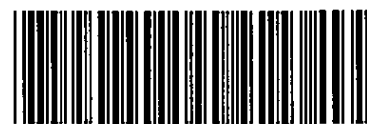


# GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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COMPANIES HOUSE

**pb** Price Bailey  
CHARTERED ACCOUNTANTS

With offices in  
Bishop's Stortford Cambridge City of London  
Ely Guernsey North London Norwich

A member of the UK 200 Group  
an association of independent practising Chartered Accountants

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**COMPANY INFORMATION**

<b>COMPANY NUMBER</b>	148700
<b>CHAIRMAN</b>	P E Hopper
<b>DIRECTORS</b>	N D J Gray R W Gray P D Gray FCMA J C Gray ACA N J Gray
<b>COMPANY SECRETARY</b>	P D Gray FCMA
<b>REGISTERED OFFICE</b>	Station Road Robertsbridge East Sussex TN32 5DH
<b>AUDITORS</b>	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**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

The directors present their report and the financial statements for the year ended 31 December 2009

### **PRINCIPAL ACTIVITIES**

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

### **BUSINESS REVIEW**

The key performance indicator for the business is to trade profitably. In 2009 the group has achieved this, returning an after tax profit of £567,490 (2008 - £533,451)

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £567,490 (2008 - £533,451)

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

The directors do not recommend the payment of a dividend to ordinary shareholders

### **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

### **EVENTS SINCE THE END OF THE YEAR**

There have been no events since the end of the year which require comment by the directors

### **FUTURE DEVELOPMENTS**

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

### **PROVISION 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 information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**AUDITORS**

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

8/2/10

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 group and parent company financial statements (the "financial statements") of Grays of Cambridge (International) Limited for the year ended 31 December 2009, set out on pages 5 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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.

#### **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 2009 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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



Paul Dearsley (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

Date **22 September 2010**

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>	1,2	16,671,133	16,080,500
Change in stocks of finished goods and work in progress		(392,199)	771,516
Other operating income	3	35,758	28,428
Raw materials and consumables		(160,519)	(791,333)
Other external charges		(9,651,621)	(9,629,052)
Staff costs		(2,571,319)	(2,710,804)
Depreciation and amortisation		(145,957)	(150,144)
Other operating charges		(3,028,710)	(2,900,039)
<b>OPERATING PROFIT</b>	4	756,566	699,072
Share of operating loss in associates		(30,217)	(18,491)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		726,349	680,581
Amounts written off investments		(12,764)	-
Interest receivable		72,290	124,862
Interest payable	7	(6,242)	(5,793)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		779,633	799,650
Tax on profit on ordinary activities	8	(212,143)	(266,199)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	19	567,490	533,451

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and Loss Account

The notes on pages 10 to 25 form part of these financial statements

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 £	2008 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	779,633	799,650
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	609	609
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>780,242</u>	<u>800,259</u>
<b>HISTORICAL PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS</b>	<u>568,099</u>	<u>534,060</u>

The notes on pages 10 to 25 form part of these financial statements

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**  
**REGISTERED NUMBER 148700**

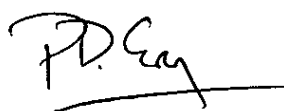
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

	Note	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	9		15,000		20,000
Tangible fixed assets	10		1,314,310		1,367,182
Fixed asset investments	11		1,934,933		1,257,483
			<u>3,264,243</u>		<u>2,644,665</u>
<b>CURRENT ASSETS</b>					
Stocks	13	3,577,146		3,927,966	
Debtors	14	7,261,726		5,933,034	
Cash at bank and in hand		2,271,738		1,999,876	
		<u>13,110,610</u>		<u>11,860,876</u>	
<b>CREDITORS</b> amounts falling due within one year	15	(3,198,518)		(2,801,133)	
<b>NET CURRENT ASSETS</b>			<u>9,912,092</u>		<u>9,059,743</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,176,335</u>		<u>11,704,408</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	16	-		(25,318)	
Other provisions	17	(4,508,678)		(3,580,513)	
			<u>(4,508,678)</u>		<u>(3,605,831)</u>
<b>NET ASSETS</b>			<u>8,667,657</u>		<u>8,098,577</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		32,060		32,060
Revaluation reserve	19		37,046		37,655
Capital redemption reserve	19		16,028		16,028
Foreign exchange reserve	19		(68,052)		(70,002)
Profit and loss account	19		8,650,575		8,082,836
<b>SHAREHOLDERS' FUNDS</b>	20		<u>8,667,657</u>		<u>8,098,577</u>

