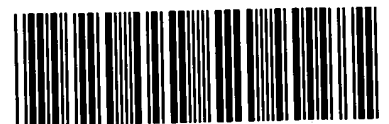


GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

COMPANY INFORMATION

CHAIRMAN	M P George
REGISTERED NUMBER	00148700
DIRECTORS	N D J Gray R W Gray P D Gray FCMA J C Gray ACA N J Gray M P George
COMPANY SECRETARY	P D Gray FCMA
REGISTERED OFFICE	Station Road Robertsbridge East Sussex TN32 5DH
INDEPENDENT AUDITORS	Price Bailey LLP Chartered Accountants & Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

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GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The Company is engaged in the business of supplying quality sports goods and distributing them wherever those sports are played.

BUSINESS REVIEW

The Company has been successful in 2015 and is confident about prospects for 2016.

It continues to invest in its core business and is adapting to changing market conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is reliant on its global sourcing network and is exposed to risks of foreign exchange rate movements and the risks of unexpected disruptions to supply.

The Company manages its product innovation programme to develop market appealing products and mitigate the risk of product obsolescence due to technological advances.

The Company actively monitors un-authorised use of its valuable Intellectual Property rights and has made provision in these accounts for the cost of defending its rights.

FINANCIAL KEY PERFORMANCE INDICATORS

The principal financial goal of the business is to be profitable and achieve sustainable growth.

The Group's turnover grew by 28.1% to £28.7m (2014 - £22.4m).

The Group's profit for the year after tax was £2.4m (2014 - £1.8m).

This report was approved by the board on

18th May 2016

and signed on its behalf.


P D Gray FCMA
Director

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activities of the group are the manufacture and distribution of quality branded sports goods.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,382,173 (2014 - £1,825,798).

The directors consider the state of the group's affairs during the year and the financial position at the end of the year to be satisfactory.

DIRECTORS

The directors who served during the year were:

N D J Gray
R W Gray
P D Gray FCMA
J C Gray ACA
N J Gray
M P George

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group since the year end.

FUTURE DEVELOPMENTS

The directors anticipate no significant changes in the company's activities in the foreseeable future.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that 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 and the Group's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group 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), including Financial Reporting Standard 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 satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on *18th May 2016* and signed on its behalf.



P D Gray FCMA
Secretary

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

We have audited the financial statements of Grays of Cambridge (International) Limited for the year ended 31 December 2015, set out on pages 6 to 37. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 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 Auditors' 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement, 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 Financial Reporting Council'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 Group's and the parent 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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 and of the Group's 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAYS OF CAMBRIDGE
(INTERNATIONAL) LIMITED**

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Richard Vass (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

6 June 2016

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover		28,723,423	22,414,751
Change in stocks of finished good and work in progress		(55,980)	(52,017)
Other operating income		233,085	212,432
Raw materials and consumables		318,440	535,290
Other external charges		(15,278,749)	(12,313,278)
Staff costs		(4,800,671)	(4,247,932)
Depreciation and amortisation		(260,762)	(192,184)
Other operating expenses		(6,165,812)	(4,281,014)
Operating profit		<u>2,712,974</u>	<u>2,076,048</u>
Share of profit of associates		127,892	14,764
Total operating profit		<u>2,840,866</u>	<u>2,090,812</u>
Income from other fixed asset investments		62,076	69,363
Interest receivable and similar income		21,765	34,550
Interest payable and expenses		(3,490)	(4,283)
Profit before tax		<u>2,921,217</u>	<u>2,190,442</u>
Tax on profit	12	(539,044)	(364,644)
Profit for the year		<u><u>2,382,173</u></u>	<u><u>1,825,798</u></u>
 Movement on foreign exchange		 <u>66,255</u>	 <u>(48,454)</u>
Other comprehensive income for the year		<u>66,255</u>	<u>(48,454)</u>
 Total comprehensive income for the year		 <u><u>2,448,428</u></u>	 <u><u>1,777,344</u></u>

