

Nevisport Limited

Report and Financial Statements

Year Ended

24 June 2012

Company Number SC327661



Nevisport Limited

Report and financial statements for the year ended 24 June 2012

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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

Lloyds TSB Bank plc, 110 St Vincent Street, Glasgow, G2 5ER

Nevisport Limited

Report of the directors for the year ended 24 June 2012

The directors present their report together with the audited financial statements for the year ended 24 June 2012.

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.

This had been a disappointing year for the company. In this extremely difficult environment, premium brands appear to be suffering as customers continue to search for the value for money option.

The Directors, aware that remedial action is necessary, have undertaken a complete review of operations which will result in the closure of some poor performing stores but with a view to future profitability, there are planned new shop openings.

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 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 24 June 2012 (*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.

The auditors, BDO LLP, are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

By order of the board

Afzal Khushi



Secretary

13 November 2012

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 24 June 2012 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 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 24 June 2012 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

13 November 2012

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 24 June 2012

	Note	2012 £	2011 £
Turnover	2	7,386,038	7,562,946
Cost of sales		5,808,900	5,624,961
Gross profit		1,577,138	1,937,985
Distribution costs		75,716	64,731
Administrative expenses		2,339,966	2,187,145
		(838,544)	(313,891)
Other operating income		7,088	31,696
Operating loss	3	(831,456)	(282,195)
Income from other fixed asset investments	6	7,180	71,206
Other interest receivable and similar income	7	3,943	485
Amounts written off investments		(476,197)	(118,149)
Interest payable and similar charges	8	(1,624)	(967)
Loss on ordinary activities before taxation		(1,298,154)	(329,620)
Taxation on loss on ordinary activities	9	-	3
Loss on ordinary activities after taxation		(1,298,154)	(329,617)

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 for the year.

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

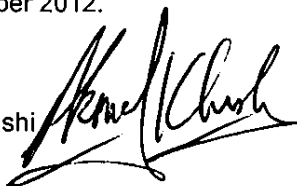
Nevisport Limited

Balance sheet at 24 June 2012

Company number SC327661	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Intangible assets	10		273,472		302,373
Tangible assets	11		645,920		956,825
Fixed asset investments	12		1,921,907		2,398,104
			<u>2,841,299</u>		<u>3,657,302</u>
Current assets					
Stocks	13	3,634,747		3,614,234	
Debtors	14	616,923		706,212	
Cash at bank and in hand		9,989		248,810	
		<u>4,261,659</u>		<u>4,569,256</u>	
Creditors: amounts falling due within one year	15	<u>1,892,799</u>		<u>1,716,465</u>	
Net current assets			<u>2,368,860</u>		<u>2,852,791</u>
Total assets less current liabilities			<u>5,210,159</u>		<u>6,510,093</u>
Creditors: amounts falling due after more than one year	16		<u>6,685,297</u>		<u>6,937,077</u>
			<u>(1,475,138)</u>		<u>(426,984)</u>
Capital and reserves					
Called up share capital	18		1		1
Profit and loss account	19		(1,475,139)		(426,985)
Shareholder's deficit			<u>(1,475,138)</u>		<u>(426,984)</u>

The financial statements were approved by the board of directors and authorised for issue on 13 November 2012.

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 24 June 2012

1 Accounting policies

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

As at 24 June 2012 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 24 June 2012 (*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 24 June 2012 (continued)

3 Operating loss

	2012 £	2011 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	330,330	327,904
Amortisation of positive goodwill	28,901	32,201
Auditors' remuneration:		
- fees payable to the company's auditor for the audit of the company's annual accounts	6,700	6,700
- all other services	4,505	2,800
Hire of other assets - land and buildings	935,386	877,943
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of:

	2012 £	2011 £
Wages and salaries	1,349,100	1,391,413
Social security costs	83,285	94,161
	<u> </u>	<u> </u>
	1,432,385	1,485,574
	<u> </u>	<u> </u>

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

	2012 Number	2011 Number
Retail	128	121
Administration	4	4
	<u> </u>	<u> </u>
	132	125
	<u> </u>	<u> </u>

5 Directors' remuneration

No director received any emoluments during the current year (2011 - £Nil).

Nevisport Limited

Notes forming part of the financial statements
for the year ended 24 June 2012 (*continued*)

6 Income from other fixed asset investments

	2012 £	2011 £
Income from other investments	7,180	71,206
	<u>7,180</u>	<u>71,206</u>

7 Other interest receivable and similar income

	2012 £	2011 £
Bank deposits	136	61
Other interest	3,807	424
	<u>3,943</u>	<u>485</u>

8 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	1,609	951
Other interest	15	16
	<u>1,624</u>	<u>967</u>

Nevisport Limited

Notes forming part of the financial statements
for the year ended 24 June 2012 (*continued*)

9 Taxation on loss on ordinary activities

	2012 £	2011 £
<i>UK Corporation tax</i>		
Adjustment in respect of previous periods	-	(3)
	<u> </u>	<u> </u>

The tax assessed for the year differs from the applicable rate of corporation tax in the UK applied to the loss before tax. The differences are explained below:

