

## **MN Sports Bidco Limited**

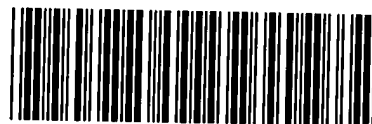
Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 09084351

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# **MN Sports Bidco Limited**

## **Company Information**

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<b>Directors</b>	D Algar I Astley S McSpadden P Reeves
<b>Registered number</b>	09084351
<b>Registered office</b>	1 Myrtle Road Warley Brentwood Essex CM14 5EG
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# MN Sports Bidco Limited

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# MN Sports Bidco Limited

## Strategic Report for the Year Ended 31 December 2017

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### Introduction

MN Sport Bidco Limited is an investment company formed to acquire Fox International Group Limited ("Fox") and its associated companies. The acquisition of Fox was completed in July 2014.

### Business review

The company has not traded at all this year. The principal activity of the company is to be a holding company for the group's investment in Fox.

### Principal risks and uncertainties

The company is subject to ongoing market risk in terms of the valuation of the trading company which is dependent upon the wider economic environment as the group's products are non-essential items.

### Financial key performance indicators

As the company is primarily an investment company the directors do not consider that KPIs would be an effective way to measure company performance.

This report was approved by the board and signed on its behalf.



I Astley  
Director

Date: 30/5/18

# **MN Sports Bidco Limited**

## **Directors' Report for the Year Ended 31 December 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

### **Directors' responsibilities**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 for the company's financial statements 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 to 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.

### **Results and dividends**

The profit for the year, after taxation, amounted to £2,296,961 (2016 - loss £2,229,308).

The directors do not recommend the payment of a dividend (2016 - £Nil).

### **Directors**

The directors who served during the year were:

D Algar  
I Astley  
S McSpadden  
P Reeves

### **Matters covered in the strategic report**

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1. These matters relate to the principal activity of the company and the risks it faces.

## MN Sports Bidco Limited

### Directors' Report (continued) for the Year Ended 31 December 2017

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#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**I Astley**  
Director

Date: 30/5/18

# MN Sports Bidco Limited

## Independent Auditor's Report to the Members of MN Sports Bidco Limited

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### Opinion

We have audited the financial statements of MN Sports Bidco Limited ("the company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **MN Sports Bidco Limited**

## **Independent Auditor's Report to the Members of MN Sports Bidco Limited (continued)**

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### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which 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; or

### **Responsibilities of directors**

As explained more fully in the 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



# MN Sports Bidco Limited

## Independent Auditor's Report to the Members of MN Sports Bidco Limited (continued)

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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.

BDO LLP

Colin Turnbull (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 30 - 5 - 2018

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

# MN Sports Bidco Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Administrative expenses		(5,427)	(88,260)
<b>Operating loss</b>		<b>(5,427)</b>	<b>(88,260)</b>
Income from fixed assets investments	6	4,380,071	-
Interest payable and expenses	7	(2,077,683)	(2,141,048)
<b>Profit/(loss) before tax</b>		<b>2,296,961</b>	<b>(2,229,308)</b>
Tax on profit/(loss)	8	-	-
<b>Profit/(loss) for the financial year</b>		<b>2,296,961</b>	<b>(2,229,308)</b>

There was no other comprehensive income for 2017 (2016 - £Nil).

The notes on pages 10 to 14 form part of these financial statements.

# MN Sports Bidco Limited

Registered number: 09084351

## Statement of Financial Position as at 31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	9	32,489,754	32,534,311
<b>Current assets</b>			
Debtors	10	200	200
Creditors: amounts falling due within one year	11	(24,045,860)	(26,387,378)
<b>Net current liabilities</b>		<b>(24,045,660)</b>	<b>(26,387,178)</b>
<b>Net assets</b>		<b>8,444,094</b>	<b>6,147,133</b>
<b>Capital and reserves</b>			
Called up share capital	12	11,738,100	11,738,100
Share premium account	13	9,770	9,770
Profit and loss account	13	(3,303,776)	(5,600,737)
		<b>8,444,094</b>	<b>6,147,133</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....

**I Astley**  
Director

Date: 30/5/18

The notes on pages 10 to 14 form part of these financial statements.