The notes on pages 15 to 37 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
REGISTERED NUMBER:00148700

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Tangible assets	15	1,565,582	1,322,465
Investments	16	941,736	816,909
		<u>2,507,318</u>	<u>2,139,374</u>
Current assets			
Stocks	17	6,564,499	5,758,619
Debtors: amounts falling due after more than one year	18	4,725,783	6,178,905
Debtors: amounts falling due within one year	18	4,401,470	5,249,297
Cash at bank and in hand	19	3,307,272	2,592,037
		<u>18,999,024</u>	<u>19,778,858</u>
Creditors: amounts falling due within one year	20	(4,285,749)	(3,188,971)
Net current assets		<u>14,713,275</u>	<u>16,589,887</u>
Total assets less current liabilities		<u>17,220,593</u>	<u>18,729,261</u>
Provisions for liabilities			
Deferred taxation		(49,953)	(21,916)
Other provisions	23	(5,230,203)	(6,465,336)
		<u>(5,280,156)</u>	<u>(6,487,252)</u>
Net assets		<u><u>11,940,437</u></u>	<u><u>12,242,009</u></u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
REGISTERED NUMBER:00148700

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Capital and reserves			
Called up share capital	24	32,060	32,060
Revaluation reserve		34,001	34,001
Capital redemption reserve		16,028	16,028
Foreign exchange reserve		(159,387)	(225,642)
Other reserves		83	83
Profit and loss account		12,017,652	12,385,479
		<u>11,940,437</u>	<u>12,242,009</u>

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

18th May 2016

P D Gray FCMA
 Director


M P George
 Director

18/5/16

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
REGISTERED NUMBER:00148700

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	15	1,565,582	1,322,465
Investments	16	1,402,316	1,472,272
		<u>2,967,898</u>	<u>2,794,737</u>
Current assets			
Stocks	17	6,564,499	5,758,619
Debtors: amounts falling due after more than one year	18	1,683,912	2,031,100
Debtors: amounts falling due within one year	18	4,305,173	5,165,751
Cash at bank and in hand	19	3,075,156	2,358,268
		<u>15,628,740</u>	<u>15,313,738</u>
Creditors: amounts falling due within one year	20	(4,248,298)	(3,026,923)
Net current assets		<u>11,380,442</u>	<u>12,286,815</u>
Total assets less current liabilities		<u>14,348,340</u>	<u>15,081,552</u>
Provisions for liabilities			
Deferred tax		(49,953)	(21,916)
Other provisions		(2,188,332)	(2,317,532)
		<u>(2,238,285)</u>	<u>(2,339,448)</u>
Net assets		<u><u>12,110,055</u></u>	<u><u>12,742,104</u></u>
Capital and reserves			
Called up share capital	24	32,060	32,060
Revaluation reserve		325,001	325,001
Capital redemption reserve		16,028	16,028
Profit and loss account		<u>11,736,966</u>	<u>12,369,015</u>
		<u><u>12,110,055</u></u>	<u><u>12,742,104</u></u>

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

18 May 2016

P D Gray FCMA
 Director


M P George
 Director
18/5/16

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

	Share capital	Capital redemption reserve	Revaluation reserve	Foreign exchange reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£	£	£
At 1 January 2015	32,060	16,028	34,001	(225,642)	83	12,385,479	12,242,009
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	2,382,173	2,382,173
Movement on foreign exchange	-	-	-	70,379	-	-	70,379
Cash foreign exchange movement	-	-	-	(4,124)	-	-	(4,124)
Total comprehensive income for the year	-	-	-	66,255	-	2,382,173	2,448,428
Contributions by and distributions to owners							
Dividends: Equity capital	-	-	-	-	-	(2,750,000)	(2,750,000)
Total transactions with owners	-	-	-	-	-	(2,750,000)	(2,750,000)
At 31 December 2015	32,060	16,028	34,001	(159,387)	83	12,017,652	11,940,437