	2012 £	2011 £
Loss on ordinary activities before tax	(1,298,154)	(329,620)
	<u> </u>	<u> </u>
Loss on ordinary activities at the applicable rate of corporation tax in the UK of 25.5% (2011 - 27.5%)	(331,029)	(90,646)
Effect of:		
Expenses not deductible for tax purposes	165,201	49,831
Depreciation for period compared to capital allowances	20,871	20,914
Adjustment to tax charge in respect of previous periods	-	(3)
Other short term timing differences	3,737	-
Income not taxable for tax purposes	(6,495)	-
Group relief surrendered	147,715	19,901
	<u> </u>	<u> </u>
Current tax credit for the year	-	(3)
	<u> </u>	<u> </u>

Nevisport Limited

Notes forming part of the financial statements
for the year ended 24 June 2012 (*continued*)

10 Intangible fixed assets

	Purchased goodwill £
<i>Cost</i>	
At 27 June 2011 and 24 June 2012	405,817
<i>Amortisation</i>	
At 27 June 2011	103,444
Provided for the year	28,901
At 24 June 2012	132,345
<i>Net book value</i>	
At 24 June 2012	273,472
At 26 June 2011	302,373

Nevisport Limited

Note forming part of the financial statements
for the year ended 24 June 2012 (*continued*)

11 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 27 June 2011	635,259	111,599	820,834	14,388	135,342	1,717,422
Additions	10,396	-	-	1,029	8,000	19,425
Transfers	281,310	-	(281,310)	-	-	-
At 24 June 2012	926,965	111,599	539,524	15,417	143,342	1,736,847
Depreciation						
At 27 June 2011	250,443	50,586	349,334	2,698	107,536	760,597
Provided for the year	126,758	17,259	165,979	2,921	17,413	330,330
Transfers	168,036	-	(168,036)	-	-	-
At 24 June 2012	545,237	67,845	347,277	5,619	124,949	1,090,927
Net book value						
At 24 June 2012	381,728	43,754	192,247	9,798	18,393	645,920
At 26 June 2011	384,816	61,013	471,500	11,690	27,806	956,825

Nevisport Limited

Notes forming part of the financial statements
for the year ended 24 June 2012 (continued)

12 Fixed asset investments

	Group undertakings £	Other investments - other than loans £	Total £
<i>Cost</i>			
At 27 June 2011 and 24 June 2012	1,000	2,602,714	2,603,714
<i>Provisions</i>			
At 27 June 2011	-	205,610	205,610
Impairment adjustment	-	476,197	476,197
At 24 June 2012	-	681,807	681,807
<i>Net book value</i>			
At 24 June 2012	1,000	1,920,907	1,921,907
At 26 June 2011	1,000	2,397,104	2,398,104

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 2012

Unless otherwise stated, the following figures have been extracted from unaudited financial statements for the year ended 24 June 2012:

	Aggregate share capital and reserves		Profit for the year		Last year end
	2012 £	2011 £	2012 £	2011 £	
<i>Subsidiary undertakings</i>					
Wilderness Ways Limited	1,000	1,000	-	-	28 February 2012

Nevisport Limited

Notes forming part of the financial statements
for the year ended 24 June 2012 (continued)

13 Stocks

	2012 £	2011 £
Finished goods and goods for resale	3,634,747	3,614,234

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

14 Debtors

	2012 £	2011 £
Trade debtors	77,881	88,062
Prepayments and accrued income	459,784	459,892
Other debtors	79,258	158,258
	<u>616,923</u>	<u>706,212</u>

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

15 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	251,863	-
Trade creditors	482,013	834,804
Amounts owed to group undertakings	628,302	289,097
Other taxation and social security	131,768	88,186
Other creditors	106,227	115,255
Accruals and deferred income	292,626	389,123
	<u>1,892,799</u>	<u>1,716,465</u>

The overdraft is guaranteed by Jacobs and Turner Limited, for a principal sum of £500,000, in respect of all liabilities of Nevisport Limited to Lloyds Bank Plc.

Nevisport Limited

Notes forming part of the financial statements
for the year ended 24 June 2012 (*continued*)

16 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Other loans	1,894,978	1,894,978
Amounts owed to group undertakings	4,770,975	5,013,469
Other creditors	19,344	28,630
	<u>6,685,297</u>	<u>6,937,077</u>
Maturity of debt:		
	Loans and overdrafts 2012 £	Loans and overdrafts 2011 £
In one year or less, or on demand	<u>251,863</u>	<u>-</u>
In more than two years but not more than five years	<u>1,894,978</u>	<u>1,894,978</u>

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 24 June 2012 (*continued*)

17 Provisions for liabilities

Deferred taxation

	2012 £	2011 £
Accelerated capital allowances	(27,383)	(27,383)
Deferred tax asset not recognised	27,383	27,383
	<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

	2012 £	2011 £
<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 27 June 2011	(426,985)
Loss for the year	(1,298,154)
Intercompany loan waiver	250,000
	<u> </u>
At 24 June 2012	(1,475,139)
	<u> </u>

Nevisport Limited

Notes forming part of the financial statements for the year ended 24 June 2012 (continued)

20 Commitments under operating leases

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

	Land and buildings 2012 £	Land and buildings 2011 £
Operating leases which expire:		
Within one year	436,274	288,125
In two to five years	357,250	324,518
After five years	318,532	458,532
	1,112,056	1,071,175

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.