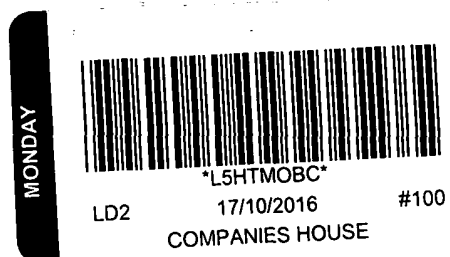


The Mountain Group Limited

Annual report and financial statements

Registered number 06240297

28 February 2016



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Strategic Report

Principal activities and business model

The company acts as a holding company and did not trade in the year. The primary trading company within the Mountain Warehouse group ("the group") is Mountain Warehouse Limited. The principal activity of Mountain Warehouse Limited is the retailer of clothing and equipment for outdoor pursuits. The group operates through two channels, namely retail outlets and the internet.

Business review, results and key performance indicators

The business review and key performance indicators for the group are disclosed in the consolidated financial statements of Mountain Warehouse International Limited, the ultimate parent company.

Principal risks and uncertainties

The principal risks of the company and its investment in subsidiary entities are detailed within the consolidated financial statements of Mountain Warehouse International Limited, the ultimate parent company.

Future developments

The Board is confident in the future growth of the company and continues to roll out new stores during 2016. We have considered the facilities available to the group and are confident we have sufficient headroom going forward.

By order of the board



MD Ward
Director

3 Eccleston Street
London
SW1W 9LX

10 October 2016

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 28 February 2016.

Proposed dividend

The directors do not recommend the payment of a dividend (2015: *£nil*).

Directors and directors' interests

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

Mark Neale
Shantelle Augier
Carl Deering
Marcus Ward

Disclosure of information to auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



MD Ward
Director

3 Eccleston Street
London
SW1W 9LX

10 October 2016

Statement of directors' responsibilities in respect of the Strategic Report, the Director's Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of their profit or loss 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of The Mountain Group Limited

We have audited the financial statements of The Mountain Group Limited for the year ended 28 February 2016 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2016 and of the result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent auditor's report to the members of The Mountain Group Limited
(continued)

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Aimie Keki

Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

12/10/16

Balance Sheet
as at 28 February 2016

	Note	2016	2015
		£	£
Fixed assets			
Investments	4	13,913,596	13,913,596
Current assets			
Debtors	5	12,806,457	12,806,457
Creditors: amounts falling due within one year	6	(16,336,087)	(16,336,087)
Net current liabilities		(3,529,630)	(3,529,630)
Total assets less current liabilities		10,383,966	10,383,966
Creditors: amounts falling due after one year	7	(1,500,000)	(1,500,000)
Net assets		8,883,966	8,883,966
Capital and reserves			
Called up share capital	8	1,882,095	1,882,095
Capital redemption reserve		7,000,000	7,000,000
Profit and loss account		1,871	1,871
Shareholders' funds		8,883,966	8,883,966

The company did not trade in either the current or preceding year and has made neither a profit nor loss, nor any other recognised gain or loss.

These financial statements were approved by the board of directors on 10 October 2016 and were signed on its behalf by:



M Ward
Director

Statement of Changes in Equity

At 28 February 2016

	Share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 March 2014	1,882,095	1,871	7,000,000	8,883,966
Total comprehensive income for the year				
Profit or loss	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 1 March 2015	1,882,095	1,871	7,000,000	8,883,966
Total comprehensive income for the year				
Profit or loss	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 28 February 2016	<u>1,882,095</u>	<u>1,871</u>	<u>7,000,000</u>	<u>8,883,966</u>

Notes

(forming part of the financial statements)

1 Accounting policies

The Mountain Group Limited is a company incorporated and domiciled in the United Kingdom.

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014.

The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements and in preparing an opening FRS102 balance sheet at 1 March 2014 for the purposes of the transition to FRS102.