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014

	Share capital	Capital redemption reserve	Revaluation reserve	Foreign exchange reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£	£	£
At 1 January 2014	32,060	16,028	34,610	(177,188)	83	12,059,072	11,964,665
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,825,798	1,825,798
Movement on foreign exchange	-	-	-	(49,525)	-	-	(49,525)
Cash foreign exchange movement	-	-	-	1,071	-	-	1,071
Total comprehensive income for the year	-	-	-	(48,454)	-	1,825,798	1,777,344
Contributions by and distributions to owners							
Dividends: Equity capital	-	-	-	-	-	(1,500,000)	(1,500,000)
Transfer to/from profit and loss account	-	-	(609)	-	-	609	-
Total transactions with owners	-	-	(609)	-	-	(1,499,391)	(1,500,000)
At 31 December 2014	32,060	16,028	34,001	(225,642)	83	12,385,479	12,242,009

The notes on pages 15 to 37 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital	Capital redemption reserve	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2015 (as previously stated)	32,060	16,028	325,001	11,695,015	12,068,104
Prior year adjustment	-	-	-	674,000	674,000
At 1 January 2015	32,060	16,028	325,001	12,369,015	12,742,104
Comprehensive income for the year					
Profit for the year	-	-	-	2,117,951	2,117,951
Total comprehensive income for the year	-	-	-	2,117,951	2,117,951
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(2,750,000)	(2,750,000)
Total transactions with owners	-	-	-	(2,750,000)	(2,750,000)
At 31 December 2015	32,060	16,028	325,001	11,736,966	12,110,055

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital	Capital redemption reserve	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2014 (as previously stated)	32,060	16,028	325,610	11,259,609	11,633,307
	-	-	-	674,000	674,000
Prior year adjustment	32,060	16,028	325,610	11,933,609	12,307,307
At 1 January 2014 (as restated)					
Comprehensive income for the year					
Profit for the year	-	-	-	1,934,797	1,934,797
Total comprehensive income for the year	-	-	-	1,934,797	1,934,797
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(1,500,000)	(1,500,000)
Transfer to/from profit and loss account	-	-	(609)	609	-
Total transactions with owners	-	-	(609)	(1,499,391)	(1,500,000)
At 31 December 2014	32,060	16,028	325,001	12,369,015	12,742,104

The notes on pages 15 to 37 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	2,382,173	1,825,798
Adjustments for:		
Depreciation of tangible assets	270,944	201,529
Loss on disposal of tangible assets	(10,182)	(9,345)
Increase in stocks	(805,880)	(950,403)
Interest paid	3,490	4,283
Interest received	(83,841)	(103,913)
Taxation	539,044	364,644
Increase in debtors	2,397,142	(2,751,085)
Increase in creditors	1,145,198	165,484
Increase in provisions	(1,235,133)	1,982,275
Share of operating profit in associates	(127,892)	(14,764)
Corporation tax	(652,133)	(503,635)
Net cash generated from operating activities	<u>3,822,930</u>	<u>210,868</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(525,528)	(196,844)
Sale of tangible fixed assets	21,650	16,020
Purchase of unlisted and other investments	(19,901)	(12,084)
Sale of unlisted and other investments	89,857	131,135
Interest received	21,765	34,550
Income from investments	62,076	69,363
Net cash from investing activities	<u>(350,081)</u>	<u>42,140</u>
Cash flows from financing activities		
Dividends paid	(2,750,000)	(1,500,000)
Interest paid	(3,490)	(4,283)
Net cash used in financing activities	<u>(2,753,490)</u>	<u>(1,504,283)</u>
Net increase / (decrease) in cash and cash equivalents	719,359	(1,251,275)
Cash and cash equivalents at beginning of year	2,592,037	3,842,241
Foreign exchange gains and losses	(4,124)	1,071
Cash and cash equivalents at the end of year	<u><u>3,307,272</u></u>	<u><u>2,592,037</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>3,307,272</u>	<u>2,592,037</u>
	<u><u>3,307,272</u></u>	<u><u>2,592,037</u></u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Station Road, Robertsbridge, East Sussex, TN32 5DH.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014.

