

Nevisport Limited

Report and Financial Statements

Year Ended

26 June 2011

Company Number SC327661

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Nevisport Limited

Report and financial statements for the year ended 26 June 2011

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Directors

Afzal Khushi
Akmal Khushi

Secretary and registered office

Afzal Khushi, Vermont House, 149 Vermont Street, Kinning Park, Glasgow, G41 1LH

Company number

SC327661

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Bankers

The Royal Bank of Scotland, 10 Gordon Street, Glasgow, G1 3PL

Nevisport Limited

Report of the directors for the year ended 26 June 2011

The directors present their report together with the audited financial statements for the year ended 26 June 2011.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year.

Principal activities, review of business and future developments

The company's principal activity is the retailing of outdoor clothing and related goods.

Disappointingly, the return to profitability since acquisition had not been sustained during the year. Customers, during these extremely testing times on the high street, were seeking the value for money option rather than pay for premium brands.

The directors, conscious of the flat level of performance, are aware that a review of future activities should take place and this will include initiatives to increase sales whilst keeping costs under control as well as the introduction of own brand lines which should help address margin issues.

Principal risks and uncertainties

In the outdoor clothing industry, there are many factors which can affect performance. Currently, they include weather variations, exchange rate volatility, changes in fashion and the general impact of the poor state of the economy. In terms of manufacture, the risks include upward pressure on material prices, inflation in the Far East labour markets and the reliability of foreign factories and suppliers.

The Board continually reviews and identifies the key business risks, endeavouring to manage them and minimise business exposure.

Directors

The directors of the company during the year were:

Afzal Khushi
Akmal Khushi

Nevisport Limited

Report of the directors for the year ended 26 June 2011 (*continued*)

Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

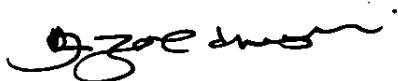
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



Afzal Khushi

Secretary

22 November 2011

Nevisport Limited

Independent auditor's report

TO THE MEMBER OF NEVISPORT LIMITED

We have audited the financial statements of Nevisport Limited for the year ended 26 June 2011 which comprise 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).

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 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 (APB's) Ethical Standards for Auditors.

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 directors; and the overall presentation of the financial statements.

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 26 June 2011 and of its loss 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Nevisport Limited

Independent auditor's report (*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.

BDO LLP

Neil Craig (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Glasgow

United Kingdom

22 November 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Nevisport Limited

Profit and loss account for the year ended 26 June 2011

	Note	2011 £	2010 £
Turnover	2	7,562,946	7,489,534
Cost of sales		5,624,961	5,468,944
Gross profit		1,937,985	2,020,590
Distribution costs		64,731	63,329
Administrative expenses		2,187,145	2,028,943
		(313,891)	(71,682)
Other operating income		31,696	41,527
Operating loss	3	(282,195)	(30,155)
Income from other fixed asset investments	6	71,206	161,264
Other interest receivable and similar income	7	485	15
Amounts written off investments		(118,149)	(87,461)
Interest payable and similar charges	8	(967)	(38,430)
(Loss)/profit on ordinary activities before taxation		(329,620)	5,233
Taxation on (loss)/profit on ordinary activities	9	3	(3,959)
(Loss)/profit on ordinary activities after taxation		(329,617)	1,274

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in the shareholder's funds in the current or prior year apart from the (loss)/profit for the year.

The notes on pages 7 to 18 form part of these financial statements.

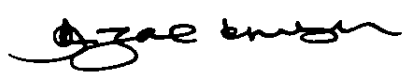
Nevisport Limited

Balance sheet at 26 June 2011

Company number SC327661	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Intangible assets	10		302,373		334,574
Tangible assets	11		956,825		1,138,025
Fixed asset investments	12		2,398,104		2,516,253
			3,657,302		3,988,852
Current assets					
Stocks	13	3,614,234		3,166,256	
Debtors	14	706,212		716,372	
Cash at bank and in hand		248,810		4,870	
		4,569,256		3,887,498	
Creditors: amounts falling due within one year	15	1,716,465		1,422,573	
Net current assets			2,852,791		2,464,925
Total assets less current liabilities			6,510,093		6,453,777
Creditors: amounts falling due after more than one year	16		6,937,077		6,551,144
			(426,984)		(97,367)
Capital and reserves					
Called up share capital	18		1		1
Profit and loss account	19		(426,985)		(97,368)
Shareholder's deficit			(426,984)		(97,367)

The financial statements were approved by the board of directors and authorised for issue on 22 November 2011.


Akmal Khushi
Director


Afzal Khushi
Director

The notes on pages 7 to 18 form part of these financial statements.

