

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

FRIDAY



A7CIBMHC

A17

17/08/2018

#115

COMPANIES HOUSE

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

COMPANY INFORMATION

REGISTERED NUMBER	00148700
CHAIRMAN	M P George (resigned 26 January 2018) D M Noyes (appointed 23 May 2018)
DIRECTORS	N D J Gray R W Gray P D Gray FCMA J C Gray ACA N J Gray M P George (resigned 26 January 2018) D M Noyes (appointed 23 May 2018)
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

CONTENTS

	Page
Group Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Consolidated Statement of Comprehensive Income	7
Consolidated Balance Sheet	8 - 9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11 - 12
Company Statement of Changes in Equity	13 - 14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16 - 35

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017 and is confident about prospects for 2018.

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 increased by 7.0% to £25.8m (2016 - £24.1m).

The Group's operating profit for the year after tax was £1.3m (2016 - £1.8m).

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


P D Gray FCMA
Director

Date: 23/5/18

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 £1,043,237 (2016 - £2,171,929).

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 (resigned 26 January 2018)

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.

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.

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 the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 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 for the Group's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and 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 and signed on its behalf.


P D Gray ECMA
Secretary

Date: 23/5/18

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

OPINION

We have audited the financial statements of Grays of Cambridge (International) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2017 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED (CONTINUED)

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.

OPINION 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 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED (CONTINUED)

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's Members those matters we are required to state to them in an 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.

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

29 May 2018

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	25,759,525	24,143,830
Change in stocks of finished goods and work in progress		(47,047)	(73,541)
Other operating income	5	289,971	461,428
Raw materials and consumables		(615,947)	55,707
Other external charges		(13,722,842)	(12,756,603)
Staff costs		(5,329,894)	(5,107,504)
Depreciation and amortisation		(285,783)	(272,264)
Other operating expenses		(4,984,569)	(4,664,982)
OPERATING PROFIT	6	<u>1,063,414</u>	<u>1,786,071</u>
Income from other fixed asset investments		119,567	84,991
Profit on disposal of investments		-	511,490
Interest receivable and similar income	11	27,294	17,238
Interest payable and expenses	12	(1,029)	(1,321)
PROFIT BEFORE TAX		<u>1,209,246</u>	<u>2,398,469</u>
Tax on profit	13	(166,009)	(226,540)
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,043,237</u></u>	<u><u>2,171,929</u></u>
Movement on foreign exchange		(51,644)	(11,767)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>991,593</u></u>	<u><u>2,160,162</u></u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		<u><u>1,043,237</u></u>	<u><u>2,171,929</u></u>

The notes on pages 16 to 35 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
REGISTERED NUMBER: 00148700

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	16	1,493,802	1,513,576
Investments	17	144,929	283,810
		<u>1,638,731</u>	<u>1,797,386</u>
CURRENT ASSETS			
Stocks	18	6,532,743	6,784,552
Debtors: amounts falling due after more than one year	19	6,880,591	5,940,069
Debtors: amounts falling due within one year	19	4,299,278	3,550,069
Cash at bank and in hand	20	3,729,625	3,773,833
		<u>21,442,237</u>	<u>20,048,523</u>
Creditors: amounts falling due within one year	21	(4,605,142)	(3,582,331)
NET CURRENT ASSETS		<u>16,837,095</u>	<u>16,466,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,475,826</u>	<u>18,263,578</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	23	(51,043)	(55,227)
Other provisions	24	(7,237,591)	(6,112,752)
		<u>(7,288,634)</u>	<u>(6,167,979)</u>
NET ASSETS		<u><u>11,187,192</u></u>	<u><u>12,095,599</u></u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
REGISTERED NUMBER: 00148700

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
CAPITAL AND RESERVES			
Called up share capital	25	27,060	27,060
Revaluation reserve		32,174	32,783
Capital redemption reserve		16,028	16,028
Foreign exchange reserve		(222,798)	(171,154)
Other reserves		83	83
Profit and loss account		11,334,645	12,190,799
		<u>11,187,192</u>	<u>12,095,599</u>