1.3 ASSOCIATES

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line/reducing balance method.

Depreciation is provided on the following bases:

Freehold property	2% straight line
Freehold land	Nil
Leasehold improvements	over the remaining life of the lease
Plant & machinery	15% - 25% on the reducing balance or the straight line basis
Motor vehicles	33% reducing balance
Fixtures & fittings	15% - 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating expenses' in the Consolidated Statement of Comprehensive Income.

Freehold land and buildings are included at deemed cost following the adoption of FRS102. Deemed cost is the valuation as at the date of transition to FRS102.

1.6 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in associates are stated at the amount of the Company's share of net assets. The Consolidated Statement of Comprehensive Income includes the Company's share of the associated companies' profits after taxation using the equity accounting basis.

Investments held as fixed assets are shown at fair value.

Loans receivable are measured initially at fair value, net of transaction costs and, where material, are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and manufactured finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

1.9 DEBTORS

Short term debtors are measured at transaction price, less any impairment. The impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

1.10 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

1.12 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is Pounds.

Transactions and balances

Foreign currency transactions are translated into the functional currency using an average rate.

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 in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating charges'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.14 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.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.15 DIVIDENDS

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.16 PENSIONS

Defined contribution pension plan

The Group operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.17 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.18 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.19 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred 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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.20 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

1.21 SPONSORSHIP AGREEMENTS

The company sponsors various sporting bodies, individuals and events. Payments are matched to the relevant season or events' related income.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future based on their knowledge of the business and the markets it operates in. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

3. ANALYSIS OF TURNOVER

In the opinion of the directors the disclosure of turnover by geographical segment would be seriously prejudicial in the interests of the company and therefore this information has not been disclosed.

4. OTHER OPERATING INCOME

	2015 £	2014 £
Other operating income	233,085	212,432
	<u>233,085</u>	<u>212,432</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	270,943	201,529
Net exchange differences	(131,254)	(348,946)
Research and development expenditure written off	51,310	38,393
Defined contribution pension cost	175,145	170,890
Operating lease payments		
- plant and machinery	16,865	10,953
- other operating leases	116,000	116,000
	<u>270,943</u>	<u>201,529</u>

6. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the Group's auditor and its associates in respect of:		
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	27,788	30,801
Fees payable to the company's auditor and its associates in respect of: The auditing of accounts of associates of the company	4,630	4,494
	<u>32,418</u>	<u>35,295</u>

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	4,204,486	3,673,525
Social security costs	421,040	403,517
Cost of defined contribution scheme	175,145	170,890
	<u>4,800,671</u>	<u>4,247,932</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Operations	60	56
Sales / commercial	55	49
Administration	18	17
	<u>133</u>	<u>122</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	582,296	457,379
	<u>582,296</u>	<u>457,379</u>

The highest paid director received remuneration of £374,438 (2014 - £239,663).

9. INCOME FROM INVESTMENTS

	2015 £	2014 £
Income from fixed asset investments	62,076	69,363
	<u>62,076</u>	<u>69,363</u>

10. INTEREST RECEIVABLE

	2015 £	2014 £
Other interest receivable	21,765	34,550
	<u>21,765</u>	<u>34,550</u>

11. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank interest payable	3,490	4,283
	<u>3,490</u>	<u>4,283</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

