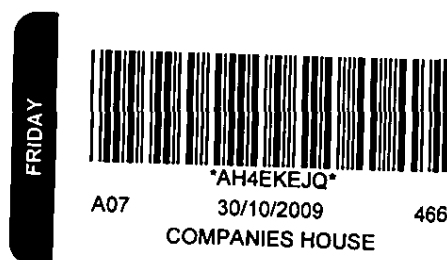


Cotswold Outdoor Limited
Annual Report and Financial statements
For the year ended 31 December 2008



Company Number 3382348

Index

Company information	2
Chief executive statement	3
Report of the directors	4 - 6
Independent auditors' report	7 - 8
Principal accounting policies	9 - 10
Profit and loss account	11
Balance sheet	12
Notes to the financial statements	13 - 22

Company information

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

Chief executive statement

2008 was an excellent retail year for Cotswold Outdoor Limited. Sales grew from £40.8m in 2007 to £55.2m (+35%) driven by c5.5% like-for-like Retail growth, the impact of new stores and fantastic web sales. Like-for-like growth is particularly pleasing given the economic challenges of 2008 coupled with the extremely wet summer which adversely impacted our camping sales. The new stores opened in 2007 are all performing strongly and we have opened 8 stores in 2008. This includes some great locations including Liverpool, Glasgow, Manchester, and Plymouth.

This planned growth continues to be supported by investment in our infrastructure. A new warehouse on our existing site was opened in 2008 and we have implemented both a new ERP and accounting system. These implementations will allow us to manage our continued growth more effectively in the coming years. We have also invested heavily in our website which has seen strong growth during the year.

As mentioned in last year's statement Lion Capital became the majority shareholder in our parent company in January 2008. Lion Capital has financial support from Lloyds TSB Bank which has allowed us to continue on our growth strategy. The relationship with Lion Capital is working well with Board meetings being held monthly involving all 3 operating companies together with key Lion Capital personnel which allows the sharing of best practice and the more effective utilisation of the Group buying power.


At first glance profit before tax looks disappointing at £0.5m vs £1.1m in 2007. This needs to be taken in context. At the end of 2008 the GBP significantly weakened versus the Euro and this caused an unrealised loss on our inter company loan which was taken out in Euros. In summary the underlying profit is as below :-

	2008	2007
Profit before tax	£0.5m	£1.1m
Exchange loss on intergroup loan (£1.5m)	(£1.5m)	(£0.2m)
Underlying Profit	£2.0m	£1.3m

This shows a healthy 54% increase demonstrating that financial fundamentals remain strong as we focus on growing the topline sales whilst maintaining our focus on costs and investing in the company's infrastructure.

We continue to provide our customers with an exceptional range of outdoor products and fantastic customer service and I believe that it is this focus which allows us to maintain our competitive advantage in what is a difficult environment. Staff training and development continues to be a priority for us as a company and we continue to invest in this area with all our store staff being trained in customer service in 2008 and new programmes already being developed and rolled out in 2009.

2009 will see further organic growth and, despite the challenges in the retail sector, we expect to continue to deliver excellent results.



J L Falkenburg
Chief Executive

Report of the directors

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2008.

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 £306,000. No dividends paid or proposed as detailed in note 8 to the financial statements.

Key performance indicators

The company defined its key performance indicators in 2006 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 market risk, cash flow interest rate risk, credit risk and liquidity risk. No transactions of a speculative nature are undertaken. The directors review and agree 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.

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.

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.

Directors

The directors who served the company during the year were as follows:

E P J Lathouwers (resigned 28 May 2009)

J L Falkenburg

C Olbrechts (resigned 14 January 2008)

F L P Leflot (resigned 30 April 2008)

P Lathouwers

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice Accounting Standards (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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 of 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.

Independent auditors

During the year 2008 the directors appointed PricewaterhouseCoopers LLP as auditors of the company.

BY ORDER OF THE BOARD



F D Ball
Secretary

30 October 2009.

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 2008 which comprise the Basis of accounting, the Profit and loss account, the Balance sheet, and the Notes to the financial statements. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Chief Executive Statement that is cross referred from the Report of the Directors.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Company information, the Chief executive statement and the Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent auditors' report to the members of Cotswold Outdoor Limited (continued)

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

30 October 2009

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 1985 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 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

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

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.

