Actev Limited

Directors' report and consolidated financial statements

Registered number 8615746

For the 52 week period ended

1 November 2014

Contents

Directors' report

The directors present their group annual report and financial statements for the 364 day period 3 November 2013 to 1 November 2014 (2013: 364 day period ended 2 November 2012) and Company annual report and financial statements for the period from 29 July 2013 to 1 November 2014.

Principal activities

The principal activity of the Group is retailing bicycles and accessories.

Acquisition of Evans Holdings and use of Merger Accounting

In accordance with the asset purchase agreement dated 29 July 2013 providing for the reconstruction of the Evans group, Active Evans Investment LP transferred its shares in Evans Holdings Limited to Actev Limited, a new company formed for the purpose. The consideration for this transfer was the issue of shares in Actev Limited, credited as fully paid.

The consolidated financial statements of Actev Limited comprise the financial statements of the company and its subsidiary undertakings prepared using merger accounting principles. Consequently the companies, businesses and assets comprising the Actev Limited group are presented as if they had been part of this group from the date that Active Evans Investment LP originally obtained control of Evans Holdings Limited on 4 April 2008. This basis of accounting has been adopted in order to present a true and fair view.

The terms of the transfer of the investment in Evans Holdings Limited from Active Evans Investment LP to Actev Limited did not meet the requirements of Schedule 6 paragraph 10 of the Companies Act 2006 The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) because Actev Limited did not acquire more than 90% of the equity of Evans Holdings Limited. Consequently FRS 6 requires that acquisition accounting principles should be used and that the assets and liabilities of the Evans Holdings Limited group should be presented at fair value with any resulting goodwill recognised on the date of the transfer.

However, the directors consider that to apply acquisition accounting to the reorganisation would fail to give a true and fair view of the group's state of affairs or results for shareholders since they have had a continuing interest in the group's business both before and after the restructuring. Had this departure not been necessary the effect on these financial statements would have been to consolidate the financial statements of the subsidiary undertakings based on the fair values of the related assets and liabilities at 29 July 2013 and to present the results of the group from 29 July 2013 to 2 November 2014. Owing to the complexity of transactions involved, it is not practicable to quantify the effect of this departure.

Directors

The directors who held office during the year were as follows:

Active GP Limited
G Davies
N D Evans
S Nye
S Skinner

Employment policy

It remains the policy of the Group to give full and fair consideration to applications for employment from disabled persons, to continue wherever possible the same employment of members of staff who may become disabled and to ensure that suitable training, career development and promotion is afforded to such persons.

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Group. Board meetings are held on a monthly basis and information is communicated to employees through a series of formal and informal meetings, emails and a weekly bulletin.

Environmental activities

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's activities. Initiatives designed to minimise the Group's impact on the environment include the safe disposal of industrial waste, using recycled products and reducing energy consumption.

Provision of information to auditors

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

By order of the board

N D Evans
Director

6 Burnsall Street
London
SW3 3ST

31 March 2015

Strategic report

Actev Limited is a holding company that owns a controlling interest in Evans Holdings Limited. Evans Holdings Limited acts as a holding company and owns the entire share capital of F W Evans Cycles (UK) Limited through its subsidiary F W Evans Limited. F W Evans Cycles (UK) Limited is an independent specialist cycling retailer, established in 1921 and now operating as a multi-channel retailer through stores and online and mobile channels. The Evans Cycles brand offers a wide range of products and services, and is committed to growing the popularity of cycling as a sport, a leisure activity and a means of transport. Product ranges include leading global brands as well as exclusive and own brands. Services include cycle maintenance, organised rides and a Ride-to-Work programme to help customers take advantage of the benefits offered under the Government's Green Transport Plan.

The results for the year are set out on page 6. During the year, the group opened 5 new stores in Plymouth, Preston, Maidstone, Chelmsford and Maidenhead. The total number of stores at the year-end was 52 (2013: 47). The increase in store numbers and growth in existing stores and the Group's website, resulted in a 11.9% increase in turnover versus the previous year.

The Directors believe that the most appropriate measure of the group's profitability is earnings before interest, tax, depreciation and amortisation, excluding exceptional expenses (EBITDA excluding exceptional expenses) and so EBITDA excluding exceptional expenses is considered to be the group's key performance indicator. For the current year, EBITDA excluding exceptional expenses was £7.5m versus £5.6m the previous year. This represents an increase of 33% which the Directors consider to be a satisfactory result.

