

**Gymshark Ltd**  
**Financial Statements**  
**31 July 2016**

**DAW WHITE MURRALL**

Chartered accountant & statutory auditor

1 George Street  
Snow Hill  
Wolverhampton  
WV2 4DG



**Gymshark Ltd**  
**Financial Statements**  
**Year ended 31 July 2016**

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# **Gymshark Ltd**

## **Strategic Report**

**Year ended 31 July 2016**

The directors present their strategic report for the year ended 31 July 2016.

### **BUSINESS REVIEW**

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

The directors regard turnover and gross margin as the key performance indicators of the business. The turnover increased from the previous year by £4.06 million to £12.78 million with a consequent increase in gross profit of £2.07 million to £8.6 million. The company has continued to invest in improving and developing products and also management information systems to control the expansion of the business. This involved moving the company premises to prestigious offices in Redditch, Worcestershire and increasing the number of staff employed by the company.

As a result of this programme of investment the company's turnover and profitability has continued to grow in the period since July 2016 and the directors believe the company is in a strong position to respond to ever increasing demands for its' products.

The increase in turnover and profitability has meant that the financial position of the company has also continued to improve.

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

In September 2016, following a restructuring of the business, the company became a wholly owned subsidiary of Clade Group Limited. At the same time Lewis Morgan left the business to pursue other interests. Clade Group Limited is a company incorporated in England and is controlled by Ben Francis.

This report was approved by the board of directors on 25 April 2017 and signed on behalf of the board by:



B Francis  
Director

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

# **Gymshark Ltd**

## **Directors' Report**

**Year ended 31 July 2016**

The directors present their report and the financial statements of the company for the year ended 31 July 2016.

### **Directors**

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

B Francis  
L Morgan  
S Hewitt  
P Richardson

### **Dividends**

Particulars of recommended dividends are detailed in note 10 to the financial statements.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

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

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

# **Gymshark Ltd**

## **Directors' Report** *(continued)*

**Year ended 31 July 2016**

This report was approved by the board of directors on 25 April 2017 and signed on behalf of the board by:



B Francis  
Director

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

# **Gymshark Ltd**

## **Independent Auditor's Report to the Members of Gymshark Ltd**

**Year ended 31 July 2016**

We have audited the financial statements of Gymshark Ltd for the year ended 31 July 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter**

In the prior year the company was classified as a small company under the Companies Act 2006 and as such the accounts for the year ended 31 July 2015 were unaudited as the company was exempt from audit.

# Gymshark Ltd

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

Year ended 31 July 2016

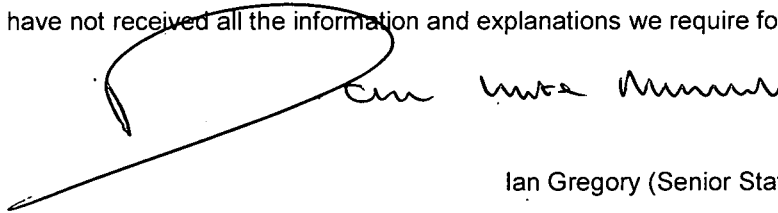
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ian Gregory (Senior Statutory Auditor)

For and on behalf of  
Daw White Murrall  
Chartered accountant & statutory auditor

1 George Street  
Snow Hill  
Wolverhampton  
WV2 4DG

25 April 2017

# Gymshark Ltd

## Statement of Income and Retained Earnings

Year ended 31 July 2016

	Note	2016 £	2015 £
<b>Turnover</b>	<b>4</b>	<b>12,785,875</b>	<b>8,726,439</b>
Cost of sales		<u>4,188,909</u>	<u>2,195,500</u>
<b>Gross profit</b>		<b>8,596,966</b>	<b>6,530,939</b>
Distribution costs		<u>2,759,247</u>	<u>2,163,697</u>
Administrative expenses		<u>4,733,997</u>	<u>3,233,381</u>
<b>Operating profit</b>	<b>5</b>	<b>1,103,722</b>	<b>1,133,861</b>
Other interest receivable and similar income		<u>219</u>	<u>629</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,103,941</b>	<b>1,134,490</b>
Tax on profit on ordinary activities	<b>9</b>	<u>224,870</u>	<u>284,138</u>
<b>Profit for the financial year and total comprehensive income</b>		<b>879,071</b>	<b>850,352</b>
Dividends paid and payable	<b>10</b>	<u>(169,789)</u>	<u>(122,000)</u>
<b>Retained earnings at the start of the year</b>		<b>1,905,940</b>	<b>1,177,588</b>
<b>Retained earnings at the end of the year</b>		<b>2,615,222</b>	<b>1,905,940</b>

All the activities of the company are from continuing operations.