Nevisport Limited

Notes forming part of the financial statements for the year ended 26 June 2011

1 Accounting policies

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

As at 26 June 2011 the company's liabilities exceeded its assets. The directors consider it to be appropriate to prepare the financial statements on a going concern basis due to the continued financial support from the company's parent undertaking, Jacobs and Turner Limited.

The following principal accounting policies have been applied:

Consolidated financial statements

The financial statements contain information about Nevisport Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Jacobs and Turner Limited and the company is included in consolidated financial statements.

Goodwill

Goodwill arising on an acquisition of a trade is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life which ranges from 8 to 22 years. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax. Turnover is recognised when the risks and rewards of owning the goods have passed to the customer.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- earliest of the first break in lease, term of lease or 7 years.
Plant and machinery	- earliest of the first break in lease, term of lease or 7 years.
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- earliest of the first break in lease, term of lease or 7 years.
Computer equipment	- 33% straight line

Nevisport Limited

Notes forming part of the financial statements for the year ended 26 June 2011 (*continued*)

1 Accounting policies (*continued*)

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Impairment of fixed assets and goodwill

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost consists of purchase invoice costs.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Rentals payable under operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the profit and loss account on a straight line basis over the term of the lease.

Related party disclosures

The company is a wholly owned subsidiary of Jacobs and Turner Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Jacobs and Turner Limited or other wholly owned subsidiaries within the group.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Nevisport Limited

Notes forming part of the financial statements for the year ended 26 June 2011 (continued)

3 Operating loss

	2011 £	2010 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	327,904	223,203
Amortisation of positive goodwill	32,201	42,102
Auditors' remuneration:		
- fees payable to the company's auditor for the audit of the company's annual accounts	6,700	6,500
- all other services	2,800	2,700
Hire of other assets - land and buildings	877,943	799,633
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of:

	2011 £	2010 £
Wages and salaries	1,391,413	1,360,879
Social security costs	94,161	96,335
	<u> </u>	<u> </u>
	1,485,574	1,457,214
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows:

	2011 Number	2010 Number
Retail	129	121
Administration	4	4
	<u> </u>	<u> </u>
	133	125
	<u> </u>	<u> </u>

5 Directors' remuneration

No director received any emoluments during the current year (2010 - £Nil).

Nevisport Limited

Notes forming part of the financial statements
for the year ended 26 June 2011 (*continued*)

6 Income from other fixed asset investments

	2011 £	2010 £
Income from other investments	71,206	161,264

7 Other interest receivable and similar income

	2011 £	2010 £
Bank deposits	61	15
Other interest	424	-
	485	15

8 Interest payable and similar charges

	2011 £	2010 £
Bank loans and overdrafts	951	1,667
Other interest	16	36,763
	967	38,430

Nevisport Limited

Notes forming part of the financial statements
for the year ended 26 June 2011 (*continued*)

9 Taxation on (loss)/profit on ordinary activities

	2011 £	2010 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	3,007
Adjustment in respect of previous periods	(3)	952
Total current tax	(3)	3,959

The tax assessed for the year is higher than the applicable rate of corporation tax in the UK applied to the (loss)/profit before tax. The differences are explained below:

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	(329,620)	5,233
(Loss)/profit on ordinary activities at the applicable rate of corporation tax in the UK of 27.5% (2010 - 21.0%)	(90,646)	1,099
Effect of:		
Expenses not deductible for tax purposes	49,831	32,156
Depreciation compared to capital allowances	20,914	2,443
Utilisation of tax losses	-	(6,081)
Adjustment to tax charge in respect of previous periods	(3)	952
Other short term timing differences	-	1,913
Income not taxable for tax purposes	-	(28,523)
Group relief surrendered	19,901	-
Current tax (credit)/charge for the year	(3)	3,959

Nevisport Limited

Notes forming part of the financial statements
for the year ended 26 June 2011 (*continued*)

10 Intangible fixed assets

	Purchased goodwill £
<i>Cost</i>	
At 1 July 2010	445,817
Disposals	(40,000)
At 26 June 2011	405,817
<i>Amortisation</i>	
At 1 July 2010	111,243
Provided for the year	32,201
Disposals	(40,000)
At 26 June 2011	103,444
<i>Net book value</i>	
At 26 June 2011	302,373
At 30 June 2010	334,574

Nevisport Limited

Note forming part of the financial statements
for the year ended 26 June 2011 (*continued*)