The Group recorded an operating profit of £4.0m which was an increase of 85% versus the previous year. This result has been delivered via increased sales and excellent cost control.

The strong result for the year combined with improved working capital control resulted in year-end cash of £6.1m versus £3.1m last year.

The Group does not operate in high risk geographies and we have long term relationships with all of our key suppliers. The main risks and uncertainties faced by the business relate to the wider UK economic climate and the strength of the cycling market in particular. The Directors do not believe that either of these factors are a significant risk to the performance of the Company for the foreseeable future.

As at 1 November 2014 the Group's net assets were £20.5 million (2013: £17.5 million).

Net cash flow from operating activities increased to £8.1m from £4.7m in the prior year.

By order of the board

N D Evans
Director

6 Burnsall Street
London
SW3 3ST

31 March 2015

Statement of Directors' responsibilities in respect of the Strategic report and Directors' report and the Financial Statements

The directors are responsible for preparing the Strategic Report and 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 period. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the members of Actev Limited

We have audited the financial statements of Actev Limited for the period ended 1 November 2014 set out on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 1 November 2014 and of the group's profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

T.J. [signature]

Timothy Rush (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

13th April 2015

Consolidated profit and loss account
for the period ended 1 November 2014

	Notes	Period ended 1 November 2014 £'000	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000	Period ended 2 November 2013 £'000
Turnover	1		127,653		114,044
Cost of sales			(77,258)		(69,080)
Gross profit			50,395		44,964
Distribution costs			(2,228)		(2,256)
Administrative expenses		(43,964)		(40,191)	
Exceptional administrative expenses	5	(192)		(344)	
Total Administrative expenses			(44,156)		(40,535)
Operating profit			4,011		2,173
Interest payable and similar charges	6		(136)		(179)
Profit on ordinary activities before taxation	2		3,875		1,994
Taxation on profit on ordinary activities	7		(957)		(696)
Profit for the financial period prior to Minority Interests			2,918		1,298
Minority Interests	17		(383)		276
Profit for the financial period	16		2,535		1,574

The results for the period and prior year derive wholly from continuing activities.

The notes on pages 11 to 25 form part of these financial statements.

There is no difference between the reported results and those prepared on an historical cost basis.

Consolidated balance sheet
at 1 November 2014

	Note	1 November 2014 £'000	1 November 2014 £'000	2 November 2013 £'000	2 November 2013 £'000
Fixed assets					
Intangible assets	8		7,315		6,964
Tangible assets	9		9,826		9,259
			17,141		16,223
Current assets					
Stocks	11	23,022		21,542	
Debtors	12	4,251		3,904	
Cash at bank and in hand		6,069		3,130	
		33,342		28,576	
Creditors: amounts falling due within one year	13	(29,459)		(26,777)	
Net current assets			3,883		1,799
Total assets less current liabilities			21,024		18,022
Provisions for liabilities and charges	14		(489)		(524)
Net assets			20,535		17,498
Capital and reserves					
Called up share capital	15		1		1
Merger Reserve	16		(30,535)		(30,535)
Profit and loss account	16		49,202		46,616
Shareholder funds			18,668		16,082
Minority Interests	17		1,867		1,416
Equity			20,535		17,498

The notes on pages 11 to 25 form part of these financial statements.

These financial statements were approved by the board of directors on 31 March 2015 and were signed on its behalf by:

N D Evans
Director

Company balance sheet
at 1 November 2014

	Note	1 November 2014 £'000	1 November 2014 £'000
Fixed assets			
Investments	*10*		39,860
Current assets			
Debtors	*12*	704	
Cash at bank and in hand		139	
		843	
Creditors: amounts falling due within one year	*13*	(712)	
Net current assets			131
Net assets			39,991
Capital and reserves			
Called up share capital	*15*		1
Profit and loss account	*16*		39,990
Equity shareholders' funds			39,991

The notes on pages 11 to 25 form part of these financial statements.