12. TAXATION

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	424,074	383,731
Adjustments in respect of previous periods	81,897	(32,016)
Share of Associates' current tax	3,488	6,148
	<u>509,459</u>	<u>357,863</u>
Foreign tax		
Withholding and underlying tax on foreign income receivable	1,548	2,168
	<u>1,548</u>	<u>2,168</u>
Total current tax	<u>511,007</u>	<u>360,031</u>
Deferred tax		
Deferred tax - current year	28,037	4,613
Total deferred tax	<u>28,037</u>	<u>4,613</u>
Taxation on profit on ordinary activities	<u>539,044</u>	<u>364,644</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 21%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	2,921,217	2,190,442
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%)	584,243	459,993
Effects of:		
Expenses not deductible for tax purposes	(6,251)	(2,849)
Capital allowances for year in excess of depreciation	(13,095)	7,895
Share of partnership profits	(12,415)	21,000
Adjustments to tax in respect of corporation tax rates	5,438	12,706
Adjustments to tax charge in respect of prior periods	81,897	(32,016)
Non-taxable income	(12,415)	(14,566)
Adjustment in research and development tax credit leading to an increase/(decrease) in the tax charge	(105,600)	(91,785)
Other differences leading to an increase/(decrease) in the tax charge	17,242	4,266
Total tax charge for the year	539,044	364,644

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

13. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	2,750,000	1,500,000
	2,750,000	1,500,000

On 16 March 2016 the directors proposed a dividend of £2,000,000.

14. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £2,117,951 (2014 - £1,934,797).

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. TANGIBLE FIXED ASSETS

Group

	Land & buildings £	Plant & machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 January 2015	1,193,193	1,133,627	260,707	589,730	3,177,257
Additions	123,426	138,957	169,873	93,272	525,528
Disposals	-	-	(86,498)	-	(86,498)
At 31 December 2015	1,316,619	1,272,584	344,082	683,002	3,616,287
Depreciation					
At 1 January 2015	328,531	957,572	171,636	397,053	1,854,792
Charge owned for the period	40,963	99,471	78,968	51,541	270,943
Disposals	-	-	(75,030)	-	(75,030)
At 31 December 2015	369,494	1,057,043	175,574	448,594	2,050,705
Net book value					
At 31 December 2015	947,125	215,541	168,508	234,408	1,565,582
At 31 December 2014	864,662	176,055	89,071	192,677	1,322,465

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Freehold land and buildings	788,339	787,274
Leasehold improvements	158,786	77,388
	947,125	864,662

Freehold land and buildings are included at deemed cost following the adoption of FRS102. Deemed cost is the valuation as at 1 January 2014.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £	2014 £
Group		
Cost	1,246,615	1,123,189
Accumulated depreciation	(339,378)	(298,414)
Net book value	907,237	824,775

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Company

	Land & buildings £	Plant & machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation					
At 1 January 2015	1,193,193	1,133,627	260,707	589,730	3,177,257
Additions	123,426	138,957	169,873	93,272	525,528
Disposals	-	-	(86,498)	-	(86,498)
At 31 December 2015	1,316,619	1,272,584	344,082	683,002	3,616,287
Depreciation					
At 1 January 2015	328,531	957,572	171,636	397,053	1,854,792
Charge owned for the period	40,963	99,471	78,968	51,541	270,943
Disposals	-	-	(75,030)	-	(75,030)
At 31 December 2015	369,494	1,057,043	175,574	448,594	2,050,705
Net book value					
At 31 December 2015	947,125	215,541	168,508	234,408	1,565,582
At 31 December 2014	864,662	176,055	89,071	192,677	1,322,465

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Freehold land and buildings	788,339	787,274
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	947,125	864,662

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If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £	2014 £
Group		
Cost	1,246,615	1,123,189
Accumulated depreciation	(339,378)	(298,414)
Net book value	907,237	824,775

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. FIXED ASSET INVESTMENTS

Group

	Investments in participating interests £	Unlisted investments £	Other investments £	Total £
Cost or valuation				
At 1 January 2015	388,319	8,500	420,090	816,909
Additions	-	-	19,901	19,901
Disposals	-	-	(89,857)	(89,857)
Share of profit/(loss)	194,783	-	-	194,783
At 31 December 2015	583,102	8,500	350,134	941,736
Net book value				
At 31 December 2015	583,102	8,500	350,134	941,736
At 31 December 2014	388,319	8,500	420,090	816,909

PARTICIPATING INTERESTS

The accounting reference date of the participating interest is 30 June. The financial statements of the company have been consolidated on the basis of the interim financial statements for the period to 31 December 2015.