The notes on pages 9 to 17 form part of these financial statements.



**Gymshark Ltd**  
**Statement of Financial Position**  
**31 July 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	11	—	3,500
Tangible assets	12	354,097	353,524
		<u>354,097</u>	<u>357,024</u>
<b>Current assets</b>			
Stocks	13	912,114	960,267
Debtors	14	1,802,570	618,034
Cash at bank and in hand		1,729,017	1,026,803
		<u>4,443,701</u>	<u>2,605,104</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>2,111,755</u>	<u>985,481</u>
<b>Net current assets</b>		<u>2,331,946</u>	<u>1,619,623</u>
<b>Total assets less current liabilities</b>		<u>2,686,043</u>	<u>1,976,647</u>
<b>Provisions</b>			
Taxation including deferred tax	16	70,819	70,705
<b>Net assets</b>		<u>2,615,224</u>	<u>1,905,942</u>
<b>Capital and reserves</b>			
Called up share capital	18	2	2
Profit and loss account	19	2,615,222	1,905,940
<b>Members funds</b>		<u>2,615,224</u>	<u>1,905,942</u>

These financial statements were approved by the board of directors and authorised for issue on 25 April 2017, and are signed on behalf of the board by:



B Francis  
Director

Company registration number: 08130873

The notes on pages 9 to 17 form part of these financial statements.

**Gymshark Ltd**  
**Statement of Cash Flows**  
**Year ended 31 July 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	879,071	850,352
<i>Adjustments for:</i>		
Depreciation of tangible assets	122,236	71,280
Amortisation of intangible assets	3,500	3,500
Other interest receivable and similar income	(219)	(629)
Loss on disposal of tangible assets	42,009	—
Tax on profit on ordinary activities	224,870	284,138
Accrued (income)/expenses	(16,238)	415,973
<i>Changes in:</i>		
Stocks	48,153	(524,298)
Trade and other debtors	(1,184,536)	(525,908)
Trade and other creditors	1,131,702	340,116
Cash generated from operations	1,250,548	914,524
Interest received	219	629
Tax paid	(213,335)	(342,212)
Net cash from operating activities	<u>1,037,432</u>	<u>572,941</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(293,699)	(382,749)
Proceeds from sale of tangible assets	128,881	—
Net cash used in investing activities	<u>(164,818)</u>	<u>(382,749)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(611)	(35,197)
Dividends paid	(169,789)	(122,000)
Net cash used in financing activities	<u>(170,400)</u>	<u>(157,197)</u>
<b>Net increase in cash and cash equivalents</b>	<b>702,214</b>	<b>32,995</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>1,026,803</u></b>	<b><u>993,808</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>1,729,017</u></b>	<b><u>1,026,803</u></b>

The notes on pages 9 to 17 form part of these financial statements.

# **Gymshark Ltd**

## **Notes to the Financial Statements**

**Year ended 31 July 2016**

### **1. General information**

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

### **2. Statement of compliance**

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

### **3. Accounting policies**

#### **Basis of preparation**

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

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

#### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 August 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 22.

#### **Judgements and key sources of estimation uncertainty**

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

#### **Revenue recognition**

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

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

#### **Income tax**

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

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

# Gymshark Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

### 3. Accounting policies *(continued)*

#### Income tax *(continued)*

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

#### Foreign currencies

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

#### Intangible assets

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

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

#### Amortisation

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

Patents - 50% straight line

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

#### Tangible assets

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

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

# Gymshark Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

### 3. Accounting policies *(continued)*

#### Depreciation

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

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

#### Impairment of fixed assets

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

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

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

#### Stocks

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

#### Provisions

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

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

# Gymshark Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

### 3. Accounting policies *(continued)*

#### Financial instruments

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

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

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

### 4. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	<u>12,785,875</u>	<u>8,726,439</u>

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

### 5. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets	3,500	3,500
Depreciation of tangible assets	122,236	71,280
Loss on disposal of tangible assets	42,009	–
Impairment of trade debtors	–	114,782
Foreign exchange differences	<u>118,655</u>	<u>10,618</u>

# Gymshark Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

### 6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>–</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>27,310</u>	<u>12,332</u>

### 7. Staff costs

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

	2016	2015
	No.	No.
Administrative staff	45	30
Management staff	<u>4</u>	<u>3</u>
	<u>49</u>	<u>33</u>

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

	2016	2015
	£	£
Wages and salaries	1,101,744	486,038
Social security costs	<u>89,547</u>	<u>31,808</u>
	<u>1,191,291</u>	<u>517,846</u>