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

	Note	Year ended 31 Dec 2008 £000	Year ended 31 Dec 2007 £000
Turnover	1	55,250	40,808
Cost of sales		(45,181)	(33,319)
Gross profit		10,069	7,489
Administrative expenses	2	(7,618)	(5,990)
Other operating income		255	74
Operating profit	3	2,706	1,573
Interest receivable and similar income		37	6
Interest payable and similar charges	6	(2,219)	(448)
Profit on ordinary activities before taxation		524	1,131
Tax on profit on ordinary activities	7	(218)	(573)
Profit for the financial year	22	306	558

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

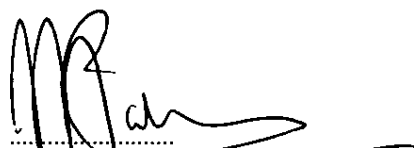
The company has no recognised gains or losses other than the results for the year as set out above.

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

Balance sheet

	Note	2008 £000	2007 £000
Fixed assets			
Intangible assets	9	979	1,095
Tangible assets	10	9,328	6,781
Investments	11	—	—
		<u>10,307</u>	<u>7,876</u>
Current assets			
Stocks	12	12,300	7,909
Debtors	13	2,745	1,645
Cash at bank and in hand		3,105	1,021
		<u>18,150</u>	<u>10,575</u>
Creditors: amounts falling due within one year	15	<u>(13,317)</u>	<u>(11,660)</u>
Net current assets / (liabilities)		<u>4,833</u>	<u>(1,085)</u>
Total assets less current liabilities		<u>15,410</u>	<u>6,791</u>
Creditors: amounts falling due after more than one year	16	<u>(8,045)</u>	<u>(2)</u>
		<u>7,095</u>	<u>6,789</u>
Capital and reserves			
Called-up share capital	21	3,626	3,626
Profit and loss account	22	3,469	3,163
Total shareholders' funds	23	<u>7,095</u>	<u>6,789</u>

These financial statements were approved by the directors and authorised for issue on 30 October 2009 and are signed on their behalf by:


 J L Falkenburg
 Director

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 2008	Year ended 31 Dec 2007
	£000	£000
United Kingdom	54,956	40,602
Overseas	294	206
	<u>55,250</u>	<u>40,808</u>

2 Administrative expenses

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
	£000	£000
Administrative expenses	<u>7,618</u>	<u>5,990</u>

3 Operating profit

Operating profit is stated after charging:

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
	£000	£000
Amortisation	116	115
Depreciation of owned fixed assets	1,286	970
Depreciation of assets held under hire purchase agreements	4	30
Loss on disposal of fixed assets	-	4
Share based payments	-	60
Auditor's remuneration:		
Audit fees	30	31
Taxation fees	4	4
Operating lease costs:		
Land and buildings	<u>3,872</u>	<u>2,624</u>

4 Particulars of employees

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

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
	Number	Number
Selling and distribution	720	548
Administration	74	73
	<u>794</u>	<u>621</u>

The aggregate payroll costs of the above were:

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
	£000	£000
Wages and salaries	7,918	6,077
Social security costs	638	465
Share based payments	-	60
Other pension costs	84	73
	<u>8,640</u>	<u>6,675</u>

In respect of the defined contribution scheme, there was an outstanding contribution balance of £9,565 at 31 December 2008 (31 December 2007: £37,410).

5 Directors

Remuneration in respect of directors was as follows:

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
	£000	£000
Aggregate emoluments receivable	211	228
Share based payments	-	33
Value of company pension contributions to money purchase schemes	27	96
	<u>238</u>	<u>357</u>

Aggregate emoluments of highest paid director:

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
	£000	£000
Aggregate emoluments (excluding pension contributions)	192	192
Share based payments	-	33
Value of company pension contributions to money purchase schemes	27	96
	<u>219</u>	<u>321</u>

5 Directors (continued)

During the year no director exercised options under a share option scheme (2007: nil).