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


P D Gray FCMA
 Director

Date: 23/5/18


N D J Gray
 Director

23/05/18

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
REGISTERED NUMBER: 00148700

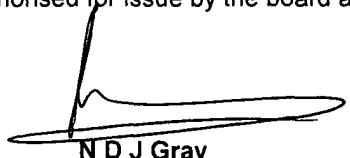
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	16	1,478,411	1,494,406
Investments	17	215,352	354,233
		<u>1,693,763</u>	<u>1,848,639</u>
CURRENT ASSETS			
Stocks	18	6,532,743	6,784,552
Debtors: amounts falling due after more than one year	19	3,977,981	2,062,567
Debtors: amounts falling due within one year	19	4,263,334	3,538,824
Cash at bank and in hand	20	3,467,980	3,445,271
		<u>18,242,038</u>	<u>15,831,214</u>
Creditors: amounts falling due within one year	21	(4,554,614)	(3,581,025)
NET CURRENT ASSETS		<u>13,687,424</u>	<u>12,250,189</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,381,187</u>	<u>14,098,828</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	23	(51,043)	(55,227)
Other provisions	24	(4,334,981)	(2,235,250)
		<u>(4,386,024)</u>	<u>(2,290,477)</u>
NET ASSETS		<u>10,995,163</u>	<u>11,808,351</u>
CAPITAL AND RESERVES			
Called up share capital	25	27,060	27,060
Revaluation reserve		32,174	32,783
Capital redemption reserve		16,028	16,028
Profit and loss account		10,919,901	11,732,480
		<u>10,995,163</u>	<u>11,808,351</u>

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


P D Gray FCMA
 Director

Date: 23/5/18


N D J Gray
 Director

23/05/18

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital redemption reserve	Revaluation reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 January 2017	27,060	16,028	32,783	(171,154)	83	12,190,799	12,095,599
COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	-	-	-	-	-	1,043,237	1,043,237
Movement on foreign exchange	-	-	-	(51,644)	-	-	(51,644)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(51,644)	-	1,043,237	991,593
Dividends: Equity capital	-	-	-	-	-	(1,900,000)	(1,900,000)
TOTAL TRANSACTIONS WITH OWNERS	-	-	(609)	-	-	(1,899,391)	(1,900,000)
AT 31 DECEMBER 2017	27,060	16,028	32,174	(222,798)	83	11,334,645	11,187,192

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Capital redemption reserve	Revaluation reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 January 2016	32,060	16,028	34,001	(159,387)	83	12,017,652	11,940,437
COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	-	-	-	-	-	2,171,929	2,171,929
Movement on foreign exchange	-	-	-	(11,767)	-	-	(11,767)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(11,767)	-	2,171,929	2,160,162
Dividends: Equity capital	-	-	-	-	-	(2,000,000)	(2,000,000)
Shares redeemed during the year	(5,000)	-	-	-	-	-	(5,000)
TOTAL TRANSACTIONS WITH OWNERS	(5,000)	-	(1,218)	-	-	(1,998,782)	(2,005,000)
AT 31 DECEMBER 2016	27,060	16,028	32,783	(171,154)	83	12,190,799	12,095,599

The notes on pages 16 to 35 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	27,060	16,028	32,783	11,732,480	11,808,351
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	1,086,812	1,086,812
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	1,086,812	1,086,812
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS					
Dividends: Equity capital	-	-	-	(1,900,000)	(1,900,000)
Transfer to/from profit and loss account	-	-	(609)	609	-
TOTAL TRANSACTIONS WITH OWNERS	-	-	(609)	(1,899,391)	(1,900,000)
AT 31 DECEMBER 2017	27,060	16,028	32,174	10,919,901	10,995,163