Company

	Shares in group undertaking £	Investments in participating interests £	Unlisted investments £	Other investments £	Total £
Cost or valuation					
At 1 January 2015	69,682	974,000	8,500	420,090	1,472,272
Additions	-	-	-	19,901	19,901
Disposals	-	-	-	(89,857)	(89,857)
At 31 December 2015	69,682	974,000	8,500	350,134	1,402,316
Net book value					
At 31 December 2015	69,682	974,000	8,500	350,134	1,402,316
At 31 December 2014	69,682	974,000	8,500	420,090	1,472,272

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

16. FIXED ASSET INVESTMENTS (continued)

The investments in participating interests were revalued to fair value at the transition date.

The shares have been quoted on the Lahore Stock Exchange since January 1987 but the share price is unrepresentative of the market value of the share due to the liquidity in the market and the volume of shares held. The directors consider the market value to exceed the deemed cost in the accounts.

Details of the principal subsidiaries and associates can be found under note 29.

17. STOCKS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Raw materials and consumables	567,797	644,571	567,797	644,571
Stocks - finished goods in transit	828,032	683,965	828,032	683,965
Finished stock	5,168,670	4,430,083	5,168,670	4,430,083
	<u>6,564,499</u>	<u>5,758,619</u>	<u>6,564,499</u>	<u>5,758,619</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. DEBTORS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
DUE AFTER MORE THAN ONE YEAR				
Prepayments and accrued income	4,725,783	6,178,905	1,683,912	2,031,100
	<u>4,725,783</u>	<u>6,178,905</u>	<u>1,683,912</u>	<u>2,031,100</u>
DUE WITHIN ONE YEAR				
Trade debtors	3,138,845	3,323,863	3,087,166	3,291,189
Other debtors	251,405	133,942	251,405	133,945
Prepayments and accrued income	1,011,220	1,791,492	966,602	1,740,617
	<u>4,401,470</u>	<u>5,249,297</u>	<u>4,305,173</u>	<u>5,165,751</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. CASH AND CASH EQUIVALENTS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	3,307,272	2,592,037	3,075,156	2,358,268
	<u>3,307,272</u>	<u>2,592,037</u>	<u>3,075,156</u>	<u>2,358,268</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	1,872,435	1,286,037	1,913,126	1,164,974
Amounts owed to own subsidiaries	-	-	83,121	115,566
Corporation tax	6,749	55,171	-	48,987
Taxation and social security	149,593	124,441	111,462	87,846
Other creditors	99,721	84,682	21,983	15,572
Accruals and deferred income	2,157,251	1,638,640	2,118,606	1,593,978
	<u>4,285,749</u>	<u>3,188,971</u>	<u>4,248,298</u>	<u>3,026,923</u>

21. FINANCIAL INSTRUMENTS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Financial assets measured at fair value through profit or loss	8,500	8,500	8,500	8,500
Financial assets that are debt instruments measured at amortised cost	3,390,250	3,457,806	3,338,571	3,425,132
	<u>3,398,750</u>	<u>3,466,306</u>	<u>3,347,071</u>	<u>3,433,632</u>
Financial liabilities measured at amortised cost	(4,129,407)	(3,009,359)	(4,136,836)	(2,890,090)
	<u>(4,129,407)</u>	<u>(3,009,359)</u>	<u>(4,136,836)</u>	<u>(2,890,090)</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