# MN Sports Bidco Limited

## Statement of Changes in Equity for the Year Ended 31 December 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2017	11,738,100	9,770	(5,600,737)	6,147,133
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,296,961	2,296,961
<b>Total comprehensive income for the year</b>	-	-	2,296,961	2,296,961
<b>At 31 December 2017</b>	<b>11,738,100</b>	<b>9,770</b>	<b>(3,303,776)</b>	<b>8,444,094</b>

## Statement of Changes in Equity for the Year Ended 31 December 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2016	11,738,100	9,770	(3,371,429)	8,376,441
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(2,229,308)	(2,229,308)
<b>Total comprehensive income for the year</b>	-	-	(2,229,308)	(2,229,308)
<b>At 31 December 2016</b>	<b>11,738,100</b>	<b>9,770</b>	<b>(5,600,737)</b>	<b>6,147,133</b>

The notes on pages 10 to 14 form part of these financial statements.

# MN Sports Bidco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

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### 1. General information

MN Sports Bidco Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

At the reporting date, the company had net current liabilities of £24,045,660 (2016 - £26,387,178). The company is dependent on its parent company MN Fox Topco Limited for continuing support. The directors of the parent company have confirmed that such support will be forthcoming and on this basis, these financial statements are prepared on the going concern basis.

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of MN Fox Topco Limited as at 31 December 2017 and these financial statements may be obtained from Companies House.

#### 2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

# MN Sports Bidco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

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### 2. Accounting policies (continued)

#### 2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.6 Creditors

Short term creditors are measured at the transaction price.

#### 2.7 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within administrative expenses in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within interest payable. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

#### 2.8 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

#### *Carrying value of investments*

Management apply judgement in assessing whether there is an indicator of impairment, and if present, an appropriate level of provision to record. In considering an appropriate level of provision, management will consider the projected cash generation of the business and net assets.

### 4. Auditor's remuneration

All audit fees were borne by Fox International Group Limited in the current and previous year.

# MN Sports Bidco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 5. Staff costs

The company has no employees other than the directors. The directors did not receive any remuneration (2016 - £Nil).

### 6. Income from fixed asset investments

	2017 £	2016 £
Income from Fox International Group Limited	<u>4,380,071</u>	<u>-</u>

### 7. Interest payable and similar charges

	2017 £	2016 £
Interest on amounts due to group companies	<u>2,077,683</u>	<u>2,141,048</u>

### 8. Taxation

	2017 £	2016 £
Current tax on loss for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	<u>2,296,961</u>	<u>(2,229,308)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	<u>442,086</u>	<u>(445,862)</u>
<b>Effects of:</b>		
Group income	(843,014)	-
Group relief surrendered	<u>400,928</u>	<u>445,862</u>
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

# MN Sports Bidco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 8. Taxation (continued)

#### Factors that may affect future tax charges

The company has an unrecognised deferred tax asset of £38,301 (2016 - £38,301) comprised of capital losses and trading losses.

### 9. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost and net book value</b>	
At 1 January 2017	32,534,311
Amounts written off	(44,557)
At 31 December 2017	<u>32,489,754</u>
<b>Net book value</b>	
At 31 December 2017	<u>32,489,754</u>
At 31 December 2016	<u>32,534,311</u>

The following were subsidiary undertakings of the company:

#### Direct subsidiary undertakings

Name	Principal activity
Fox International Group Limited	Sporting goods products

#### Indirect subsidiary undertakings

Name	Principal activity
Fox International Limited	Dormant
Fox Design International Limited	Dormant
Salmo Sp. Zoo	Manufacturer of fishing lures

Fox International Group Limited, Fox International Limited and Fox Design International Limited share the same registered office as the company, which is shown on the company information page.

The registered office of Salmo Sp. Zoo is Drzewna 1, 11-036 Gietrzwałd, Poland.



# MN Sports Bidco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 10. Debtors

	2017 £	2016 £
Called up share capital not paid	200	200

### 11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	24,036,077	26,377,595
Other creditors	9,783	9,783
	<u>24,045,860</u>	<u>26,387,378</u>

### 12. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
11,738,100 Ordinary shares of £1 each	<u>11,738,100</u>	<u>11,738,100</u>

### 13. Reserves

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 14. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

### 15. Ultimate parent undertaking and controlling party

The immediate parent company is MN Sports Holdings Limited, a company incorporated in England and Wales whose principal place of business is 1 Myrtle Road, Warley Brentwood, Essex, CM14 5EG.

The ultimate parent undertaking and controlling company is Mayfair Equity Partners Nominees Limited, a company incorporated in the United Kingdom.