The notes on pages 10 to 25 form part of these financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8/9/10

P D Gray FCMA  
Director



P E Hopper  
Director



The notes on pages 10 to 25 form part of these financial statements

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**  
**REGISTERED NUMBER 148700**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

	Note	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	9		15,000		20,000
Tangible fixed assets	10		1,314,310		1,367,182
Fixed asset investments	11		1,679,790		986,636
			<u>3,009,100</u>		<u>2,373,818</u>
<b>CURRENT ASSETS</b>					
Stocks	13	3,577,146		3,927,966	
Debtors	14	4,260,784		2,590,341	
Cash at bank and in hand		2,069,256		1,778,781	
		<u>9,907,186</u>		<u>8,297,088</u>	
<b>CREDITORS</b> amounts falling due within one year	15	(3,190,699)		(2,701,697)	
<b>NET CURRENT ASSETS</b>			<u>6,716,487</u>		<u>5,595,391</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,725,587</u>		<u>7,969,209</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	16	-		(25,318)	
Other provisions	17	(1,521,538)		(302,703)	
			<u>(1,521,538)</u>		<u>(328,021)</u>
<b>NET ASSETS</b>			<u><u>8,204,049</u></u>		<u><u>7,641,188</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		32,060		32,060
Revaluation reserve	19		328,046		328,655
Capital redemption reserve	19		16,028		16,028
Profit and loss account	19		7,827,915		7,264,445
<b>SHAREHOLDERS' FUNDS</b>	20		<u><u>8,204,049</u></u>		<u><u>7,641,188</u></u>

The notes on pages 10 to 25 form part of these financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8/9/10

P D Gray FCMA  
Director

*P.D. Gray*

P E Hopper  
Director

*P.E. Hopper*

The notes on pages 10 to 25 form part of these financial statements

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
Net cash flow from operating activities	22	1,015,665	301,278
Dividends received from associates		10,523	49,143
Returns on investments and servicing of finance	23	37,323	85,834
Taxation		(41,886)	(534,163)
Capital expenditure and financial investment	23	(743,070)	(97,634)
Equity dividends paid		(600)	-
<b>CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>		<b>277,955</b>	<b>(195,542)</b>
Management of liquid resources	23	(320,000)	(250,000)
Financing	23	(6,093)	-
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(48,138)</b>	<b>(445,542)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 £	2008 £
Decrease in cash in the year	(48,138)	(445,542)
Cash outflow from decrease in liquid resources	320,000	250,000
Cash outflow from decrease in debt and lease financing	6,093	-
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>277,955</b>	<b>(195,542)</b>
New finance lease	(22,208)	-
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>255,747</b>	<b>(195,542)</b>
Net funds at 1 January 2009	1,999,876	2,195,418
<b>NET FUNDS AT 31 DECEMBER 2009</b>	<b>2,255,623</b>	<b>1,999,876</b>

The notes on pages 10 to 25 form part of these financial statements

## GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

#### 1. ACCOUNTING POLICIES

##### 1.1 ACCOUNTING CONVENTION AND STANDARDS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold properties and in accordance with applicable accounting standards

##### 1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Grays of Cambridge (International) Limited and its subsidiary undertaking ('accounting for subsidiaries')

The investment in its associate is consolidated using the equity accounting method in accordance with FRS 9 ('accounting for associates')

##### 1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods sold and services rendered, exclusive of Value Added Tax and trade discounts

Revenue is recognised when goods are dispatched

##### 1.4 VALUATION OF FIXED ASSETS AND INVESTMENTS

Fixed assets and investments are carried at their cost or depreciated value as at 31 January 2000 less depreciation or provision for impairment. The items carried at depreciated value were last valued in 1986 or earlier and the transitional provisions of FRS 15 have been adopted such that these valuations will not be updated

Impairments that are considered to be temporary are taken to the statement of recognised gains and losses or the profit and loss account as appropriate. All permanent impairments are charged directly to the profit and loss account and reversals of past impairments credited to the profit and loss account