These financial statements were approved by the board of directors on 31 March 2015 and were signed on its behalf by:

N D Evans
Director

Consolidated cash flow statement
for the period ended 1 November 2014

	Note	**Period ended 1 November 2014 £'000**	Period ended 2 November 2013 £'000
Net cash flow from operating activities	*19*	**8,101**	4,712
Returns on investments and servicing of finance	*20*	**(136)**	(179)
Taxation		**(961)**	(397)
Capital expenditure and financial investment	*20*	**(4,183)**	(2,303)
Cash inflow before financing		**2,821**	1,833
Financing	*20*	**118**	(5,179)
Increase/(decrease) in cash in the period		**2,939**	(3,346)

The notes on pages 11 to 25 form part of these financial statements.

Reconciliation of movements in shareholders' funds
for the period ended 1 November 2014

	Group 2014 £'000	Company 2014 £'000	Group 2013 £'000
Profit for the financial period	**2,535**	**1,994**	1,574
Share capital subscribed (including premium)	-	37,997	-
Other movements	51	-	(23)
Net addition to shareholders' funds	**2,586**	**39,991**	1,551
Opening group shareholders' funds as at 2 November 2013 and opening company shareholder's funds at 29 July 2013	**16,082**	-	14,531
Closing shareholders' funds	**18,668**	**39,991**	16,082

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Merger Accounting

In accordance with the asset purchase agreement dated 29 July 2013 providing for the reconstruction of the Evans group, Active Evans Investment LP transferred its shares in Evans Holdings Limited to Actev Limited, a new company formed for the purpose. The consideration for this transfer was the issue of shares in Actev Limited, credited as fully paid.

The consolidated financial statements of Actev Limited comprise the financial statements of the company and its subsidiary undertakings prepared using merger accounting principles. Consequently the companies, businesses and assets comprising the Actev Limited group are presented as if they had been part of this group from the date that Active Evans Investment LP originally obtained control of Evans Holdings Limited on 4 April 2008. This basis of accounting has been adopted in order to present a true and fair view.

The terms of the transfer of the investment in Evans Holdings Limited from Active Evans Investment LP to Actev Limited did not meet the requirements of Schedule 6 paragraph 10 of the Companies Act 2006 The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) because Actev Limited did not acquire more than 90% of the equity of Evans Holdings Limited. Consequently FRS 6 requires that acquisition accounting principles should be used and that the assets and liabilities of the Evans Holdings Limited group should be presented at fair value with any resulting goodwill recognised on the date of the transfer.

However, the directors consider that to apply acquisition accounting to the reorganisation would fail to give a true and fair view of the group's state of affairs or results for shareholders since they have had a continuing interest in the group's business both before and after the restructuring. Had this departure not been necessary the effect on these financial statements would have been to consolidate the financial statements of the subsidiary undertakings based on the fair values of the related assets and liabilities at 29 July 2013 and to present the results of the group from 29 July 2013 to 2 November 2014. Owing to the complexity of transactions involved, it is not practicable to quantify the effect of this departure.

Basis of preparation

The financial statements have been prepared on a going concern basis.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future, which the directors believe is appropriate for the following reasons:

- The Evans Holdings Group currently has an overdraft facility and a revolving credit facility which are secured on the assets of the Company and certain UK subsidiaries. As with other groups with similar financing structures, the ongoing availability of these facilities is subject to periodic financial covenant tests.

- The directors have prepared detailed cash flow projections for the period to 30 April 2016. The directors have considered the assumptions made and consider the forecasts reasonable and realistic. On the basis of these projections and current trading, the directors consider the Group and Company will continue to operate within the currently agreed facilities and remain compliant with banking covenants for the foreseeable future, and hence that the use of the going concern basis is appropriate.

Due to the nature of the Group's trade and accounting processes, the financial statements are prepared to a Saturday either co-incident with or immediately preceding 31 October each year. Accordingly, these financial statements present the results of the Group and the Company for the 364 days ended 1 November 2014 (364 day period ended 2 November 2013) and the balance sheets as at that date.

Notes *(continued)*

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 1 November 2014. The merger method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Goodwill

Purchased goodwill, representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired arising on consolidation in respect of acquisitions, is capitalised. Goodwill is amortised to nil by equal annual instalments over its estimated useful life, a period which is assumed by the directors to be no greater than twenty years.

On the subsequent disposal or termination of a business acquired, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

Other intangible fixed assets

Intangible fixed assets purchased separately from a business are capitalised at their cost and are amortised to nil by equal annual instalments over their useful economic lives.