The Company has taken the exemption afforded to it under FRS102 and will not prepare a cash flow statement, nor a reconciliation of the number of shares outstanding from the beginning to the end of the period.

1.2 Transition to FRS 102

An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 11.

1.3 Group accounts

The company has taken advantage of the exemption from preparing group accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of another company incorporated in the United Kingdom which prepares group accounts (see note 10). These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.4 Going concern

The company accounts have been prepared on a going concern basis as the directors believe that there are sufficient resources to continue in operation for the foreseeable future.

1.5 Investments

Investments held as fixed assets are included at cost less any provision for diminution in value.

Notes (continued)

2 Notes to the profit and loss account

Audit fees for the company in the year are borne by the main trading company (2015: £nil).

3 Staff costs

The Company had no employees during the year (2015: nil). The directors are not remunerated for their role as directors of this company (2015: £nil).

4 Fixed asset investments

**Shares in group
Undertakings
£**

Cost and net book value

At beginning and end of year

13,913,596

The companies in which the company's interest is more than 20% is as follows:

Subsidiary undertakings	Country of registration	Principal activity	Class and percentage of shares held
Direct holdings			
Mountain Warehouse Holdings Limited	England and Wales	Holding Company	100% of ordinary shares
Indirect holdings			
Mountain Warehouse Limited	England and Wales	Retailing of clothing and equipment for outdoor pursuits	100% of ordinary shares
Mountain Warehouse Handelgesellschaft GmbH	Austria	Retailing of clothing and equipment for outdoor pursuits	100% of ordinary shares
Mountain Warehouse Polska S.p z o.o.	Poland	Retailing of clothing and equipment for outdoor pursuits	100% of ordinary shares
Mountain Warehouse Outdoor (Canada) Limited	Canada	Retailing of clothing and equipment for outdoor pursuits	100% of ordinary shares
Mountain Warehouse Outdoor Inc	USA	Retailing of clothing and equipment for outdoor pursuits	100% of ordinary shares
Zakti Limited	England and Wales	Retailing of clothing and equipment for fitness	Ordinary 100%
Mountain Warehouse sro	Czech Republic	Dormant company	100% of ordinary shares

5 Debtors

	2016 £	2015 £
Amount owed by subsidiary undertaking	12,806,457	12,806,457

Notes (continued)

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Amount owed to parent company	16,336,087	16,336,087

7 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Preference shares – owed by parent entity	1,500,000	1,500,000
Analysis of debt due after one year:	£	£
Debt can be analysed as falling due:		
Between two and five years	1,500,000	1,500,000

8 Called up share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid; shares of £1 each</i>		
200,000 'A' Ordinary shares	200,000	200,000
300,000 'B' Ordinary shares	300,000	300,000
1,500,000 Preference shares	1,500,000	1,500,000
1,382,095 Deferred shares	1,382,095	1,382,095
	3,382,095	3,382,095
Shares classified as liabilities	1,500,000	1,500,000
Shares classified as shareholders funds	1,882,095	1,882,095
	3,382,095	3,382,095

9 Contingent liability

The principal value of the bank loans of £75.8m are held within Mountain Warehouse Group Holdings Limited, a fellow group company. The company is a guarantor who irrevocably and unconditionally jointly and severably guarantees these borrowings.

Notes (continued)

10 Related party disclosures

The Company's immediate parent undertaking is Mountain Warehouse Group Limited, a company incorporated in England and Wales. The ultimate parent company is Mountain Warehouse International Limited, a company incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by Mountain Warehouse International Limited. The consolidated financial statements of this group are available to the public and may be obtained from 4 Abbey Orchard Street, London SW1P 3HT.

The Company has taken advantage of the exemption from reporting intra-group transactions available under Section 33.

11 Explanation of transition to FRS 102

As stated in note 1, these are the company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 28 February 2016 and the comparative information presented in these financial statements for the year ended 28 February 2015.

There are no conversion differences to the amounts previously presented in the UK GAAP financial statements for the company.