##### 1.5 DEPRECIATION AND AMORTISATION

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset, less estimated residual value, over its expected life on the following basis

Freehold property	-	2% on the straight line basis
Freehold land	-	Nil
Plant & machinery	-	Between 15% and 25% on the reducing balance basis or the straight line basis
Motor vehicles	-	33% per annum on the reducing balance basis
Fixtures & fittings	-	Between 15% and 25% on the reducing balance basis

Where insurance proceeds are received for asset purchase they are treated in the manner prescribed for grants in similar circumstances in "SSAP 4 – accounting for government grants". The assets are separately recognised and depreciated as required by the Companies Act, and the related insurance receipts deferred and amortised over the life of the asset

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**1. ACCOUNTING POLICIES (continued)**

**1.6 INVESTMENTS**

- (i) **Subsidiary undertakings**  
Investments in subsidiaries are valued at cost less provision for impairment
- (ii) **Associated undertakings**  
Investments in associates are stated at the amount of the company's share of net assets. The Profit and Loss Account includes the company's share of the associated companies' profits after taxation using the equity accounting basis
- (iii) **Other investments**  
Investments held as fixed assets are shown at cost less provision for impairment

**1.7 RESEARCH AND DEVELOPMENT**

Expenditure on research and development, patents, trademarks and franchises is written off as and when incurred

**1.8 DIVIDENDS**

Dividends received and receivable at the balance sheet date are included in the profit and loss account for that year. Dividends are not anticipated where exchange control or other matters make it imprudent to do so

**1.9 STOCKS**

Stock and work in progress is stated at the lower of cost and net realisable value

Cost is represented by all expenditure incurred in the usual course of business in bringing products to their present location and condition, including related production overheads based on the normal level of activity

Net realisable value represents the actual or estimated selling price of the items concerned, less trade discounts, all further costs to completion and all costs to be incurred in marketing, selling and distribution, and is calculated after taking account of obsolescence and physical deterioration. Purchases made under letters of credit arrangements are brought into stock at the time letters of acceptance are signed by the company

**1.10 DEFERRED TAXATION**

Deferred taxation is calculated, in accordance with FRS 19, using the full provision method on liabilities resulting from the origination or reversal of timing differences between amounts as computed for taxation purposes and amounts as stated in these financial statements in conjunction with losses carried forward

Deferred tax assets are provided to the extent that they can be recovered from future taxable profits

Deferred tax assets and liabilities are not discounted

## **GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **1 ACCOUNTING POLICIES (continued)**

##### **1.11 FOREIGN CURRENCIES**

Transactions denominated in foreign currencies are translated into Sterling and recorded at an average rate of exchange ruling during the year

Balances at the year end denominated in foreign currency are translated into Sterling at the closing rate of exchange

##### **1.12 LEASING AND HIRE PURCHASE**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives, except for those acquired under finance lease contracts, which are depreciated over the life of the contract

The interest element of rental obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital payments outstanding

Rentals paid under operating agreements are charged to income as incurred

##### **1.13 DEFINED CONTRIBUTION PENSION SCHEMES**

The company contributes to defined contribution pension schemes in respect of employees and some of the directors. The assets of these schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and unfunded payments to former employees

##### **1.14 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Acquired goodwill is written off in equal annual installments over its estimated economic life. The directors have assessed the useful economic life as being three years

Intellectual property rights are stated at cost less provision for impairment. They are written off in equal instalments over its useful economic life. The directors have assessed the useful economic life as being ten years

##### **1.15 SPONSORSHIP AGREEMENTS**

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

#### **2. TURNOVER**

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

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**3. OTHER OPERATING INCOME**

	2009 £	2008 £
Other operating income	35,758	28,428

**4 OPERATING PROFIT**

The operating profit is stated after charging

	2009 £	2008 £
Amortisation - intangible fixed assets	5,000	5,000
Depreciation and adjustment on disposal of tangible fixed assets		
- owned by the group	133,923	145,029
- held under finance leases	7,329	-
Operating lease rentals		
- plant and machinery	2,405	1,312
- other operating leases	26,750	45,540
Research and development expenditure written off	66,790	60,257
Net exchange loss/(gains)	(258,268)	(446,038)
Auditors remuneration	33,137	26,000

