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COMPANY REGISTRATION NUMBER: 08130873

Gymshark Ltd
Financial Statements
31 July 2017



DAW WHITE MURRALL
Chartered Accountants & Statutory Auditor
1 George Street
Snow Hill
Wolverhampton
WV2 4DG

Gymshark Ltd
Financial Statements
Year ended 31 July 2017

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Gymshark Ltd

Strategic Report

Year ended 31 July 2017

The directors present their strategic report for the year ended 31 July 2017.

BUSINESS REVIEW

The company's principal activity during the year was the Direct to Consumer e-commerce sales of fitness apparel and associated accessories.

The Directors of Gymshark hold three main key fiscal performance indicators for the business. These are turnover, gross margin and operating profit. Turnover for the year finished on £40.5 million and has grown 217% from the previous year at an increase of £27.9 million. This growth has been driven through development of overseas markets and growth in alternative categories not previously explored.

As a result of this, the gross margin has increased by £21.1 million from £8.6 million to £29.7 million. Further to this the gross profit percentage has increased from 67% previous year to 73% showing the improvements made towards the businesses operation and strategy.

Furthermore, the strength of the company's financial position has continued to improve as the business sees rises in the operating profit margin. This has grown from 8.6% in year ending July 2016 to 20% for this year and has seen a cash increase of £7 million.

The profits from activities are continually reinvested back into the business as it looks to continue improvements in product development, specifically implementing a new sourcing strategy with both Far East & European manufacturing partners. This, along with investment into business infrastructure focused on being locally, globally with the roll out of multiple e-commerce stores over the next 12 months will prepare the business for continued growth in the future. As part of this, the coming year will also see Gymshark move to a new 44,000 sq ft office premises in Solihull, West Midlands providing the space and environment to enable the business recruitment strategy and its culture to flourish.

This report was approved by the board of directors on 15 December 2017 and signed on behalf of the board by:



S Hewitt
Chief Executive Officer

Registered office:
Unit 1 Brooklands
Moons Moat Drive
Redditch
Worcestershire
B98 9DW

Gymshark Ltd

Directors' Report

Year ended 31 July 2017

The directors present their report and the financial statements of the company for the year ended 31 July 2017.

Directors

The directors who served the company during the year were as follows:

B Francis
S Hewitt
P Richardson
L Morgan

(Resigned 21 September 2016)

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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 judgments 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Gymshark Ltd

Directors' Report *(continued)*

Year ended 31 July 2017

This report was approved by the board of directors on 15 December 2017 and signed on behalf of the board by:



S Hewitt
Chief Executive Officer

Registered office:
Unit 1 Brooklands
Moons Moat Drive
Redditch
Worcestershire
B98 9DW

Gymshark Ltd

Independent Auditor's Report to the Members of Gymshark Ltd

Year ended 31 July 2017

Opinion

We have audited the financial statements of Gymshark Ltd (the 'company') for the year ended 31 July 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

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

Gymshark Ltd

Independent Auditor's Report to the Members of Gymshark Ltd (continued)

Year ended 31 July 2017

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 or the directors' 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.

Responsibilities of directors

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, 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.

Gymshark Ltd

Independent Auditor's Report to the Members of Gymshark Ltd (continued)

Year ended 31 July 2017

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

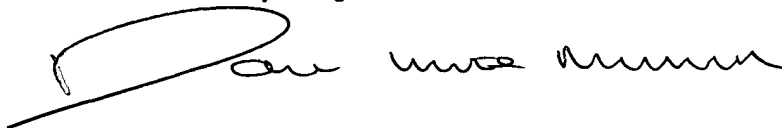
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Gymshark Ltd

Independent Auditor's Report to the Members of Gymshark Ltd *(continued)*

Year ended 31 July 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Ian Gregory', is written over a horizontal line.

