Cotswold Outdoor Limited

Annual Report and Financial statements
For the year ended 31 December 2014

Company number 3382348

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Company information

Company registration number	3382348
Registered office	Unit 11 Kemble Business Park Crudwell Malmesbury Wiltshire SN16 9SH
Director	J L Falkenburg
Company Secretary	F D Ball
Bankers	Lloyds TSB Bank City Office Pendeford Business Park Wobaston Road Wolverhampton WV9 5HA
Solicitors	Osborne Clarke Apex Plaza Forbury Road Reading Berkshire RG1 1AX
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT

Strategic report

Review of the Business

The principal activity of the company during the year was the retailing of outdoor pursuits clothing and equipment through physical stores, on-line and via mail order/call centre.

Results and Performance

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
- EBITDA growth (recurring earnings before interest, tax, depreciation and amortisation). This is after adjusting for non-cash and one off costs.

After the particularly strong results shown in the last two years 2014 saw a very solid performance. Overall, turnover grew to £115.7m an increase of £4.3m or 3.9%. Like-for-like store sales showed a very slight decline of -0.6%, whilst, the web continued to show double digit growth. Three new stores were opened and two were closed during the year. The sales performance for the first eight months of the year to August was strong but the exceptionally mild and drier conditions from September through December led to lower footfall with customers delaying cold weather clothing purchases till later in the season.

EBITDA fell slightly to £9.6m from £9.8m. This profit decrease is linked to sales growth being offset by the increased costs of the larger estate. I am, however, encouraged by the stability of the gross margin in what was an extremely competitive environment. All working capital requirements were funded internally throughout the year.

Future Developments

Following a strategic business review the AS Adventure group, of which Cotswold Outdoor Limited is a part, was sold by Lion Capital to PAI Partners in the early part of 2015. Lion Capital were excellent partners for the group and the last 7 years has seen unprecedented growth across all 3 group fascias. Indeed the AS Adventure group is now the European leader in the sector. The new partnership with PAI Partners is a major step forward for the group and will benefit our customers and employees.

2015 will see a continuation of profitable growth through like-for-like sales increases, continued store roll-out in existing markets and on-going evolution to the omni-channel model.

On 29th May 2015 Cotswold Outdoor acquired the Snow & Rock Group. The acquisition will enhance our ability for growth allowing access into the snow, cycling & running markets.

I would like to thank all our employees for their continued support, passion and knowledge.

On behalf of the Board

J L Falkenburg
Chief Executive

Report of the director

The director presents his annual report and the audited financial statements of the company for the financial year ended 31 December 2014.

Results and dividends

The profit for the financial year amounted to £4,084,000 (2013:£3,975,000). No dividends were paid in the year (2013:£ Nil) as detailed in note 8 to the financial statements.

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 Strategic report, Report of the director 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.

Statement of 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.

Future developments are discussed in the strategic report.

BY ORDER OF THE BOARD

F D Ball

F D Ball
Company secretary
22 SEPTEMBER 2015

Independent auditors' report to the members of Cotswold Outdoor Limited

Report on the financial statements

Our opinion

In our opinion, Cotswold Outdoor 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 2014 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.

What we have audited

The financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (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.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

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 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) ("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 and Financial statements 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
22 September 2015

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 AS 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, lease incentives are recognised over the period to the first rent review.

Profit and loss account for the year ended 31 December 2014

	Note	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Turnover	1	115,676	111,356
Cost of sales		(61,645)	(59,434)
Gross profit		54,031	51,922
Administrative expenses	2	(8,587)	(7,988)
Distribution costs		(39,693)	(37,746)
Other operating income		523	454
Operating profit	3	6,274	6,642
Interest receivable and similar income		121	4
Interest payable and similar charges	6	(1,162)	(1,309)
Profit on ordinary activities before taxation		5,233	5,337
Tax on profit on ordinary activities	7	(1,149)	(1,362)
Profit for the financial year	20	4,084	3,975

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the profit 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 profit for the financial years stated above and their historical costs equivalents.

