

**Cotswold Outdoor Limited**  
Annual Report and Financial statements  
For the year ended 31 December 2012



**Company number 3382348**

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## Company information

<b>Company registration number</b>	3382348
<b>Registered office</b>	Unit 11 Kemble Business Park Crudwell Malmesbury Wiltshire SN16 9SH
<b>Directors</b>	J I Falkenburg
<b>Company Secretary</b>	F D Ball
<b>Bankers</b>	Lloyds TSB Bank City Office Gillingham Business Park Gillingham Kent ME8 0LS
<b>Solicitors</b>	Osborne Clarke Apex Plaza Forbury Road Reading Berkshire RG1 1AX
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT

## Chief Executive Statement

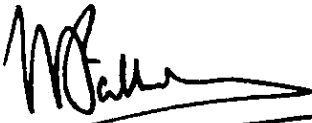
After the disappointing results posted in 2011 which were impacted by the general economic environment, adverse weather conditions and heavy discounting driven by Blacks entering administration, I am pleased to announce that we have seen a much stronger performance in 2012. Indeed the £100m sales barrier was achieved in December and full year sales ended £103.4m, an increase of +14.6% vs 2011. On top of this Operating Profit landed at £4.0m, an increase of +34% vs 2011.

The sales performance was driven by excellent Like for Like growth of +6.8%, very strong Web sales and the opening of 4 new stores. The wet summer certainly helped to drive sales of waterproof clothing in July and August but our continued focus on Brands, Service and Value ensured we remained relevant to our customers. This was especially evident with our Click & Collect and Home Delivery launch in Q4 which was particularly well received.

REBITDA grew to £7.0m from £5.9m (+18.6%) on the back of the sales growth but it was pleasing to see that margins held up despite the aggressive price competition seen in the industry generally. This good financial performance has been achieved despite the impact of increasing costs especially Business Rates and utilities. Stock was also well managed and the exit position of £22.4m was £0.6m lower than 2011 despite the higher turnover.

Our efforts to grow top line sales will be focused on improved performance of our existing stores, selective new openings in quality locations and our 'on-line' operations. The above will be supported by system developments, store refurbishments and staff training programmes all funded by operations.

I would like to take the opportunity to thank the whole team for their strength, commitment and loyalty to delivering this great result and for setting a solid platform for future growth and success.



J.J. Falkenburg  
Chief Executive

## Report of the director

The director presents his annual report and the audited financial statements of the company for the year ended 31 December 2012

### **Principal activities and business review**

The principal activity of the company during the year was the retailing of outdoor pursuits clothing and equipment. A summary of the business review and future strategy of the business is given in the Chief executive statement on page 3

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,617,000 (2011 £800,000). No dividends were paid in the year (2011 £ Nil) as detailed in note 8 to the financial statements

#### *Key performance indicators*

The company defined its key performance indicators as

- like-for-like sales growth in each of its business channels,
- company turnover growth, and
- REBITDA growth (recurring earnings before interest, tax, depreciation and amortisation). This is after adjusting for non-cash and one off costs

These are discussed further in the Chief Executive statement

### **Financial risk management objectives and policies**

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 profit and loss account of the company

#### **Cash flow interest rate risk**

The company finances its operations through a mixture of retained profits and bank borrowings. The company exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities. The company does not use interest rate derivatives

#### **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.

**Director**

The director who served the company during the year and up to the date of signing of the financial statements was

J L Falkenburg

**Director's responsibilities statement**

The director is responsible for preparing the Report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 director is 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. He is 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.

The director is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Disclosure of information to auditors**

In so far as the director is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

**Disabled employees**

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

**Employee involvement**

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

**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.

**Directors indemnities**

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.

BY ORDER OF THE BOARD



F D Ball  
Company secretary

# Independent auditors' report to the members of Cotswold Outdoor Limited

We have audited the financial statements of Cotswold Outdoor Limited for the year ended 31 December 2012 which comprise the Principle Accounting Policies, the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## **Respective responsibilities of director and auditors**

As explained more fully in the Director's Responsibilities Statement set out on page 5 the director is 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.

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.

## **Scope of the audit of the financial statements**

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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's 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 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, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Neil Philpott (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

25 September 2013

## Principal accounting policies

### Basis of accounting

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

### Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the European Commission and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements.

### Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods provided during the period, exclusive of value added tax. Sales transactions are recognised at the point in time that goods are provided to customers.

### Goodwill

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

### Fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

### Depreciation

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

Leasehold improvements	-	over the period of the lease
Fixtures & Fittings	-	20 - 50% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33.3% straight line
Assets in course of construction	-	not depreciated

### Stocks

Stocks are stated at the lower of weighted average cost and net realisable value. Provisions have been made for slow moving and obsolete stock.