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

	Year ended 31 Dec 2008 Number	Year ended 31 Dec 2007 Number
Money purchase schemes	<u>1</u>	<u>1</u>

6 Interest payable and similar charges

	Year ended 31 Dec 2008 £000	Year ended 31 Dec 2007 £000
Interest payable on bank borrowing	53	90
Foreign exchange differences	87	12
Finance charges payable under hire purchase agreements	9	11
Interest payable to group undertakings	601	105
Foreign exchange differences on intergroup loans	1,464	230
Other similar charges	5	-
	<u>2,219</u>	<u>448</u>

7 Taxation on profit on ordinary activities

(a) Analysis of charge in the year

	Year ended 31 Dec 2008 £000	Year ended 31 Dec 2007 £000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28.5% (2007 - 30%)	226	590
Adjustment to tax charge in respect of previous periods	(47)	(44)
Total current tax	<u>179</u>	<u>546</u>
Deferred tax:		
Origination and reversal of timing differences	35	27
Changes in tax rates	4	-
Tax on profit on ordinary activities	<u>218</u>	<u>573</u>

7 Taxation on ordinary activities (continued)**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher (2007:higher) than the standard rate of corporation tax in the UK of 28.5% (2007 - 30%).

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
	£000	£000
Profit on ordinary activities before taxation	524	1,131
Profit on ordinary activities by rate of tax	149	339
Expenses not deductible for tax purposes	101	268
Depreciation in excess of capital allowances for the period	(25)	(25)
Short term timing differences	1	8
Adjustments to tax charge in respect of previous periods	(47)	(44)
Total current tax charge for the year (note 7(a))	179	546

8 Dividends**Dividends on shares classed as equity**

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
	£000	£000
Paid during the year:		
Dividends on equity shares	-	300
Approved at the year-end (recognised as a liability):		
Dividends on equity shares	-	300

No dividends were declared in the year. In the prior year, a dividend of £300,000 (0.08p per share) was paid and a further dividend of £300,000 was accrued at the year end.

9 Intangible assets

	Goodwill £000
Cost	
At 1 January 2008 and 31 December 2008	<u>5,347</u>
Accumulated amortisation	
At 1 January 2008	4,252
Charge for the year	116
At 31 December 2008	<u>4,368</u>
Net book value	
At 31 December 2008	<u>979</u>
At 31 December 2007	<u>1,095</u>

10 Tangible 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 2008	5,856	267	4,020	86	1,858	12,087
Additions	2,268	390	963	109	110	3,840
Disposals	-	-	(1)	(61)	-	(62)
At						
31 December 2008	<u>8,124</u>	<u>657</u>	<u>4,982</u>	<u>134</u>	<u>1,968</u>	<u>15,865</u>
Accumulated depreciation						
At 1 January 2008	1,236	-	2,511	58	1,501	5,306
Charge for the year	496	-	563	34	197	1,290
Disposals	-	-	(1)	(58)	-	(59)
At						
31 December 2008	<u>1,732</u>	<u>-</u>	<u>3,073</u>	<u>34</u>	<u>1,698</u>	<u>6,537</u>
Net book value						
At						
31 December 2008	<u>6,392</u>	<u>657</u>	<u>1,909</u>	<u>100</u>	<u>270</u>	<u>9,328</u>
At						
31 December 2007	<u>4,620</u>	<u>267</u>	<u>1,509</u>	<u>28</u>	<u>357</u>	<u>6,781</u>

The depreciation charged to the financial statements in the year in respect of assets held under hire purchase agreements amounted to £4,000 (2007 - £30,000).

11 Investments

	Shares in group undertakings £000
Cost	
At 1 January 2008 and 31 December 2008	-
Amounts written off	
At 1 January 2008 and 31 December 2008	-
Net book value	
At 31 December 2008	-
At 31 December 2007	-

At 31 December 2008 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

	2008 £000	2007 £000
Goods for resale	12,231	7,895
Non-trading stock	69	14
	<u>12,300</u>	<u>7,909</u>

13 Debtors

	2008 £000	2007 £000
Trade debtors	386	331
Amounts owed by group undertakings	-	27
Other debtors	158	412
Prepayments and accrued income	1,924	805
Corporation Tax	246	-
Deferred taxation (note 14)	31	70
	<u>2,745</u>	<u>1,645</u>

14 Deferred taxation

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

	2008 £000	2007 £000
Included in debtors (note 13)	<u>31</u>	<u>70</u>

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

	2008 £000	2007 £000
Balance brought forward	70	97
Profit and loss account movement arising during the year	(23)	(27)
Prior year adjustment	(12)	-
Tax rate change	(4)	-
Balance carried forward	<u>31</u>	<u>70</u>