**5 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2009 £	2008 £
Wages and salaries	2,296,341	2,431,714
Social security costs	210,144	220,534
Other pension costs	64,834	58,557
	2,571,319	2,710,805

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

	2009 No	2008 No
Production	44	44
Sales	36	35
Administration	15	17
	95	96

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**6. DIRECTORS' REMUNERATION**

	2009 £	2008 £
Emoluments	330,646	317,405
Company pension contributions to money purchase pension schemes	25,000	25,000

During the year retirement benefits were accruing to 5 directors (2008 - 5) in respect of money purchase pension schemes

The highest paid director received remuneration of £112,922 (2008 - £109,238)

**7. INTEREST PAYABLE**

	2009 £	2008 £
On bank loans and overdrafts	5,948	5,793
On finance leases and hire purchase contracts	294	-
	6,242	5,793

**8. TAXATION**

	2009 £	2008 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	260,028	206,833
Adjustments in respect of prior periods	-	(6,381)
	260,028	200,452
Withholding and underlying tax on foreign income receivable	5,276	5,973
	265,304	206,425
Share of associates' current tax	(23,086)	(2,324)
<b>TOTAL CURRENT TAX</b>	242,218	204,101
<b>DEFERRED TAX</b> (see note 16)		
Origination and reversal of timing differences	(30,075)	62,098
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	212,143	266,199

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**8 TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2008 - lower than) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	779,633	799,650
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	218,297	227,900
<b>EFFECTS OF</b>		
Expenses not deductible for tax purposes	11,999	(52,109)
Capital allowances for year in excess of depreciation	3,569	7,978
Share of partnership profits	24,185	25,111
Adjustments to tax in respect of corporation tax rates	(1,960)	(3,511)
Adjustments to tax charge in respect of prior periods	-	(6,381)
Other tax adjustments	(13,872)	5,113
<b>CURRENT TAX CHARGE FOR THE YEAR (see note above)</b>	242,218	204,101

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

**9 INTANGIBLE FIXED ASSETS**

	Intellectual property rights £	Goodwill £	Total £
<b>GROUP AND COMPANY</b>			
<b>COST</b>			
At 1 January 2009 and 31 December 2009	50,000	586,300	636,300
<b>AMORTISATION</b>			
At 1 January 2009	30,000	586,300	616,300
Charge for the year	5,000	-	5,000
At 31 December 2009	35,000	586,300	621,300
<b>NET BOOK VALUE</b>			
At 31 December 2009	15,000	-	15,000
At 31 December 2008	20,000	-	20,000

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**10 TANGIBLE FIXED ASSETS**

	Freehold land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Total
<b>GROUP AND COMPANY</b>	£	£	£	£	£
<b>COST OR VALUATION</b>					
At 1 January 2009	1,265,859	813,243	248,299	436,951	2,764,352
Additions	-	15,999	78,801	4,172	98,972
Disposals	-	-	(60,632)	-	(60,632)
At 31 December 2009	1,265,859	829,242	266,468	441,123	2,802,692
<b>DEPRECIATION</b>					
At 1 January 2009	258,891	703,044	177,391	257,844	1,397,170
Charge for the year	20,173	47,936	38,673	34,470	141,252
On disposals	-	-	(50,040)	-	(50,040)
At 31 December 2009	279,064	750,980	166,024	292,314	1,488,382
<b>NET BOOK VALUE</b>					
At 31 December 2009	986,795	78,262	100,444	148,809	1,314,310
At 31 December 2008	1,006,968	110,199	70,908	179,107	1,367,182

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2009 £	2008 £
<b>GROUP AND COMPANY</b>		
Motor vehicles	14,880	-

Included in land and buildings is freehold land at cost of £250,000 (2008 - £250,000), which is not depreciated

The freehold land and buildings were revalued in 1986 or earlier with the exception of the impaired property that was revalued in April 2001 by Simon C Browne MRICS, Chartered Valuation Surveyor, of Ross and Co, and written down in the 2000 accounts by £223,000. On 10 May 2004 Keith Ross FRICS, Chartered Valuation Surveyor, of Ross and Co undertook an updated valuation of the site to assess any reversal of this impairment following the completion of flood defences work by the Environment Agency. This resulted in a reversal of £204,000 in the 2003 accounts of the previous impairment, giving a valuation of £375,000. The transitional provisions of FRS15 are being followed in respect of the revaluation of properties.