### Hire purchase agreements

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

### Operating lease agreements

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

### Cash Flow Statement

The company is a wholly owned subsidiary and the cash flows of the company are included in the consolidated cash flow statement of Lion Adventure B.V. Consequently the company is exempt under the terms of FRS 1 (revised 1996) from publishing a cash flow statement.

### **Retirement benefits**

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

The company operates one stakeholder pension scheme for the benefit of the employees and two defined contribution pension schemes for the benefit of managers and directors. The assets of the schemes are administered by trustees in funds independent from those of the company.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

#### **Foreign currencies**

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

#### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### **Accrued income**

Income received in advance is accrued and recognised in the period to which it relates in accordance with the matching principle.

#### **Deferred income**

Deferred income is recognised in the period to which it relates in accordance with the matching principle. In the case of operating leases, the income is recognised over the period to the first rent review.

## Profit and loss account for the year ended 31 December 2012

		<b>Year ended</b> 31 Dec 2012	<b>Year ended</b> 31 Dec 2011
	Note	£000	£000
<b>Turnover</b>	<b>1</b>	<b>103,382</b>	<b>90,179</b>
Cost of sales		(56,553)	(49,404)
<b>Gross profit</b>		<b>46,829</b>	<b>40,775</b>
Administrative expenses	2	(7,425)	(6,137)
Distribution costs		(35,701)	(32,239)
Other operating income		346	620
<b>Operating profit</b>	<b>3</b>	<b>4,049</b>	<b>3,019</b>
Interest receivable and similar income		6	25
Interest payable and similar charges	6	(1,444)	(1,523)
<b>Profit on ordinary activities before taxation</b>		<b>2,611</b>	<b>1,521</b>
Tax on profit on ordinary activities	7	(994)	(721)
<b>Profit for the financial year</b>		<b>1,617</b>	<b>800</b>

All of the activities of the company are classed as continuing

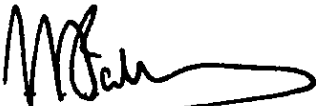
The company has no recognised gains or losses other than the results for the financial year as set out above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above and their historical costs equivalents

## Balance sheet as at 31 December 2012

	Note	2012 £000	2011 £000
<b>Fixed assets</b>			
Intangible assets	9	517	632
Tangible assets	10	15,206	16,102
Investments	11	-	-
		<u>15,723</u>	<u>16,734</u>
<b>Current assets</b>			
Stocks	12	22,372	22,923
Debtors	13	7,036	2,920
Cash at bank and in hand		5,720	9,862
		<u>35,128</u>	<u>35,705</u>
<b>Creditors amounts falling due within one year</b>	15	<u>(28,814)</u>	<u>(29,767)</u>
<b>Net current assets</b>		<u>6,314</u>	<u>5,938</u>
<b>Total assets less current liabilities</b>		<u>22,037</u>	<u>22,672</u>
<b>Creditors' amounts falling due after more than one year</b>	16	<u>(12,819)</u>	<u>(15,071)</u>
		<u>9,218</u>	<u>7,601</u>
<b>Capital and reserves</b>			
Called up share capital	19	3,626	3,626
Profit and loss account	20	5,592	3,975
<b>Total shareholders' funds</b>	21	<u>9,218</u>	<u>7,601</u>

These financial statements on pages 9 to 21 were approved by the board of directors and authorised for issue on 24 SEPTEMBER 2013 and were signed on its behalf by

  
J.L. Falkenburg  
Director

Company number 3382348

## Notes to the financial statements

### 1 Turnover

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

	Year ended 31 Dec 2012	Year ended 31 Dec 2011
	£000	£000
United Kingdom	102,876	89,663
Overseas	506	516
	<u>103,382</u>	<u>90,179</u>

### 2 Administrative expenses

	Year ended 31 Dec 2012	Year ended 31 Dec 2011
	£000	£000
Administrative expenses	<u>7,425</u>	<u>6,137</u>

### 3 Operating profit

Operating profit is stated after charging

	Year ended 31 Dec 2012	Year ended 31 Dec 2011
	£000	£000
Amortisation of goodwill	115	116
Depreciation of owned tangible fixed assets	2,982	2,914
Loss on disposal of fixed assets	160	-
Auditor's remuneration		
Audit fees	42	39
Taxation fees	38	17
Operating lease costs		
Land and buildings	<u>8,038</u>	<u>7,265</u>

**4 Particulars of employees**

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

By activity	Year ended 31 Dec 2012 Number	Year ended 31 Dec 2011 Number
Selling and distribution	1,216	1,152
Administration	102	86
	<u>1,318</u>	<u>1,238</u>

The aggregate payroll costs of the above were

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Wages and salaries	13,974	12,322
Social security costs	975	954
Other pension costs	131	92
	<u>15,080</u>	<u>13,368</u>