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

Balance sheet as at 31 December 2014

	Note	2014 £000	2013 £000
Fixed assets			
Intangible assets	9	285	401
Tangible assets	10	14,210	14,381
		14,495	14,782
Current assets			
Stocks	12	25,450	24,816
Debtors	13	4,504	9,153
Cash at bank and in hand		6,425	8,532
		36,379	42,501
Creditors: amounts falling due within one year	15	(22,821)	(33,138)
Net current assets		13,558	9,363
Total assets less current liabilities		28,053	24,145
Creditors: amounts falling due after more than one year	16	(10,776)	(10,952)
		17,277	13,193
Capital and reserves			
Called up share capital	19	3,626	3,626
Profit and loss account	20	13,651	9,567
Total shareholders' funds	21	17,277	13,193

These financial statements on pages 11 to 21 were approved by the board of directors and authorised for issue on ....22 SEPTEMBER 2015..... and were signed on its behalf by:

....
J L Falkenburg
Director

Company number: 3382348

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

Notes to the financial statements

1 Turnover

The turnover and profit on ordinary activities before taxation are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£000	£000
United Kingdom	114,164	110,275
Overseas	1,512	1,081
	115,676	111,356

2 Administrative expenses

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£000	£000
Administrative expenses	8,587	7,988

3 Operating profit

Operating profit is stated after charging:

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£000	£000
Amortisation of goodwill	116	116
Depreciation of owned tangible fixed assets	3,008	3,080
Loss on disposal of fixed assets	59	-
Auditors' remuneration:		
Audit fees	45	45
Taxation fees	15	27
Operating lease costs:		
Land and buildings	8,869	7,860

4 Particulars of employees

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

By activity	Year ended 31 Dec 2014 Number	Year ended 31 Dec 2013 Number
Selling and distribution	1,190	1,269
Administration	127	103
	1,317	1,372

The aggregate payroll costs of the above were:

	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Wages and salaries	15,576	15,007
Social security costs	1035	980
Other pension costs	220	149
	16,831	16,136

In respect of the defined contribution scheme, there was an outstanding contribution balance of £24,596 at 31 December 2014 (31 December 2013: £22,086).

5 Director Remuneration

Remuneration in respect of director was as follows:

	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Aggregate emoluments receivable	336	294
Value of company pension contributions to money purchase schemes	37	76
	373	370

Aggregate emoluments of highest paid director:

	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Aggregate emoluments (excluding pension contributions)	336	294
Value of company pension contributions to money purchase schemes	37	76
	373	370

5 Director Remuneration (continued)

During the year no director exercised options under a share option scheme (2013: nil).

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

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	Number	Number
Money purchase schemes	1	1

6 Interest payable and similar charges

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£000	£000
Interest payable on bank borrowing	71	163
Foreign exchange differences	-	49
Interest payable to group undertakings	1,091	1,097
	1,162	1,309

7 Tax on profit on ordinary activities

(a) Analysis of tax in the year

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£000	£000
Current tax:		
In respect of the year:		
UK Corporation tax based on the profit for the financial year at 21.50% (2013 – 23.25%)	1,342	1,590
Adjustments to tax in respect of previous years	(204)	(175)
Total current tax	1,138	1,415
Deferred tax:		
Origination and reversal of timing differences	11	(173)
Changes in tax rates	-	(52)
Adjustments to tax in respect of previous years	-	172
Tax on profit on ordinary activities	1,149	1,362

7 Tax on profit on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 21.5% (2013:23.25%).

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£000	£000
Profit on ordinary activities before taxation	**5,233**	**5,337**
Profit on ordinary activities multiplied by standard rate in the UK 21.5% (2013:23.25%)	**1,125**	**1,241**
Expenses not deductible for tax purposes	**53**	**177**
Depreciation lower than /(in excess) of capital allowances for the year	**164**	**166**
Short term timing differences	**-**	**6**
Adjustments to tax in respect of previous years	**(204)**	**(175)**
Total current tax charge for the year (note 7(a))	**1,138**	**1,415**

A reduction in the mainstream rate of UK corporation tax to 21% took effect from 1st April 2014 which gives rise to an effective UK tax rate of 21.5% for the year. Further reductions to the main rate have been enacted to reduce the rate by 1% to 20% on 1 April 2015. At the balance sheet date the timing differences have been measured at the rate at which they are expected to reverse.

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. If these changes had applied to the deferred tax balance at the balance sheet date the overall effect on the accounts would be immaterial.