11 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<i>Cost</i>						
At 1 July 2010	618,653	103,909	727,902	12,495	114,626	1,577,585
Additions	16,606	7,690	92,932	14,388	20,716	152,332
Disposals	-	-	-	(12,495)	-	(12,495)
At 26 June 2011	635,259	111,599	820,834	14,388	135,342	1,717,422
<i>Depreciation</i>						
At 1 July 2010	123,832	32,427	210,725	6,491	66,085	439,560
Provided for the year	126,611	18,159	138,609	3,074	41,451	327,904
Disposals	-	-	-	(6,867)	-	(6,867)
At 26 June 2011	250,443	50,586	349,334	2,698	107,536	760,597
<i>Net book value</i>						
At 26 June 2011	384,816	61,013	471,500	11,690	27,806	956,825
At 30 June 2010	494,821	71,482	517,177	6,004	48,541	1,138,025

Nevisport Limited

Notes forming part of the financial statements
for the year ended 26 June 2011 (*continued*)

12 Fixed asset investments

	Group undertakings £	Other investments - other than loans £	Total £
<i>Cost</i>			
At 1 July 2010 and 26 June 2011	1,000	2,602,714	2,603,714
<i>Provisions</i>			
At 1 July 2010	-	87,461	87,461
Impairment adjustment	-	118,149	118,149
At 26 June 2011	-	205,610	205,610
<i>Net book value</i>			
At 26 June 2011	1,000	2,397,104	2,398,104
At 30 June 2010	1,000	2,515,253	2,516,253

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Class of share capital held	Proportion of share capital held	Nature of business	Last year end
<i>Subsidiary undertakings</i>				
Wilderness Ways Limited	Ordinary	100%	Non-trading	28 February 2011

Unless otherwise stated, the following figures have been extracted from unaudited financial statements for the year ended 26 June 2011:

	Aggregate share capital and reserves		Profit for the year		Last year end
	2011 £	2010 £	2011 £	2010 £	
<i>Subsidiary undertakings</i>					
Wilderness Ways Limited	1,000	1,000	-	-	28 February - 2011

Nevisport Limited

Notes forming part of the financial statements
for the year ended 26 June 2011 (*continued*)

13 Stocks

	2011 £	2010 £
Finished goods and goods for resale	3,614,234	3,166,256

There is no material difference between the replacement cost of stocks and the amounts stated above.

14 Debtors

	2011 £	2010 £
Trade debtors	88,062	160,287
Prepayments and accrued income	459,892	401,547
Other debtors	158,258	154,538
	706,212	716,372

All amounts shown under debtors fall due for payment within one year.

15 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	-	219,641
Trade creditors	834,804	606,948
Amounts owed to group undertakings	289,097	85,838
Corporation tax	-	1,512
Other taxation and social security	88,186	85,732
Other creditors	115,255	109,782
Accruals and deferred income	389,123	313,120
	1,716,465	1,422,573

Nevisport Limited

Notes forming part of the financial statements
for the year ended 26 June 2011 (*continued*)

16 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Other loans	1,894,978	1,894,978
Amounts owed to group undertakings	5,013,469	4,613,469
Other creditors	28,630	42,697
	<u>6,937,077</u>	<u>6,551,144</u>

Maturity of debt:

	Loans and overdrafts 2011 £	Loans and overdrafts 2010 £
In one year or less, or on demand	-	219,641
In more than two years but not more than five years	1,894,978	1,894,978

The loan from Ingenious Media Investments Limited will mature on the repayment date. The repayment date shall be the earlier of:

- (a) the commencement of the winding up of either party in the partnership;
- (b) the sale of substantially all of the assets of either party in the partnership;
- (c) the termination of either the operator's agreement or the film services agreement; or
- (d) the last day of the eighth accounting period of Big Screen Productions 2 LLP.

Ingenious Media Investments Limited holds a standard security over the future income of the partnership with Big Screen Productions 2 LLP.

Nevisport Limited

Notes forming part of the financial statements for the year ended 26 June 2011 (*continued*)

17 Provisions for liabilities

Deferred taxation

	2011 £	2010 £
Accelerated capital allowances	(27,383)	(6,147)
Deferred tax asset not recognised	27,383	6,147
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The policy for recognition of deferred tax assets and liabilities is disclosed in note 1.

18 Share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1	1
	<u> </u>	<u> </u>

19 Reserves

	Profit and loss account £
At 1 July 2010	(97,368)
Loss for the year	(329,617)
	<u> </u>
At 26 June 2011	(426,985)
	<u> </u>

Nevisport Limited

Notes forming part of the financial statements
for the year ended 26 June 2011 (*continued*)

20 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2011 £	Land and buildings 2010 £
Operating leases which expire:		
Within one year	288,125	355,375
In two to five years	324,518	23,000
After five years	458,532	537,782
	1,071,175	916,157

21 Ultimate parent company and parent undertaking of larger group

The company is a wholly owned subsidiary of Jacobs and Turner Limited which is the ultimate parent company.

The largest and smallest group in which the results of the company are consolidated is that headed by Jacobs and Turner Limited, incorporated in the UK. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.