22. DEFERRED TAXATION

Group

	Deferred tax £
At 1 January 2015	21,916
Charged to the profit or loss	28,037
At 31 December 2015	<u>49,953</u>

Company

	Deferred tax £
At 1 January 2015	21,916
Charged to the profit or loss	28,037
At 31 December 2015	<u>49,953</u>

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Accelerated capital allowances	66,884	38,958	66,884	38,958
Tax losses carried forward	(16,931)	(17,042)	(16,931)	(17,042)
	<u>49,953</u>	<u>21,916</u>	<u>49,953</u>	<u>21,916</u>

23. PROVISIONS

Group

	Other provisions £	Total £
At 1 January 2015	6,465,336	6,465,336
Charged to the profit or loss	(1,235,133)	(1,235,133)
At 31 December 2015	<u>5,230,203</u>	<u>5,230,203</u>

Other provisions relate to liabilities and indemnity payments, dilapidation provisions, unfunded pensions, sponsorship contracts, and estimated costs for defending the group's Intellectual Property rights. The timing of these are not known.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Company

	Other provisions £	Total £
At 1 January 2015	2,317,532	2,317,532
Charged to the profit or loss	(129,200)	(129,200)
At 31 December 2015	<u>2,188,332</u>	<u>2,188,332</u>

Other provisions relate to liabilities and indemnity payments, dilapidation provisions, unfunded pensions, sponsorship contracts, and estimated costs for defending the group's Intellectual Property rights. The timing of these are not known.

24. SHARE CAPITAL

	2015 £	2014 £
ALLOTTED, CALLED UP AND FULLY PAID		
27,060 Ordinary shares of £1 each	27,060	27,060
5,000 6% cumulative preference shares of £1 each	5,000	5,000
	<u>32,060</u>	<u>32,060</u>

The preference shares carry a 6% cumulative dividend, have voting rights, and are redeemable at par in priority to ordinary shares in a winding up.

25. PENSION COMMITMENTS

Former employees

Pensions are paid on a voluntary basis to some former employees for whom adequate provision has not been made prior to retirement.

The company contributes to personal pension schemes in respect of three directors and other staff. The assets of the schemes are held separately from those of the company in an independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £175,145 (2014 - £170,890). Contributions totalling £84,656 (2014 - £81,154) were payable to the funds at the balance sheet date and are included in creditors.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Land and Buildings				
Not later than 1 year	116,000	116,000	116,000	116,000
Later than 1 year and not later than 5 years	206,500	322,500	206,500	322,500
Total	322,500	438,500	322,500	438,500

27. RELATED PARTY TRANSACTIONS

The group and Company has traded with related parties during the year as follows:

Sales to related parties totalled £1,300,000 (2014 - £1,166,000).

Purchases from related parties totalled £1,930,000 (2014 - £1,898,000).

Admin support was provided to related parties totalling £2,100 (2014 - £2,100).

Amounts owed to related parties at the year end totalled £66,000 (2014 - £119,000).

Amounts owed from related parties at the year end totalled £683,000 (2014 - £1,159,000).

Loans repaid by related parties totalled £98,000 (2014 - £66,000). At the year end there were loans outstanding due from related parties totalling £230,000 (2014 - £320,000).

Rent paid to related parties totalled £93,000 (2014 - £93,000).

Dividends paid to directors totalled £2,750,000 (2014 - £1,500,000).