Ian Gregory (Senior Statutory Auditor)

For and on behalf of
Daw White Murrall
Chartered Accountants & Statutory Auditor
1 George Street
Snow Hill
Wolverhampton
WV2 4DG

15 December 2017

Gymshark Ltd
Statement of Income and Retained Earnings
Year ended 31 July 2017

	Note	2017 £	2016 £
Turnover	4	40,525,205	12,785,875
Cost of sales		10,813,994	4,188,909
Gross profit		29,711,211	8,596,966
Distribution costs		7,659,864	2,759,247
Administrative expenses		13,901,286	4,733,997
Operating profit	5	8,150,061	1,103,722
Other interest receivable and similar income	9	—	219
Profit before taxation		8,150,061	1,103,941
Tax on profit	10	1,628,691	224,870
Profit for the financial year and total comprehensive income		6,521,370	879,071
Dividends paid and payable	11	(95,439)	(169,789)
Retained earnings at the start of the year		2,615,222	1,905,940
Retained earnings at the end of the year		9,041,153	2,615,222

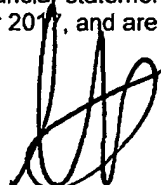
All the activities of the company are from continuing operations.

The notes on pages 11 to 18 form part of these financial statements.

Gymshark Ltd
Statement of Financial Position
31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	723,406	354,097
Current assets			
Stocks	14	1,738,202	912,114
Debtors	15	3,600,522	1,802,570
Cash at bank and in hand		<u>9,326,997</u>	<u>1,729,017</u>
		14,665,721	4,443,701
Creditors: amounts falling due within one year	16	<u>6,275,782</u>	<u>2,111,755</u>
Net current assets		<u>8,389,939</u>	<u>2,331,946</u>
Total assets less current liabilities		<u>9,113,345</u>	<u>2,686,043</u>
Provisions			
Taxation including deferred tax	17	<u>72,190</u>	<u>70,819</u>
Net assets		<u>9,041,155</u>	<u>2,615,224</u>
Capital and reserves			
Called up share capital	20	2	2
Profit and loss account	21	<u>9,041,153</u>	<u>2,615,222</u>
Shareholders funds		<u>9,041,155</u>	<u>2,615,224</u>

These financial statements were approved by the board of directors and authorised for issue on 15 December 2017, and are signed on behalf of the board by:



S Hewitt
Chief Executive Officer

Company registration number: 08130873

The notes on pages 11 to 18 form part of these financial statements.

Gymshark Ltd
Statement of Cash Flows
Year ended 31 July 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	6,521,370	879,071
<i>Adjustments for:</i>		
Depreciation of tangible assets	174,006	122,236
Amortisation of intangible assets	—	3,500
Other interest receivable and similar income	—	(219)
Loss on disposal of tangible assets	5,361	42,009
Tax on profit	1,628,691	224,870
Accrued expenses/(income)	1,947,012	(16,238)
<i>Changes in:</i>		
Stocks	(826,088)	48,153
Trade and other debtors	(1,797,952)	(1,184,536)
Trade and other creditors	820,828	1,131,702
Cash generated from operations	8,473,228	1,250,548
Interest received	—	219
Tax paid	(225,851)	(213,335)
Net cash from operating activities	<u>8,247,377</u>	<u>1,037,432</u>
Cash flows from investing activities		
Purchase of tangible assets	(549,260)	(293,699)
Proceeds from sale of tangible assets	584	128,881
Net cash used in investing activities	<u>(548,676)</u>	<u>(164,818)</u>
Cash flows from financing activities		
Loan account repaid	(5,282)	(611)
Dividends paid	(95,439)	(169,789)
Net cash used in financing activities	<u>(100,721)</u>	<u>(170,400)</u>
Net increase in cash and cash equivalents	7,597,980	702,214
Cash and cash equivalents at beginning of year	1,729,017	1,026,803
Cash and cash equivalents at end of year	<u>9,326,997</u>	<u>1,729,017</u>

The notes on pages 11 to 18 form part of these financial statements.

