-	(300)
Impairment	404	2	-	-	406
At 31 December 2016	22,883	20,557	5,601	-	49,041
<b>Net book value</b>					
At 31 December 2016	16,977	3,145	823	264	21,209
At 31 December 2015	16,448	3,604	757	1,182	21,991

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**16. Investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 January 2016	20,094
At 31 December 2016	<u>20,094</u>
<b>Net book value</b>	
At 31 December 2016	<u>20,094</u>
At 31 December 2015	<u>20,094</u>

**17. Stocks**

	<b>2016 £000</b>	<b>2015 £000</b>
Goods for resale	46,422	44,259
Non-trading stock	86	58
	<u>46,508</u>	<u>44,317</u>

**18. Debtors: amounts falling due within one year**

	<b>2016 £000</b>	<b>2015 £000</b>
Trade debtors	1,396	2,641
Amounts owed by group undertakings	764	6,480
Other debtors	729	1,200
Prepayments and accrued income	5,444	5,108
	<u>8,333</u>	<u>15,429</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

Financial instruments included above are measured at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>19. Cash and cash equivalents</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	7,954	6,441

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	28,733	27,982
Amounts owed to group undertakings	33,274	28,813
Taxation and social security	4,147	4,086
Other creditors	3,377	3,476
Derivative financial instrument	126	-
Accruals and deferred income	10,419	11,947
	<u>80,076</u>	<u>76,304</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

Financial instruments included above are measured at amortised cost.

**21. Creditors: Amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Bank loans	40,000	40,000
Amounts owed to group undertakings	22,276	25,276
	<u>62,276</u>	<u>65,276</u>

**Bank loans and overdrafts**

In order to fund the acquisition of Snow + Rock Group Holdings Ltd, a £40m facility was fully drawn-down during the year. Interest accrues at 5.58% and the loan is secured against assets across the Group.

**Amounts owed to group undertakings**

Amounts owed to group undertakings are in the form of three unsecured loans. £14.5m is repayable in 5 years and accrues interest at 10.4%, £2.5m accrues interest at 10.4 % with no repayment date and £5.3m accrues interest at 10.7% with no repayment date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

22. Deferred tax

	2016 £000
At beginning of year	(4,456)
charged to the profit or loss	1,266
	<u>(3,190)</u>

The provision for deferred taxation is made up as follows:

	2016 £000	2015 £000
Accelerated capital allowances	(105)	(758)
Intangible assets	(3,096)	(3,711)
Other	11	13
	<u>(3,190)</u>	<u>(4,456)</u>

23. Called up Share capital

	2016 £000	2015 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
362,569,578 (2015: 362,569,578) Ordinary shares of £0.01 each	3,626	3,626
	<u>3,626</u>	<u>3,626</u>

24. Reserves

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

25. Capital commitments

At 31 December 2016 the Company had capital commitments as follows:

	2016 £000	2015 £000
Contracted for but not provided in these financial statements	<u>150</u>	<u>94</u>

26. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £317,612 (2015: £226,457).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**27. Derivative Financial instruments**

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Creditor at 1 January 2016	-	-
Changes in value dealt with through other comprehensive expense	(126)	-
Creditor at 31 December 2016	(126)	-

On 31 December 2015, a floating to fixed interest rate swap was agreed with a notional amount of £20m and a maturity of 2 years. All other conditions are similar to the hedged item. At the balance sheet date the interest rate swap was showing a loss of £125,752.

**28. Commitments under operating leases**

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	16,521	16,313
Later than 1 year and not later than 5 years	51,327	53,968
Later than 5 years	32,078	31,111
	<u>99,926</u>	<u>101,392</u>

**29. Controlling party**

The immediate parent undertaking is Retail Concepts N.V.

The ultimate parent undertaking and controlling party is AS Adventure Coöpertief U.A., a company incorporated in the Netherlands.

AS Adventure Holding B.V. is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2016. AS Adventure Coöpertief U.A. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2016.

The consolidated financial statements of AS Adventure Holding B.V. and AS Adventure Coöpertief U.A. are available from Prins Bernhardplein 200, 1097 JB AMSTERDAM, Netherlands.

## OUTDOOR AND CYCLE CONCEPTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 30. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of Shares	Holding	Principal activity
Cotswold Camping Limited <sup>(1)</sup>	England	Ordinary	100%	Dormant
AS Adventure (UK) Limited <sup>(1)</sup>	England	Ordinary	100%	Dormant
Snow + Rock Group Holdings Limited <sup>(2)</sup>	England	Ordinary	100%	Dormant
Snow + Rock Group Limited <sup>(2)</sup>	England	Ordinary	100%	Dormant
Snow & Rock Sports Limited <sup>(2)</sup>	England	Ordinary	100%	Dormant
Snow & Rock Limited <sup>(2)</sup>	England	Ordinary	100%	Dormant
Runners Need Limited <sup>(2)</sup>	England	Ordinary	100%	Dormant
Cycle Surgery Limited <sup>(2)</sup>	England	Ordinary	100%	Dormant

The registered addresses of the above companies are as follows;

1. Unit 11 Kemble Business Park, Crudwell, Malmesbury, Wiltshire, SN16 9SH
2. The Rock 2 Thornberry Way, Slyfield Industrial Estate, Guildford, Surrey, GU1 1QB