8 Dividends

Dividends on shares classed as equity

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£000	£000
Paid during the year:		
Dividends on equity shares	-	-

No dividend was declared nor paid in the year. (2013: Nil)

9 Intangible assets

	Goodwill
	£000
Cost	
At 1 January 2014 and 31 December 2014	5,347
Accumulated amortisation	
At 1 January 2014	4,946
Charge for the year	116
At 31 December 2014	5,062
Net book value	
At 31 December 2014	285
At 31 December 2013	401

10 Tangible assets

	Leasehold improvements	Assets in the course of construction	Fixtures and fittings	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2014	19,230	333	10,232	3,660	33,455
Additions	1,586	506	657	135	2,884
Transfers in/(out)	-	(500)	134	366	-
Disposals	(392)	-	(247)	(11)	(650)
At 31 December 2014	20,424	339	10,776	4,150	35,689
Accumulated depreciation					
At 1 January 2014	7,679	-	8,168	3,227	19,074
Charge for the year	1,793	-	935	280	3,008
Disposals	(382)	-	(212)	(9)	(603)
	9,090	-	8,891	3,498	21,479
Net book value					
At 31 December 2014	11,334	339	1,885	652	14,210
At 31 December 2013	11,551	333	2,064	433	14,381

11 Investments

	Shares in group Undertakings £000
Cost	
At 1 January 2014 and 31 December 2014	-
Amounts written off	
At 1 January 2014 and 31 December 2014	-
Net book value	
At 31 December 2014	-
At 31 December 2013	-

At 31 December 2014 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

	2014 £000	2013 £000
Goods for resale	25,363	24,766
Non-trading stock	87	50
	25,450	24,816

13 Debtors

	2014 £000	2013 £000
Trade debtors	669	629
Amounts owed by group undertakings	1,308	5,576
Corporation Tax	12	-
Other debtors	427	260
Prepayments and accrued income	2,088	2,688
	4,504	9,153

14 Deferred taxation

The deferred tax included in the balance sheet is as follows:

	2014	2013
	£000	£000
Included in creditors	(362)	(351)

The movements in the deferred taxation account during the year was:

	2014	2013
	£000	£000
Balance brought forward	(351)	(403)
Profit and loss account movement arising during the year	(11)	224
Prior year adjustment	-	(172)
Balance carried forward	(362)	(351)

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

	2014	2013
	£000	£000
Excess of taxation allowances over depreciation	(375)	(364)
Other	13	13
	(362)	(351)

15 Creditors: amounts falling due within one year

	2014	2013
	£000	£000
Bank loans and overdrafts	-	1,867
Trade creditors	10,558	15,226
Amounts owed to group undertakings	1,134	3,562
Corporation tax	-	1,054
Deferred taxation (note 14)	362	351
Other taxation and social security	2,951	2,724
Other creditors	1,398	1,619
Accruals and deferred income	6,418	6,735
	22,821	33,138

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

	2014	2013
	£000	£000
Bank loans and overdrafts	-	177
Amounts owed to group undertakings	10,776	10,775
	10,776	10,952

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 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014 Land and buildings	2014 Other items	2013 Land and buildings	2013 Other items
	£000	£000	£000	£000
Operating leases which expire:				
Within 1 year	155	61	235	44
Within 2 to 5 years	2,536	210	2,107	231
After more than 5 years	6,178	-	6,140	-
	8,869	271	8,482	275

19 Called up share capital

Authorised share capital:

	2014	2013
	£000	£000
384,035,000 (2013: 384,035,000) Ordinary shares of £0.01 each	3,840	3,840

Allotted and fully paid:

	2014	2014	2013	2013
	Number	£000	Number	£000
Ordinary shares of £0.01 each	362,569,578	3,626	362,569,578	3,626

20 Profit and loss account

	£000
At 1 January 2014	9,567
Profit for the financial year	4,084
At 31 December 2014	13,651

21 Reconciliation of movements in shareholders' funds

	2014	2013
	£000	£000
Profit for the financial year	4,084	3,975
Net addition to shareholders' funds	4,084	3,975
Opening shareholders' funds	13,193	9,218
Closing shareholders' funds	17,277	13,193

22 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £118,406 (2013 - £88,402).

23 Contingent liabilities

The company is subject to an unlimited cross guarantee on the external bank funding of AS Adventure B.V.

24 Ultimate parent company

The immediate parent undertaking is A.S. Adventure N.V.

The ultimate parent undertaking and controlling party is AS Adventure Coöperatief U.A., formerly known as Lion Adventure Coöperatief U.A., a company incorporated in the Netherlands.

AS Adventure Coöperatief U.A. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2014. The consolidated financial statements of AS Adventure Coöperatief U.A. available from Prins Bernhardplein 200, 1097 JB AMSTERDAM.

AS Adventure Holding B.V., formerly known as Lion Adventure B.V., is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of AS Adventure Holding B.V. can be obtained from Prins Bernhardplein 200, 1097 JB AMSTERDAM.

25 Post balance sheet events

The company acquired the Snow and Rock group on 29th May 2015. The Snow and Rock group consists of 46 stores with a reported turnover for the year ended 31st August 2014 of £77.5m.