The remaining fixed assets of the company have not been revalued, but the directors have considered their value and are satisfied that their aggregate value at 31 December 2009 was not less than their net book value shown in the financial statements.

# GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 10. TANGIBLE FIXED ASSETS (continued)

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

	2009 £	2008 £
<b>GROUP AND COMPANY</b>		
Cost	1,195,855	1,195,855
Accumulated depreciation	(251,993)	(232,429)
Net book value	<u>943,862</u>	<u>963,426</u>

### 11. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Investments in participating interests £	Other investments £	Total £
<b>GROUP</b>					
<b>COST OR VALUATION</b>					
At 1 January 2009	-	21,264	639,729	596,490	1,257,483
Additions	677,193	-	-	28,725	705,918
Write down of investment	-	(12,764)	-	-	(12,764)
Share of loss	-	-	(15,704)	-	(15,704)
At 31 December 2009	<u>677,193</u>	<u>8,500</u>	<u>624,025</u>	<u>625,215</u>	<u>1,934,933</u>

#### LISTED INVESTMENTS

The market value of the listed investments at 31 December 2009 was £677,687 (2008 - £NIL)

#### PARTICIPATING INTERESTS

Grays of Cambridge (Pakistan) Limited was incorporated in Pakistan and its shares have been quoted on the Lahore Stock Exchange since January 1987. As at 31 December 2009 the company's holding was 2,922,975 (39.77%) of the 10 Rupee ordinary share capital and the shares were quoted at 79.14 Rupees each.

At the 31 December 2009 price, the company's investment would be worth approximately £1,700,000. If the shares were sold at this valuation a tax liability of approximately £250,000 would arise.

The investment was revalued during 1988 by the directors to take account of its true market value at that date of approximately £300,000, which is the amount included in the company's balance sheet. They consider the carrying value rather than the current market price to be an appropriate measure of value due to limitations on the company's ability to realise full market price.

The accounting reference date of Grays of Cambridge (Pakistan) Limited is 30 June. The financial statements of the company have been consolidated on the basis of interim financial statements for the period to 31 December 2009.

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**11 FIXED ASSET INVESTMENTS (continued)**

<b>COMPANY</b>			<b>Shares in group undertakings £</b>	<b>Investments in participating interests £</b>	<b>Sub total carried forward £</b>
<b>COST OR VALUATION</b>					
At 1 January 2009 and 31 December 2009			68,882	300,000	368,882
	<b>Sub total brought forward £</b>	<b>Listed investments £</b>	<b>Unlisted investments £</b>	<b>Other investments £</b>	<b>Total £</b>
<b>COMPANY</b>					
<b>COST OR VALUATION</b>					
At 1 January 2009	368,882	-	21,264	596,490	986,636
Additions	-	677,193	-	28,725	705,918
Disposals	-	-	(12,764)	-	(12,764)
At 31 December 2009	368,882	677,193	8,500	625,215	1,679,790

**LISTED INVESTMENTS**

The market value of the listed investments at 31 December 2009 was £677,687 (2008 - £NIL)

Details of the principal subsidiaries and associates can be found under note number 12

**12. PRINCIPAL SUBSIDIARIES AND ASSOCIATES**

**a. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Grays Sports Limited	England	100	Negotiating, securing and entering sponsorship agreements
Gray-Nicolls Limited	England	100	Dormant
James Gilbert Limited	England	100	Dormant
Grays of Cambridge Limited	England	100	Dormant
H J Gray & Sons Limited	England	100	Dormant

**b. PRINCIPAL ASSOCIATES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Grays of Cambridge (Pakistan) Limited	Pakistan	39.77	Manufacture and export of quality sports goods

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**13 STOCKS**

	<b>GROUP AND COMPANY</b>	
	2009 £	2008 £
Raw materials	319,588	248,720
Work in progress	28,721	112,377
Finished stock of own manufacture	191,361	223,202
Goods in transit	452,726	703,565
Payments on account	274,108	24,017
Finished stock bought in	2,218,392	2,482,847
Retail stock	87,481	129,605
Consumable stores	4,769	3,633
	<u>3,577,146</u>	<u>3,927,966</u>