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2016	32,060	16,028	325,001	11,736,966	12,110,055
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	1,703,296	1,703,296
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,703,296</u>	<u>1,703,296</u>
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS					
Dividends: Equity capital	-	-	-	(2,000,000)	(2,000,000)
Shares redeemed during the year	(5,000)	-	-	-	(5,000)
TOTAL TRANSACTIONS WITH OWNERS	<u>(5,000)</u>	<u>-</u>	<u>(292,218)</u>	<u>(1,707,782)</u>	<u>(2,005,000)</u>
AT 31 DECEMBER 2016	<u><u>27,060</u></u>	<u><u>16,028</u></u>	<u><u>32,783</u></u>	<u><u>11,732,480</u></u>	<u><u>11,808,351</u></u>

The notes on pages 16 to 35 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,043,237	2,171,929
ADJUSTMENTS FOR:		
Depreciation of tangible assets	295,971	267,097
Loss on disposal of tangible assets	(9,982)	5,167
Interest paid	1,029	1,321
Interest received	(27,294)	(17,238)
Taxation	166,009	226,540
Decrease /(increase) in stocks	251,809	(220,053)
Increase in debtors	(1,640,262)	(407,122)
Increase / (decrease) in creditors	1,021,229	(705,100)
Increase in provisions	1,124,839	882,549
Taxation paid	(218,080)	(175,347)
Income from investments	(119,567)	(84,991)
Profit on disposal of investments	-	(511,490)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>1,888,938</u>	<u>1,433,262</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(306,165)	(244,925)
Sale of tangible fixed assets	39,950	24,667
Sale of unlisted and other investments	138,881	66,324
Sale of share in associates	-	1,069,177
Interest received	27,294	17,238
Income from investments	119,567	118,906
NET CASH FROM INVESTING ACTIVITIES	<u>19,527</u>	<u>1,051,387</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,900,000)	(2,000,000)
Interest paid	(1,029)	(1,321)
Repurchase of preference shares	-	(5,000)
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,901,029)</u>	<u>(2,006,321)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>7,436</u>	<u>478,328</u>
Cash and cash equivalents at beginning of year	3,773,833	3,307,272
Foreign exchange gains and losses	(51,644)	(11,767)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>3,729,625</u></u>	<u><u>3,773,833</u></u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	<u><u>3,729,625</u></u>	<u><u>3,773,833</u></u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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 following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form 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.

2.3 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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 FRS 102. Deemed cost is the valuation as at the date of transition to FRS 102.

2.5 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.11 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.

2.12 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is Pounds Sterling.

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.

2.13 FINANCE COSTS

Finance costs are charged to the Consolidated 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.

2.14 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.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.15 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.

2.16 INTEREST INCOME

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

2.17 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 Consolidated 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.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.18 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that 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.

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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.19 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.

2.20 SPONSORSHIP AGREEMENTS

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

3. 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.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. 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.

5. OTHER OPERATING INCOME

	2017 £	2016 £
Other operating income	289,971	461,428
	<u>289,971</u>	<u>461,428</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	295,971	267,097
Defined contribution pension cost	176,301	183,784
OPERATING LEASE PAYMENTS		
- plant and machinery	3,565	11,077
- other operating leases	156,000	116,000
	<u>159,565</u>	<u>127,077</u>

7. AUDITORS' REMUNERATION

**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	30,242	29,079
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	4,831	4,646
	<u>35,073</u>	<u>33,725</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. EMPLOYEES

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

	Group 2017 £	Group 2016 £
Wages and salaries	4,001,359	4,477,162
Social security costs	498,781	446,558
Cost of defined contribution scheme	176,301	183,784
	<u>4,676,441</u>	<u>5,107,504</u>

Key management compensation

Key management personnel are not different from the Directors and their compensation is detailed in Note 9.

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

	2017 No.	2016 No.
Operations	66	67
Sales / commercial	51	51
Administration	19	22
	<u>136</u>	<u>140</u>

9. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments	<u>667,076</u>	<u>478,615</u>

The highest paid Director received remuneration of £331,602 (2016 - £247,767).