In respect of the defined contribution scheme, there was an outstanding contribution balance of £26,067 at 31 December 2012 (31 December 2011 £23,247)

**5 Director**

Remuneration in respect of director was as follows

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Aggregate emoluments receivable	246	306
Value of company pension contributions to money purchase schemes	37	37
	<u>283</u>	<u>343</u>

Aggregate emoluments of highest paid director

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Aggregate emoluments (excluding pension contributions)	246	306
Value of company pension contributions to money purchase schemes	37	37
	<u>283</u>	<u>343</u>

**5 Director (continued)**

During the year no director exercised options under a share option scheme (2011: nil)

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

	Year ended 31 Dec 2012	Year ended 31 Dec 2011
	Number	Number
Money purchase schemes	<u>1</u>	<u>1</u>

**6 Interest payable and similar charges**

	Year ended 31 Dec 2012	Year ended 31 Dec 2011
	£000	£000
Interest payable on bank borrowing	246	241
Foreign exchange differences	20	30
Interest payable to group undertakings	1,178	1,250
Other similar charges	-	2
	<u>1,444</u>	<u>1,523</u>

**7 Tax on profit on ordinary activities**

(a) Analysis of tax in the year

	Year ended 31 Dec 2012	Year ended 31 Dec 2011
	£000	£000
<b>Current tax:</b>		
In respect of the year		
UK Corporation tax based on the results for the year at 24.5% (2011 – 26.5%)	1,095	848
Adjustments to tax in respect of previous periods	(82)	56
Total current tax	<u>1,013</u>	<u>904</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(124)	(143)
Changes in tax rates	(37)	(40)
Adjustments to tax in respect of previous periods	142	-
<b>Tax on profit on ordinary activities</b>	<u>994</u>	<u>721</u>



**7 Tax on profit on ordinary activities (continued)**

(b) Factors affecting current tax charge

The tax assessed for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)

	<b>Year ended 31 Dec 2012</b>	<b>Year ended 31 Dec 2011</b>
	<b>£000</b>	<b>£000</b>
<b>Profit on ordinary activities before taxation</b>	<b>2,611</b>	<b>1,521</b>
Profit on ordinary activities multiplied by standard rate in the UK 24.5% (2011 26.5%)	640	403
Expenses not deductible for tax purposes	364	360
Income not taxable for tax purposes	(33)	-
Depreciation lower than / (in excess) of capital allowances for the year	127	87
Short term timing differences	(3)	(1)
Adjustments to tax in respect of previous periods	(82)	56
<b>Total current tax charge for the year (note 7(a))</b>	<b>1,013</b>	<b>905</b>

On 17 July 2012, The Finance Act 2012 was enacted and reduced the rate of UK Corporation tax from 26% to 24% with effect from 1 April 2012 along with a further reduction to 23% with effect from 1 April 2013. The deferred tax balances at 31 December 2012 have accordingly been provided at 23%

In addition to the changes in rates of Corporation tax disclosed within the note on taxation, further changes to the UK Corporation tax rates were substantially enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

As the changes had not been substantially enacted at the balance sheet date, their effects are not included in these financial statements. The overall effect of these changes, if they had applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax liability by an additional £52,634.

The company is not aware of any significant factors other than those listed above which will affect future tax charges.

**8 Dividends**

**Dividends on shares classed as equity**

	<b>Year ended 31 Dec 2012</b>	<b>Year ended 31 Dec 2011</b>
	<b>£000</b>	<b>£000</b>
Paid during the year		
Dividends on equity shares	-	-

No dividend was declared nor paid in the year (2011 Nil)

**9 Intangible fixed assets**

	Goodwill £000
Cost	
At 1 January 2012 and 31 December 2012	5,347
Accumulated amortisation	
At 1 January 2012	4,715
Charge for the year	115
At 31 December 2012	4,830
Net book value	
At 31 December 2012	517
At 31 December 2011	632

**10 Tangible fixed assets**

	Leasehold improvements £000	Assets in the course of construction £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost						
At 1 January 2012	16,704	330	9,235	18	3,116	29,403
Additions	1,509	185	413	-	143	2,250
Transfers in/(out)	-	(291)	161	-	130	-
Disposals	(284)	-	(119)	(18)	(32)	(453)
At 31 December 2012	17,929	224	9,690	-	3,357	31,200
Accumulated depreciation						
At 1 January 2012	4,665	-	5,937	18	2,681	13,301
Charge for the year	1,463	-	1,195	-	324	2,982
Disposals	(124)	-	(115)	(18)	(32)	(289)
	6,004	-	7,017	-	2,973	15,994
Net book value						
At 31 December 2012	11,925	224	2,673	-	384	15,206
At 31 December 2011	12,039	330	3,298	-	435	16,102

The depreciation charged to the financial statements in the year in respect of assets held under hire purchase agreements amounted to £Nil (2011 - £Nil)