**14 DEBTORS**

	<b>GROUP</b>		<b>COMPANY</b>	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	2,250,620	2,091,714	2,250,620	2,076,714
Other debtors	65,441	245,704	57,041	245,704
Prepayments and accrued income	4,940,908	3,595,616	1,948,366	267,923
Deferred tax asset (see note 16)	4,757	-	4,757	-
	<u>7,261,726</u>	<u>5,933,034</u>	<u>4,260,784</u>	<u>2,590,341</u>

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**15 CREDITORS  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	2009	2008	2009	2008
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	16,115	-	16,115	-
Trade creditors	1,504,338	1,487,300	1,194,413	1,217,883
Amounts owed to group undertakings	-	-	341,725	211,139
Corporation tax	92,795	9,402	86,915	-
Social security and other taxes	93,188	67,815	64,130	66,922
Proposed dividend	300	540	300	540
Other creditors	32,248	37,206	32,248	37,206
Accruals and deferred income	1,459,534	1,198,870	1,454,853	1,168,007
	<u>3,198,518</u>	<u>2,801,133</u>	<u>3,190,699</u>	<u>2,701,697</u>

The aggregate amount of secured liabilities is £16,115 (2008 - £nil)

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate

**16. DEFERRED TAXATION**

	<b>GROUP AND COMPANY</b>	
	2009	2008
	£	£
At beginning of year	(25,318)	36,780
Released during/(charge for) the year	30,075	(62,098)
At end of year	<u>4,757</u>	<u>(25,318)</u>

The deferred taxation balance is made up as follows

	<b>GROUP AND COMPANY</b>	
	2009	2008
	£	£
Accelerated capital allowances	10,484	34,484
Short term timing differences	(15,241)	(9,166)
	<u>(4,757)</u>	<u>25,318</u>

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**17 PROVISIONS**

	Provision for pensions to former employees £	Other Provisions £	Total £
<b>GROUP</b>			
At 1 January 2009	13,847	3,566,666	3,580,513
Additions	-	1,222,250	1,222,250
Amounts used	(3,415)	(290,670)	(294,085)
	<u>10,432</u>	<u>4,498,246</u>	<u>4,508,678</u>
At 31 December 2009			

**Other Provisions**

Other provisions relate to liabilities and indemnity payments, dilapidations provisions, and, sponsorship contracts. The timing of these are not known.

	Provision for pensions to former employees £	Other Provisions £	Total £
<b>COMPANY</b>			
At 1 January 2009	13,847	288,856	302,703
Additions	-	1,222,250	1,222,250
Amounts used	(3,415)	-	(3,415)
	<u>10,432</u>	<u>1,511,106</u>	<u>1,521,538</u>
At 31 December 2009			

**Other Provisions**

Other provisions relate to liabilities and indemnity payments, dilapidations provisions, and, sponsorship contracts. The timing of these are not known.

**18. SHARE CAPITAL**

	2009 £	2008 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
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.

**GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**19. RESERVES**

	Capital redemption reserve £	Revaluation reserve £	Foreign exchange reserve £	Profit and loss account £
<b>GROUP</b>				
At 1 January 2009	16,028	37,655	(70,002)	8,082,836
Profit for the year	-	-	-	567,490
Dividends Non-equity capital	-	-	-	(360)
Transfer between Revaluation reserve and profit and loss account	-	(609)	-	609
Movement on foreign exchange	-	-	1,950	-
At 31 December 2009	<u>16,028</u>	<u>37,046</u>	<u>(68,052)</u>	<u>8,650,575</u>
		Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
<b>COMPANY</b>				
At 1 January 2009		16,028	328,655	7,264,445
Profit for the year		-	-	563,221
Dividends Non-equity capital		-	-	(360)
Transfer between Revaluation reserve and P/L account		-	(609)	609
At 31 December 2009		<u>16,028</u>	<u>328,046</u>	<u>7,827,915</u>