Leases and hire purchase agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks are valued using a weighted average cost method. This method is considered to be the most appropriate for the business. Certain suppliers offer rebates when purchases made in a period meet or exceed a predetermined level. Rebates are only recognised when there is clear evidence of this type of binding arrangement with the supplier and the rebate receipt is both probable and can be reasonably estimated. The rebate is recognised as a discount which is reflected in stock cost.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds.

Notes *(continued)*

Turnover

Turnover is derived from the sale of goods, net of trade discounts and value added tax. The total turnover of the Group for the year has been derived from its principal activity wholly undertaken in the UK. Revenue from the sale of goods is recognised when the Group has transferred the significant risks and rewards of ownership and control of the goods sold and the amount of revenue can be measured reliably.

Revenue generated through store outlets, internet and phone is recognised upon despatch of goods. Sales on gift vouchers issued are recognised when the voucher is redeemed. Sales generated through organised rides are recognised when the event occurs.

The Group operates a Ride to Work scheme with employers. The Group issues vouchers to employees which are redeemable when the employee purchases goods from the Group. The Group invoices the employer when vouchers are issued and income is recognised when the voucher is redeemed.

Classification of financial instruments issued by the Group

Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

The Group is not required to adopt FRS 26 but has disclosed the nature of the financial instruments used to hedge against exchange and interest rate exposures.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods at a constant rate on the carrying amount.

Post-retirement benefits

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

Taxation

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

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

Notes *(continued)*

2 Profit on ordinary activities before taxation

	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration:		
Group:		
Audit of current year financial statements	**57**	42
Audit related assurance services	**2**	2
Taxation compliance services	**33**	20
Other tax advisory services	**-**	13
Other assurance services	**-**	10
Company:		
Audit	**15**	-
Depreciation of tangible fixed assets		
Owned	**1,827**	1,673
Leased	**-**	11
Loss on disposal of fixed assets	**-**	-
Gain on disposal of fixed assets	**-**	-
Amortisation of goodwill	**356**	357
Amortisation of other intangible fixed assets	**1,084**	1,073
Land and buildings - amounts payable under operating leases	**4,439**	4,284

3 Remuneration of directors

	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000
Directors' emoluments	**-**	-
Company contributions to money purchase pension schemes	**-**	-
	-	-

No directors received any remuneration.

4 Staff numbers and costs

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

	Period ended 1 November 2014 Number of employees	Period ended 2 November 2013 Number of employees
Sales	**845**	805
Administration	**334**	311
	1,179	1,116

Notes *(continued)*

4 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000
Wages and salaries	**18,491**	17,510
Social security costs	**1,429**	1,381
Other pension costs	**206**	117
	20,126	19,008

The Group operates a defined contribution pension scheme in respect of the directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Group and amounted to £206,000 (2013: £117,000). The outstanding contributions at the period end amounted to £67,000 (2013: £9,000)

5 Exceptional administrative expenses

The exceptional administrative expenses incurred in the year relate to re-structuring costs.

6 Other interest payable and similar charges

	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000
On bank loans and overdrafts	**56**	170
Finance lease interest	**-**	2
Foreign exchange loss	**80**	7
	136	179

Notes *(continued)*

7 Taxation

Analysis of charge in period

	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000
UK corporation tax		
Current tax on income for the period	**980**	637
Adjustments in respect of prior periods	**12**	71
Total current tax	**992**	708
Deferred tax (see note 14)		
Origination/reversal of timing differences on accelerated capital allowances	**(35)**	(12)
Tax on profit on ordinary activities	**957**	696

Factors affecting the tax charge for the current period

The current tax charge for the period was higher (2013: higher) than the standard rate of corporation tax in the UK (21.83%), 2013 (23.42%).

The differences are explained below:

	Period ended 1 November 2014 £'000	Restated Period ended 2 November 2013 £'000
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	**3,875**	1,994
Current tax at 21.83% / 23.42%	**846**	467
Effects of:		
Expenses not deductible for tax purposes	**9**	27
Goodwill amortisation not deductible for tax purposes	**79**	79
Depreciation for year in excess of capital allowances	**31**	81
Movement in general provisions	**15**	-
Use of tax losses in group company	**-**	(17)
Adjustments in respect of prior periods	**12**	71
Total current tax charge (see above)	**992**	708

The March 2013 budget announced that the rate would reduce further to 20% (effective from 1 April 2015) in addition to the planned reduction to 215 (effective from 1 April 2015) previously announced in the December 2012 Autumn statement.