The Company has taken advantage of the exemption from the requirement to disclose transactions with group companies on the grounds that transactions were entered into between two wholly-owned members of the same group.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

28. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Grays Sports Limited	England	Ordinary	100 %	Negotiating, securing and entering sponsorship agreements
Rugby 1823 SARL	France	Ordinary	100 %	Sales agency
Gray-Nicolls Limited	England	Ordinary	100 %	Dormant
James Gilbert Limited	England	Ordinary	100 %	Dormant
Grays of Cambridge Limited	England	Ordinary	100 %	Dormant
H J Gray & Sons Limited	England	Ordinary	100 %	Dormant

PARTICIPATING INTERESTS

ASSOCIATES

Name	Country of incorporation	Class of shares	Principal activity
Grays of Cambridge (Pakistan) Limited	Pakistan	Ordinary	Manufacture and export of quality sports good

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

29. FIRST TIME ADOPTION OF FRS 102

Group

	Note	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Fixed assets	1	2,310,785	-	2,310,785	2,139,374	-	2,139,374
Current assets		17,327,484	-	17,327,484	19,778,859	-	19,778,859
Creditors: amounts falling due within one year		(3,173,236)	-	(3,173,236)	(3,188,971)	-	(3,188,971)
Net current assets		14,154,248	-	14,154,248	16,589,888	-	16,589,888
Total assets less current liabilities		16,465,033	-	16,465,033	18,729,262	-	18,729,262
Provisions for liabilities		(4,500,364)	-	(4,500,364)	(6,487,252)	-	(6,487,252)
Net assets		11,964,669	-	11,964,669	12,242,010	-	12,242,010
Capital and reserves		11,964,669	-	11,964,669	12,242,010	-	12,242,010

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

29. FIRST TIME ADOPTION OF FRS 102 (continued)

	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note			
Turnover	22,414,751	-	22,414,751
Cost of sales	(11,824,743)	-	(11,824,743)
	10,590,008	-	10,590,008
Administrative expenses	(4,445,378)	-	(4,445,378)
Other operating income	(4,053,819)	-	(4,053,819)
Operating profit	2,090,811	-	2,090,811
Income from investments	69,363	-	69,363
Interest receivable and similar income	34,550	-	34,550
Interest payable and similar charges	(4,283)	-	(4,283)
Taxation	(364,644)	-	(364,644)
Profit on ordinary activities after taxation and for the financial year	1,825,797	-	1,825,797

Explanation of changes to previously reported profit and equity:

- 1 The policies applied under FRS102 do not affect the Company or Consolidated Statement of Comprehensive Income.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

29. FIRST TIME ADOPTION OF FRS 102 (continued)

Company

	Note	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Fixed assets	1	2,251,148	674,000	2,925,148	2,120,737	674,000	2,794,737
Current assets		14,189,853	-	14,189,853	15,313,736	-	15,313,736
Creditors: amounts falling due within one year		(3,124,386)	-	(3,124,386)	(3,026,923)	-	(3,026,923)
Net current assets		11,065,467	-	11,065,467	12,286,813	-	12,286,813
Total assets less current liabilities		13,316,615	674,000	13,990,615	14,407,550	674,000	15,081,550
Provisions for liabilities		(1,683,310)	-	(1,683,310)	(2,339,448)	-	(2,339,448)
Net assets		11,633,305	674,000	12,307,305	12,068,102	674,000	12,742,102
Capital and reserves		11,633,305	674,000	12,307,305	12,068,102	674,000	12,742,102

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

29. FIRST TIME ADOPTION OF FRS 102 (continued)

	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note			
Turnover	22,348,144	-	22,348,144
Cost of sales	(10,849,093)	-	(10,849,093)
	11,499,051	-	11,499,051
Administrative expenses	(4,177,418)	-	(4,177,418)
Other operating income	(5,241,018)	-	(5,241,018)
Operating profit	2,080,615	-	2,080,615
Income from investments	176,130	-	176,130
Interest receivable and similar income	34,550	-	34,550
Interest payable and similar charges	(4,283)	-	(4,283)
Taxation	(352,215)	-	(352,215)
Profit on ordinary activities after taxation and for the financial year	1,934,797	-	1,934,797

Explanation of changes to previously reported profit and equity:

1 Fixed Asset Investments

Investments in participating interests have been restated to reflect their fair value.