**20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
<b>GROUP</b>		
Opening shareholders' funds	8,098,577	7,635,428
Profit for the year	567,490	533,451
Dividends (Note 21)	(360)	(300)
Movement in foreign exchange reserve	1,950	(70,002)
Closing shareholders' funds	<u>8,667,657</u>	<u>8,098,577</u>
	2009 £	2008 £
<b>COMPANY</b>		
Opening shareholders' funds	7,641,188	7,078,439
Profit for the year	563,221	563,049
Dividends (Note 21)	(360)	(300)
Closing shareholders' funds	<u>8,204,049</u>	<u>7,641,188</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account

The profit for the year dealt with in the accounts of the company was £563,221 (2008 - £563,049)

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009

21. DIVIDENDS

	2009 £	2008 £
<b>6% CUMULATIVE PREFERENCE SHARES</b>		
Final dividend	360	300
	<u>360</u>	<u>300</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	756,566	699,072
Amortisation of intangible fixed assets	5,000	5,000
Depreciation of tangible fixed assets	141,252	145,029
(Profit)/loss on disposal of tangible fixed assets	(295)	115
Decrease/(increase) in stocks	350,821	(1,013,023)
Increase in debtors	(1,463,960)	(1,820,611)
Increase/(decrease) in creditors	298,116	(185,671)
Increase in provisions	928,165	2,471,367
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>1,015,665</u>	<u>301,278</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009

23 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2009 £	2008 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	43,565	91,627
Interest paid	(5,948)	(5,793)
Hire purchase interest	(294)	-
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>37,323</b>	<b>85,834</b>
	2009 £	2008 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(76,764)	(114,279)
Sale of tangible fixed assets	10,887	7,800
Purchase of listed investments	(677,193)	-
Long term loan receipts	-	8,845
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(743,070)</b>	<b>(97,634)</b>
	2009 £	2008 £
<b>MANAGEMENT OF LIQUID RESOURCES</b>		
Cash placed on short-term deposit	(320,000)	(250,000)
	2009 £	2008 £
<b>FINANCING</b>		
Repayment of finance leases	(6,093)	-

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2009 £	Cash flow £	Other non-cash changes £	31 December 2009 £
Cash at bank and in hand	1,999,876	271,862	-	2,271,738
Less deposits treated as liquid resources	(1,000,000)	(320,000)	-	(1,320,000)
<b>LIQUID RESOURCES</b>				
Deposits included in cash	1,000,000	320,000	-	1,320,000
<b>DEBT</b>				
Debts due within one year	-	6,093	(22,208)	(16,115)
<b>NET FUNDS</b>	<b>1,999,876</b>	<b>277,955</b>	<b>(22,208)</b>	<b>2,255,623</b>

# GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 25. CONTINGENT LIABILITIES

Possible future liabilities arising from sponsorship contracts in place at the year end which are dependant on future events total £775,000 (2008 - £nil)

### 26. PENSION COMMITMENTS

Defined contribution pension schemes

The company contributes to personal pension schemes in respect of five 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 £64,834 (2008 - £58,557). Contributions totalling £44,433 (2008 - £47,737) were payable to the funds at the balance sheet date and are included in creditors.

### 27. OPERATING LEASE COMMITMENTS

At 31 December 2009 the Group and Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2009	2008
GROUP AND COMPANY	£	£
EXPIRY DATE		
Within 1 year	-	19,000
Between 2 and 5 years	26,750	26,750

### 28. RELATED PARTY TRANSACTIONS

The company has traded with the following related parties during the year

Gray-Nicolls Sports Pty Limited - A company partially owned by some of the directors  
 Gray-Nicolls Sports (NZ) Limited - A wholly owned subsidiary of Gray-Nicolls Sports Pty Limited  
 Grays of Cambridge (Pakistan) Limited - A company that is a member of the group  
 Worldwide Cricket Company Private Limited - A company with common control  
 Grays Developments LLP - An entity controlled by some of the directors

Sales to the above related parties totalled £771,000 (2008 - £838,000)

Purchases from the above related parties totalled £1,371,000 (2008 - £1,199,000)

Admin support was provided to related parties totalling £12,000 (2008 - £9,000)

Amounts owed to the above related parties at the year end totalled £100,000 (2008 - £2,000)

Amounts owed from the above related parties at the year end totalled £661,000 (2008 - £570,000)

Loans repaid by related parties totalled £Nil (2008 - £9,000). At the year end there were loans outstanding due from related parties totalling £525,000 (2008 - £496,000)