The deferred tax liability at 1 November 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Notes *(continued)*

8 Intangible fixed assets

Group	Goodwill £'000	Patents and trademarks £'000	Software and Website £'000	Total £'000
Cost				
At beginning of period	7,137	95	5,122	12,354
Additions	-	6	1,785	1,791
At end of period	7,137	101	6,907	14,145
Amortisation				
At beginning of period	1,992	67	3,331	5,390
Charged in the period	356	12	1,072	1,440
At end of period	2,348	79	4,403	6,830
Net book value				
At 1 November 2014	**4,789**	**22**	**2,504**	**7,315**
At 2 November 2013	5,145	28	1,791	6,964

The directors consider acquisitions separately for the purpose of determining the amortisation period of any goodwill that arises. The goodwill is being amortised over a period of 20 years (from 4 April 2008), being the directors' best estimate of its useful economic life.

Notes *(continued)*

9 Tangible fixed assets

Group	Short leasehold property £'000	Plant and machinery £'000	Fixtures, fittings and computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At beginning of period	11,724	1,391	4,180	505	17,800
Additions	1,452	76	816	50	2,394
At end of period	13,176	1,467	4,996	555	20,194
Depreciation					
At beginning of period	4,444	1,014	2,721	362	8,541
Charged in period	1,084	115	552	76	1,827
At end of period	5,528	1,129	3,273	438	10,368
Net book value					
At 1 November 2014	**7,648**	**338**	**1,723**	**117**	**9,826**
At 2 November 2013	7,280	377	1,459	143	9,259

Included in the net book value for motor vehicles is £nil (2013: £nil) relating to assets held under finance leases. Depreciation on these assets for the period was £nil (2013: £11,000).

Notes *(continued)*

10 Fixed asset investments

Company	**Shares in group undertaking £'000**
At beginning of period	-
Acquisition	37,866
Accrued dividend income	1,994
At end of period	39,860

On 29 July 2013, the shares in Evans Holdings Limited were transferred for Fair Value of £37,866,000 in a share for share exchange.

The Company's principal subsidiary undertaking at the period end was as follows:

	Country of Incorporation	**Principal activity**	**Direct/ Indirect**	**Class and percentage of shares held in Company**
Subsidiary undertakings				
Evans Holdings Limited	UK	Holding company	Direct	64.25% Ordinary shares
F W Evans Limited	UK	Holding company	Indirect	64.25% Ordinary shares
Evans Cycles Limited	UK	Dormant	Indirect	64.25% Ordinary shares
F W Evans Cycles (UK) Limited	UK	Retailing bicycles and accessories	Indirect	64.25% Ordinary shares

11 Stocks

Group	**1 November 2014 £'000**	2 November 2013 £'000
Goods for resale	23,022	21,542

12 Debtors

	Group 1 November 2014 £'000	**Company 1 November 2014 £'000**	Group 2 November 2013 £'000
Trade debtors	1,167	-	929
Amounts due from group undertakings	-	-	-
Other debtors	1,444	704	1,382
Prepayments and accrued income	1,640	-	1,593
	4,251	704	3,904

Notes *(continued)*

13 Creditors: amounts falling due within one year

	Group 1 November 2014 £'000	Company 1 November 2014 £'000	Group 2 November 2013 £'000
Trade creditors	**18,091**	**-**	16,713
Taxation and social security	**2,963**	**-**	2,982
Accruals and deferred income	**6,596**	**-**	5,544
Other creditors	**1,809**	**712**	1,538
	29,459	**712**	26,777

14 Provisions for liabilities and charges

	Deferred tax Group £'000
At beginning of period	**524**
Deferred tax charge in profit and loss account for the period	**(35)**
At end of period	**489**

The elements of deferred taxation were as follows:

	Group 1 November 2014 £'000	Group 2 November 2013 £'000
Difference between accumulated depreciation and amortisation and capital allowances	**489**	524

Company

The company has no deferred tax liability.