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

	2008 £000	2007 £000
Excess of depreciation over taxation allowances	20	53
Share based payments	11	17
	<u>31</u>	<u>70</u>

15 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank and other loans	-	4,112
Trade creditors	7,285	4,213
Amounts owed to group undertakings	2,018	780
Corporation tax	-	180
Other taxation and social security	835	722
Amounts due under hire purchase agreements	3	11
Other creditors	413	533
Accruals and deferred income	2,763	1,109
	<u>13,317</u>	<u>11,660</u>

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

16 Creditors: amounts falling due between 1 and 5 years

	2008	2007
	£000	£000
Amounts due under hire purchase agreements	-	2
Bank and other loans	2,505	-
Amounts owed to group undertakings	5,540	-
	<u>8,045</u>	<u>2</u>

Amounts due on bank and other loans are repayable in one to six years and accrue interest at 2.75% over LIBOR. Amounts owed to group undertakings have no fixed date of repayment and accrue interest at 10.6%.

17 Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future finance lease charges are as follows:

	2008	2007
	£000	£000
Amounts payable within 1 year	3	11
Amounts payable between 1 and 2 years	-	2
Amounts payable between 3 and 5 years	-	-
	<u>3</u>	<u>13</u>

18 Share-based payments

Equity-settled share-based payments

On 14 September 2007, A.S. Lathouwers nv introduced a share option scheme for certain key employees of Cotswold Outdoor Limited. Options are exercisable at a price equal to the valuation of the A.S. Lathouwers n.v.'s shares on the date of grant. The options vest in the period to 1 January 2011. The amount allocated for the company's employees in respect of 2008 is £nil (2007: £60,212). The Directors have assessed the requirements of FRS 20 'share-based payments' and consider that its application would not materially change the financial results or position of the company.

19 Leasing commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings	Other items	Land and buildings	Other items
	£000	£000	£000	£000
Operating leases which expire:				
Within 1 year	43	27	-	16
Within 2 to 5 years	121	79	58	46
After more than 5 years	4,619	-	3,688	47
	<u>4,783</u>	<u>106</u>	<u>3,746</u>	<u>109</u>

20 Related party transactions

During the year, the company entered into transactions with its parent undertaking, A.S. Lathouwers nv which is incorporated in Belgium and its ultimate parent company Lion Adventure bv which is incorporated in the Netherlands. The company declared no dividends in the year. In 2007, dividends were paid to A S Lathouwers nv £300,000, with a further dividend being declared before the year end £300,000. The amount owed to A.S. Lathouwers nv at the balance sheet date was £603,000 (2007: £780,000). The company entered into a short term loan arrangement from A.S. Lathouwers nv during the year. The balance outstanding on this loan at year end was £949,570. The company entered into a loan arrangement with Lion adventure bv during the year. They settled the A.S. Lathouwers nv loan (2007: £3,006,735). The balance on the Lion Adventure bv loan outstanding at the year end was £5,540,129.. The company incurred management charges from Lion Adventure bv £572,321. The 2007 management charges were £40,535 and were paid to A.S. Lathouwers nv. There were interest payments of £498,000 to Lion Adventure bv and £103,000 to A S Lathouwers nv.

21 Called up share capital

Authorised share capital:

	2008	2007
	£000	£000
384,035,000 Ordinary shares of £0.01 each	<u>3,840</u>	<u>3,840</u>

Allotted and fully paid:

	2008		2007	
	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>

22 Reserves

	Profit and loss account
	£000
At 1 January 2008	3,163
Profit for the financial year	306
At 31 December 2008	<u>3,469</u>

23 Reconciliation of movements in shareholders' funds

	2008	2007
	£000	£000
Profit for the financial year	306	558
Share based payments	-	60
Equity dividends	-	(600)
Net addition to shareholders' funds	<u>306</u>	<u>18</u>
Opening shareholders' funds	6,789	6,771
Closing shareholders' funds	<u>7,095</u>	<u>6,789</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £462,915 (2007 - £480,000).

25 Contingent liabilities

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

26 Ultimate parent company

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

Lion Adventure Coöperatief U.A. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2008. The consolidated financial statements of Lion Adventure Coöperatief 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.