10. INCOME FROM INVESTMENTS

	2017 £	2016 £
Income from fixed asset investments	<u>76,089</u>	<u>84,991</u>
Dividends received from unlisted investments	<u>43,478</u>	<u>-</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. INTEREST RECEIVABLE

	2017 £	2016 £
Other interest receivable	27,294	17,238
	<u>27,294</u>	<u>17,238</u>

12. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Bank interest payable	1,029	1,321
	<u>1,029</u>	<u>1,321</u>

13. TAXATION

	2017 £	2016 £
CORPORATION TAX		
Current tax on profits for the year	121,991	259,868
Adjustments in respect of previous periods	38,595	(39,807)
	<u>160,586</u>	<u>220,061</u>
FOREIGN TAX		
Foreign tax on income for the year	9,607	1,205
TOTAL CURRENT TAX	<u>170,193</u>	<u>221,266</u>
DEFERRED TAX		
Origination and reversal of timing differences	(4,184)	5,274
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>166,009</u>	<u>226,540</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

13. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	1,209,246	2,398,469
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	238,826	479,694
EFFECTS OF:		
Expenses not deductible for tax purposes	1,180	3,157
Share of partnership profits	(44,701)	(25,181)
Adjustments to tax charge in respect of prior periods	38,595	(39,807)
Non-taxable income	(929)	(17,335)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(89,863)	(120,900)
Capital gains	-	30,079
Other differences leading to a (decrease) / increase in the tax charge	22,901	(83,167)
TOTAL TAX CHARGE FOR THE YEAR	166,009	226,540

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

14. DIVIDENDS

	2017 £	2016 £
Dividends paid on equity capital	1,900,000	2,000,000

15. 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 £1,086,812 (2016 - £1,703,296).

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. TANGIBLE FIXED ASSETS

Group

	Land & buildings £	Plant & machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation					
At 1 January 2017	1,317,904	1,188,708	337,847	814,662	3,659,121
Additions	-	114,644	148,911	42,610	306,165
Disposals	-	(5,500)	(110,303)	-	(115,803)
At 31 December 2017	<u>1,317,904</u>	<u>1,297,852</u>	<u>376,455</u>	<u>857,272</u>	<u>3,849,483</u>
Depreciation					
At 1 January 2017	416,127	1,037,095	199,346	492,977	2,145,545
Charge for the year on owned assets	44,096	91,316	80,954	79,605	295,971
Disposals	-	(4,195)	(81,640)	-	(85,835)
At 31 December 2017	<u>460,223</u>	<u>1,124,216</u>	<u>198,660</u>	<u>572,582</u>	<u>2,355,681</u>
Net book value					
At 31 December 2017	<u>857,681</u>	<u>173,636</u>	<u>177,795</u>	<u>284,690</u>	<u>1,493,802</u>
At 31 December 2016	<u>901,777</u>	<u>151,613</u>	<u>138,501</u>	<u>321,685</u>	<u>1,513,576</u>

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

	2017 £	2016 £
Freehold land and buildings	744,002	765,550
Leasehold improvements	113,679	136,227
	<u>857,681</u>	<u>901,777</u>

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

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. 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:

	2017 £	2016 £
Group		
Cost	1,247,900	1,247,900
Accumulated depreciation	(428,280)	(386,011)
Net Book Value	<u>819,620</u>	<u>861,889</u>