Notes *(continued)*

15 Called up share capital

	1 November 2014 £'000	2 November 2013 £'000
Allotted, called up and fully paid:		
Equity:		
8,377,369 Ordinary A shares of £0.0001 each	1	1
505,505 Ordinary B shares of £0.0001 each	-	-
1,501,500 Ordinary C shares of £0.0001 each	-	-
1 Ordinary D shares of £0.0001 each	-	-
	1	1

The holders of A, B, C and D Ordinary shares have the same rights to votes, dividends and asset distributions as set out in the Company's memorandum and articles as summarised below:

A Ordinary shareholder's entitled on a dividend and an asset distribution to £1 for each share held, plus pro-rata rights of net proceeds split between A and B Shareholders, less 20% payable to the C Shareholders

B Ordinary shareholder's entitlement on a dividend and an asset distribution to £1 for each share held, plus pro-rata rights of net proceeds split between A and B Shareholders

C Ordinary shareholder's entitled on a dividend and an asset distribution to 20% of the A shareholder's net proceeds.

D Ordinary shareholder's entitlement on a dividend and an asset distribution equal to amount borrowed from the company - £704,000 as at 1 November 2014 (£621,000 at 2013)

All shares are entitled to vote.

16 Share premium and reserves

Group	**Merger Reserve** £'000	**Profit and loss account** £'000
At beginning of period	(30,535)	46,616
Retained profit for the period	-	2,535
Issue of new shares in Evans Holdings	-	51
At end of period	**(30,535)**	**49,202**

Company	**Share Premium** £'000	**Profit and loss account** £'000
At beginning of period	-	-
Share Premium created on acquisition	37,996	
Capital restructuring	(37,996)	37,996
Retained profit for the period	-	1,994
At end of period	-	**39,990**

On 29 July 2013, the Board of Actev Limited signed a statutory declaration, which enabled the company to convert its share premium into retained earnings

17 Minority Interest Group

	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000
At beginning of period	**1,416**	1,774
Retained profit/(loss) for the period	**383**	(276)
Other movements relating to new share issues/(disposals)	**68**	(82)
	1,867	1,416

Notes *(continued)*

18 Commitments and contingencies

Group

(a) Capital commitments

	1 November 2014 £'000	2 November 2013 £'000
Contracted	**1,533**	230

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

Group	**Land and buildings 1 November 2014 £'000**	Land and Buildings 2 November 2013 £'000
Operating leases which expire:		
Within one year	**455**	178
In the second to fifth years inclusive	**1,431**	1,266
In over five years	**2,990**	3,118
	4,876	4,562

Company

The Company does not have any operating leases.

19 Reconciliation of operating profit to operating cash flows

	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000
Operating profit	**4,011**	2,173
Depreciation and amortisation	**3,268**	3,114
(Increase) in stock	**(1,480)**	(1,022)
(Increase)/Decrease in debtors	**(438)**	619
Increase/(Decrease) in creditors	**2,740**	(172)
Net cash inflow from operating activities	**8,101**	4,712

Notes *(continued)*

20 Analysis of cash flows

	Period ended 1 November 2014 £'000	Period ended 2 November 2013 £'000
Returns on investment and servicing of finance		
Interest paid	**(136)**	(172)
Foreign Exchange loss	-	(7)
	(136)	(179)
Capital expenditure and financial investment		
Purchase of tangible and intangible fixed assets	**(4,183)**	(2,303)
Financing		
Issue / (Repurchase) of Ordinary F shares in Evans Holdings	**118**	(103)
Issue of Ordinary G shares in Evans Holdings	-	1
Repayment of loans	-	(5,067)
Repayment of finance leases	-	(10)
	118	(5,179)

Notes *(continued)*

21 Ultimate parent company and ultimate controlling party

The ultimate controlling party of the Group is Active Private Equity Advisory LLP.

22 Related party disclosures

Active Private Equity Advisory LLP (the controlling shareholder of Actev Limited) charged £325,000 for management services to the Group in 2014. The amount owed to Active Private Equity Advisory LLP at 1 November 2014 was £165,000.

Actev Limited has a loan receivable from Active GP Limited (a subsidiary of Active Private Equity Advisory LLP) amounting to £704,724 (2013: £620,656)

Actev Limited has a loan payable to G Davies outstanding at 1 November 2014 amounting to £602,381 (2013: £532,222).