**11 Investments**

	Shares in group undertakings £000
Cost	
At 1 January 2011 and 31 December 2012	-
Amounts written off	
At 1 January 2011 and 31 December 2012	-
Net book value	
At 31 December 2012	-
At 31 December 2011	-

At 31 December 2012 the company held more than 20% of the allotted share capital of the following undertakings

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

**12 Stocks**

	2012 £000	2011 £000
Goods for resale	22,341	22,854
Non-trading stock	31	69
	<u>22,372</u>	<u>22,923</u>

**13 Debtors**

	2012 £000	2011 £000
Trade debtors	643	369
Amounts owed by group undertakings	3,597	-
Other debtors	200	132
Prepayments and accrued income	2,596	2,419
	<u>7,036</u>	<u>2,920</u>

**14 Deferred taxation**

The deferred tax included in the balance sheet is as follows

	2012	2011
	£000	£000
Included in creditors	<u>(403)</u>	<u>(423)</u>

The movement in the deferred taxation account during the year was

	2012	2011
	£000	£000
Balance brought forward	(423)	(606)
Profit and loss account movement arising during the year	162	143
Prior year adjustment	(142)	-
Tax rate change	-	40
Balance carried forward	<u>(403)</u>	<u>(423)</u>

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

	2012	2011
	£000	£000
Excess of taxation allowances over depreciation	(411)	(435)
Other	8	12
	<u>(403)</u>	<u>(423)</u>

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

	2012	2011
	£000	£000
Bank and overdrafts	2,253	2,085
Trade creditors	12,780	16,446
Amounts owed to group undertakings	2,254	2,110
Corporation tax	693	1,382
Deferred taxation (note 14)	403	423
Other taxation and social security	2,638	1,781
Other creditors	1,202	809
Accruals and deferred income	6,591	4,731
	<u>28,814</u>	<u>29,767</u>

Amounts due under finance leases and hire purchase agreements are secured on the assets to which they relate. The bank loans and overdrafts are unsecured.

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

	2012	2011
	£000	£000
Bank and other loans	2,044	4,295
Amounts owed to group undertakings	10,775	10,776
	<u>12,819</u>	<u>15,071</u>

Amounts due on bank and other loans are repayable in one to six years and accrue interest between 2.25% and 3.5% over LIBOR. Amounts owed to group undertakings have no fixed date of repayment and accrue interest at 10.6%.

**17 Related party transactions**

The company has taken advantage of the exemption, allowed by FRS 8, 'Related Party Disclosures' not to disclose transactions and balances with related party undertakings which are wholly owned with the group.

**18 Leasing commitments**

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below:

	2012	2012	2011	2011
	Land and buildings	Other items	Land and buildings	Other items
	£000	£000	£000	£000
Operating leases which expire				
Within 1 year	-	47	2	17
Within 2 to 5 years	2,068	207	1,047	194
After more than 5 years	6,435	-	6,626	-
	<u>8,503</u>	<u>254</u>	<u>7,675</u>	<u>211</u>

**19 Called up share capital**

Authorised share capital

	2012	2011
	£000	£000
384,035,000 (2011: 384,035,000) Ordinary shares of £0.01 each	<u>3,840</u>	<u>3,840</u>

Allotted and fully paid

	2012	2012	2011	2011
	Number	£000	Number	£000
Ordinary shares of £0.01 each	<u>362,569,578</u>	<u>3,626</u>	<u>362,569,578</u>	<u>3,626</u>

**20 Profit and loss account**

At 1 January 2012	£000
Profit for the financial year	3,975
Equity dividends	1,617
	-
At 31 December 2012	<u>5,592</u>

## 21 Reconciliation of movements in shareholders' funds

	2012	2011
	£000	£000
Profit for the financial year	1,617	800
Net addition to shareholders' funds	1,617	800
Opening shareholders' funds	7,601	6,801
Closing shareholders' funds	9,218	7,601

## 22 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £177,728 (2011 - £34,361)

## 23 Contingent liabilities

The company is subject to an unlimited cross guarantee on the external bank funding of Lion Adventure B V. In September 2012 the banking covenants for Lion Adventure BV were fully reset

## 24 Cashflow statement

The company is not required to prepare a cashflow statement

## 25 Ultimate parent company

The immediate parent undertaking is A S Adventure N V

The ultimate parent undertaking and controlling party is Lion Adventure Cooperatief UA, a company incorporated in the Netherlands

Lion Adventure Cooperatief U A is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Lion Adventure Cooperatief U A available from Fred Roeskesstraat 123, 1076 EE AMSTERDAM ZUID-OOST

Lion Adventure B V is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Lion Adventure B V can be obtained from Fred Roeskestraat 123, 1076 EE AMSTERDAM ZUID-OOST