Company

	Land & buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation					
At 1 January 2017	1,317,904	1,188,708	318,619	810,369	3,635,600
Additions	-	114,644	148,261	42,465	305,370
Disposals	-	(5,500)	(110,303)	-	(115,803)
At 31 December 2017	<u>1,317,904</u>	<u>1,297,852</u>	<u>356,577</u>	<u>852,834</u>	<u>3,825,167</u>
Depreciation					
At 1 January 2017	416,127	1,037,095	195,789	492,183	2,141,194
Charge for the year on owned assets	44,096	91,316	77,301	78,684	291,397
Disposals	-	(4,195)	(81,640)	-	(85,835)
At 31 December 2017	<u>460,223</u>	<u>1,124,216</u>	<u>191,450</u>	<u>570,867</u>	<u>2,346,756</u>
Net book value					
At 31 December 2017	<u>857,681</u>	<u>173,636</u>	<u>165,127</u>	<u>281,967</u>	<u>1,478,411</u>
At 31 December 2016	<u>901,777</u>	<u>151,613</u>	<u>122,830</u>	<u>318,186</u>	<u>1,494,406</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. TANGIBLE FIXED ASSETS (CONTINUED)

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

	2017 £	2016 £
Freehold land and buildings	744,002	765,550
Leasehold improvements	113,679	136,227
	<u>857,681</u>	<u>901,777</u>

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:

	2017 £	2016 £
Company		
Cost	1,247,900	1,247,900
Accumulated depreciation	(428,280)	(386,011)
Net Book Value	<u>819,620</u>	<u>861,889</u>

17. FIXED ASSET INVESTMENTS

Group

	Other investments £
Cost or valuation	
At 1 January 2017	283,810
Disposals	(138,881)
At 31 December 2017	<u>144,929</u>
Net book value	
At 31 December 2017	<u>144,929</u>
At 31 December 2016	<u>283,810</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. FIXED ASSET INVESTMENTS (CONTINUED)

Company

	Investments in group undertakings £	Other investments £	Total £
Cost or valuation			
At 1 January 2017	70,423	283,810	354,233
Disposals	-	(138,881)	(138,881)
At 31 December 2017	<u>70,423</u>	<u>144,929</u>	<u>215,352</u>
Net book value			
At 31 December 2017	<u>70,423</u>	<u>144,929</u>	<u>215,352</u>
At 31 December 2016	<u>70,423</u>	<u>283,810</u>	<u>354,233</u>

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

18. STOCKS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Raw materials and consumables	783,019	616,142	783,019	616,142
Stocks - finished goods in transit	826,476	609,883	826,476	609,883
Finished stock	<u>4,923,248</u>	<u>5,558,527</u>	<u>4,923,248</u>	<u>5,558,527</u>
	<u>6,532,743</u>	<u>6,784,552</u>	<u>6,532,743</u>	<u>6,784,552</u>

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

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

19. DEBTORS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due after more than one year				
Prepayments and accrued income	6,880,591	5,940,069	3,977,981	2,062,567
	<u>6,880,591</u>	<u>5,940,069</u>	<u>3,977,981</u>	<u>2,062,567</u>
	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due within one year				
Trade debtors	2,767,944	2,560,320	2,772,644	2,583,409
Amounts owed by group undertakings	-	-	35,041	2,580
Other debtors	291,584	258,998	286,306	253,015
Prepayments and accrued income	1,239,750	730,751	1,169,343	699,820
	<u>4,299,278</u>	<u>3,550,069</u>	<u>4,263,334</u>	<u>3,538,824</u>

20. CASH AND CASH EQUIVALENTS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	3,729,625	3,773,833	3,467,980	3,445,271
	<u>3,729,625</u>	<u>3,773,833</u>	<u>3,467,980</u>	<u>3,445,271</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	1,825,839	1,311,632	1,439,332	1,371,113
Amounts owed to group undertakings	-	-	542,248	-
Corporation tax	10,013	8,431	-	-
Other taxation and social security	191,809	102,019	100,343	99,062
Other creditors	93,043	62,092	25,322	24,940
Accruals and deferred income	2,484,438	2,098,157	2,447,369	2,085,910
	<u>4,605,142</u>	<u>3,582,331</u>	<u>4,554,614</u>	<u>3,581,025</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