### 8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	<u>169,933</u>	<u>36,000</u>

### 9. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
<b>Current tax:</b>		
UK current tax expense	224,756	213,433
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>114</u>	<u>70,705</u>
<b>Tax on profit on ordinary activities</b>	<u>224,870</u>	<u>284,138</u>

# Gymshark Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

### 9. Tax on profit on ordinary activities *(continued)*

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2015: 20.60%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>1,103,941</u>	<u>1,134,490</u>
Profit on ordinary activities by rate of tax	<u>220,788</u>	<u>233,705</u>
Effect of expenses not deductible for tax purposes	<u>3,968</u>	<u>43,166</u>
Effect of capital allowances and depreciation	<u>–</u>	<u>(63,438)</u>
Tax on profit on ordinary activities	<u><u>224,756</u></u>	<u><u>213,433</u></u>

### 10. Dividends

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

	2016 £	2015 £
Dividends on equity shares	<u>169,789</u>	<u>122,000</u>

### 11. Intangible assets

	Development costs £
<b>Cost</b>	
At 1 Aug 2015 and 31 Jul 2016	<u>7,000</u>
<b>Amortisation</b>	
At 1 August 2015	<u>3,500</u>
Charge for the year	<u>3,500</u>
At 31 July 2016	<u><u>7,000</u></u>
<b>Carrying amount</b>	
At 31 July 2016	<u><u>–</u></u>
At 31 July 2015	<u><u>3,500</u></u>



# Gymshark Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

### 12. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 August 2015	99,432	146,634	195,000	<b>441,066</b>
Additions	128,344	160,655	4,700	<b>293,699</b>
Disposals	—	—	(199,700)	<b>(199,700)</b>
<b>At 31 July 2016</b>	<b>227,776</b>	<b>307,289</b>	<b>—</b>	<b>535,065</b>
<b>Depreciation</b>				
At 1 August 2015	36,083	28,959	22,500	<b>87,542</b>
Charge for the year	50,708	65,218	6,310	<b>122,236</b>
Disposals	—	—	(28,810)	<b>(28,810)</b>
<b>At 31 July 2016</b>	<b>86,791</b>	<b>94,177</b>	<b>—</b>	<b>180,968</b>
<b>Carrying amount</b>				
<b>At 31 July 2016</b>	<b>140,985</b>	<b>213,112</b>	<b>—</b>	<b>354,097</b>
At 31 July 2015	63,349	117,675	172,500	353,524

### 13. Stocks

	2016 £	2015 £
Goods for resale	<b>912,114</b>	<b>960,267</b>

### 14. Debtors

	2016 £	2015 £
Trade debtors	<b>109,098</b>	—
Prepayments and accrued income	<b>139,209</b>	48,695
Other debtors	<b>1,554,263</b>	569,339
	<b>1,802,570</b>	<b>618,034</b>

### 15. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	<b>1,401,649</b>	307,518
Accruals and deferred income	<b>402,895</b>	419,133
Corporation tax	<b>224,756</b>	213,335
Social security and other taxes	<b>69,419</b>	29,473
Director loan accounts	<b>5,282</b>	5,893
Other creditors	<b>7,754</b>	10,129
	<b>2,111,755</b>	<b>985,481</b>

# Gymshark Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2016

### 16. Provisions

	Deferred tax (note 17) £
At 1 August 2015	70,705
Additions	114
At 31 July 2016	<u>70,819</u>

### 17. Deferred tax

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

	2016 £	2015 £
Included in provisions (note 16)	<u>70,819</u>	<u>70,705</u>

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

	2016 £	2015 £
Accelerated capital allowances	<u>70,819</u>	<u>70,705</u>

### 18. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary A shares of £0.01 (2015 - £1) each	190	2	2	2
Ordinary B shares of £0.01 each	10	—	—	—
	<u>200</u>	<u>2</u>	<u>2</u>	<u>2</u>

On 27 October 2015 the 2 Ordinary £1 shares were redesignated as 200 Ordinary £0.01 shares. Also on that date 190 of the issued shares were reclassified A Ordinary shares and 10 shares were reclassified as B Ordinary shares.

### 19. Reserves

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

### 20. Directors' advances, credits and guarantees

Included in creditors due within one year is £5,282 owed by the company to Mr L Morgan which has been repaid since the year end.

# **Gymshark Ltd**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 July 2016**

### **21. Controlling party**

The company was under the control of Messrs Francis and Morgan at 31 July 2016 and in the prior year. As stated in the strategic report, in September 2016 the company became a wholly owned subsidiary of Clade Group Limited, a company incorporated in England which is under the control of Mr B Francis who is a director and majority shareholder.

### **22. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 August 2014.

No transitional adjustments were required in equity or profit or loss for the year.