Gymshark Ltd

Notes to the Financial Statements

Year ended 31 July 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 1 Brooklands, Moons Moat Drive, Redditch, Worcestershire, B98 9DW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Gymshark Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents - 50% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 25% straight line
Software & Web development - 25% straight line
Motor vehicles - 25% straight line

Gymshark Ltd

Notes to the Financial Statements (continued)

Year ended 31 July 2017

3. Accounting policies (continued)

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Gymshark Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

3. Accounting policies *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Turnover

Turnover arises from:

	2017 £	2016 £
Sale of goods	<u>40,525,205</u>	<u>12,785,875</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets	–	3,500
Depreciation of tangible assets	174,006	122,236
Loss on disposal of tangible assets	5,361	42,009
Foreign exchange differences	<u>406,906</u>	<u>118,655</u>

6. Auditor's remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>18,400</u>	<u>10,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>16,670</u>	<u>27,310</u>

Gymshark Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017 No.	2016 No.
Administrative staff	97	45
Management staff	3	4
	<u>100</u>	<u>49</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017 £	2016 £
Wages and salaries	4,878,534	1,101,744
Social security costs	330,349	89,547
	<u>5,208,883</u>	<u>1,191,291</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	<u>393,743</u>	<u>169,933</u>

9. Other interest receivable and similar income

	2017 £	2016 £
Interest on cash and cash equivalents	<u>-</u>	<u>219</u>

10. Tax on profit

Major components of tax expense

	2017 £	2016 £
Current tax:		
UK current tax expense	1,626,225	224,756
Adjustments in respect of prior periods	1,095	-
Total current tax	<u>1,627,320</u>	<u>224,756</u>
Deferred tax:		
Origination and reversal of timing differences	1,371	114
Tax on profit	<u>1,628,691</u>	<u>224,870</u>

Gymshark Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

10. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.67% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	8,150,061	1,103,941
Profit on ordinary activities by rate of tax	1,603,140	220,788
Adjustment to tax charge in respect of prior periods	1,095	–
Effect of expenses not deductible for tax purposes	38,319	3,968
Effect of capital allowances and depreciation	(13,863)	114
Tax on profit	<u>1,628,691</u>	<u>224,870</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Dividends on equity shares	<u>95,439</u>	<u>169,789</u>

12. Intangible assets

	Development costs £
Cost	
At 1 August 2016 and 31 July 2017	<u>7,000</u>
Amortisation	
At 1 August 2016 and 31 July 2017	<u>7,000</u>
Carrying amount	
At 31 July 2017	–
At 31 July 2016	–

Gymshark Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

13. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 August 2016	227,776	307,289	535,065
Additions	357,658	191,602	549,260
Disposals	(3,662)	(3,001)	(6,663)
At 31 July 2017	581,772	495,890	1,077,662
Depreciation			
At 1 August 2016	86,791	94,177	180,968
Charge for the year	91,121	82,885	174,006
Disposals	(718)	–	(718)
At 31 July 2017	177,194	177,062	354,256
Carrying amount			
At 31 July 2017	404,578	318,828	723,406
At 31 July 2016	140,985	213,112	354,097

14. Stocks

	2017 £	2016 £
Raw materials and consumables	1,738,202	912,114

15. Debtors

	2017 £	2016 £
Trade debtors	103,925	109,098
Amounts owed by group undertakings	1,297,504	–
Prepayments and accrued income	324,237	139,209
Other debtors	1,874,856	1,554,263
	3,600,522	1,802,570

16. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,566,965	1,401,649
Accruals and deferred income	2,349,907	402,895
Corporation tax	1,626,225	224,756
Social security and other taxes	131,520	69,419
Director loan accounts	–	5,282
Other creditors	601,165	7,754
	6,275,782	2,111,755

Gymshark Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

17. Provisions

	Deferred tax (note 18) £
At 1 August 2016	70,819
Additions	1,371
At 31 July 2017	<u>72,190</u>

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017 £	2016 £
Included in provisions (note 17)	<u>72,190</u>	<u>70,819</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017 £	2016 £
Accelerated capital allowances	<u>72,190</u>	<u>70,819</u>

19. Financial instruments

Financial instruments such as trade debtors, cash and trade creditors arise from the company's operations.

20. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary A shares of £0.01 each	190	2	190	2
Ordinary B shares of £0.01 each	10	—	10	—
	<u>200</u>	<u>2</u>	<u>200</u>	<u>2</u>

21. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

22. Controlling party

In September 2016 the company became a wholly owned subsidiary of Clade Group Limited, a company incorporated in England which is under the control of Mr B Francis who is a director and the majority shareholder.