22. FINANCIAL INSTRUMENTS

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	3,729,625	3,773,833	3,467,980	3,445,271
Financial assets that are debt instruments measured at amortised cost	3,059,527	2,748,873	3,093,990	2,782,735
	<u>6,789,152</u>	<u>6,522,706</u>	<u>6,561,970</u>	<u>6,228,006</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	<u>(4,403,320)</u>	<u>(3,345,279)</u>	<u>(4,454,271)</u>	<u>(3,359,078)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand and unlisted investments.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and deferred income and amounts owed to group companies.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

23. DEFERRED TAXATION

Group

	2017 £	2016 £
At beginning of year	55,227	49,953
Charged to the profit or loss	(4,184)	5,274
AT END OF YEAR	51,043	55,227

Company

	2017 £	2016 £
At beginning of year	55,227	49,953
Charged to the profit or loss	(4,184)	5,274
AT END OF YEAR	51,043	55,227

The provision for deferred taxation is made up as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Accelerated capital allowances	66,100	73,993	66,100	73,993
Tax losses carried forward	(15,057)	(18,766)	(15,057)	(18,766)
	51,043	55,227	51,043	55,227

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

24. PROVISIONS

Group

	Other provisions £	Total £
At 1 January 2017	6,112,752	6,112,752
Charged to profit or loss	1,124,839	1,124,839
AT 31 DECEMBER 2017	7,237,591	7,237,591

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.

Company

	Other provisions £	Total £
At 1 January 2017	2,235,250	2,235,250
Charged to profit or loss	2,099,731	2,099,731
AT 31 DECEMBER 2017	4,334,981	4,334,981

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.

25. SHARE CAPITAL

	2017 £	2016 £
ALLOTTED, CALLED UP AND FULLY PAID		
27,060 Ordinary shares of £1 each	27,060	27,060

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

26. 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 £171,575 (2016 - £179,124). Contributions totalling £88,569 (2016 - £93,831) were payable to the funds at the balance sheet date and are included in creditors and provisions.

27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Not later than 1 year	145,500	108,500	145,500	108,500
Later than 1 year and not later than 5 years	262,000	75,500	262,000	75,500
	<u>407,500</u>	<u>184,000</u>	<u>407,500</u>	<u>184,000</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

28. RELATED PARTY TRANSACTIONS

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

Sales to related parties totalled £869,000 (2016 - £877,000).

Purchases from related parties totalled £1,462,000 (2016 - £1,336,000).

Admin support was provided to related parties totalling £10,000 (2016 - £7,000).

Amounts owed to related parties at the year end totalled £5,000 (2016 - £190,000).

Amounts owed from related parties at the year end totalled £526,000 (2016 - £218,000).

Loans repaid by related parties totalled £139,000 (2016 - £66,000). At the year end there were loans outstanding due from related parties totalling £40,000 (2016 - £171,000).

Rent paid to related parties totalled £116,000 (2016 - £129,000).

Dividends paid to directors totalled £1,900,000 (2016 - £2,000,000).

The Company has taken advantage of the exemption under FRS 102 (Section 33.1A) not to disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly-owned by such a member.

29. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Grays Sports Limited	Ordinary	100 %	Negotiating, securing and entering sponsorship agreements
Rugby 1823 SARL	Ordinary	100 %	Sales agency
Hockey 1890 BV	Ordinary	100 %	Sales agency
Gray-Nicolls Limited	Ordinary	100 %	Dormant
James Gilbert Limited	Ordinary	100 %	Dormant
Grays of Cambridge Limited	Ordinary	100 %	Dormant
H J Gray & Sons	Ordinary	100 %	Dormant

The registered address of Rugby 1823 SARL is 294 Route de Saint-Omer, 62280 Saint-Martin-Boulogne, France.

The registered address of Hockey 1890 BV is Plesmanstraat 1, 3833 LA Leusden, Netherlands.

The registered address of all other companies is Station Road, Robertsbridge, East Sussex, TN32 5DH.