

**Group Strategic Report, Directors' Report and
Consolidated Financial Statements for the Year Ended 30 April 2015**
for
Endura Limited Group Accounts

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Endura Limited Group Accounts

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Endura Limited Group Accounts

**Company Information
for the Year Ended 30 April 2015**

DIRECTORS:

J B McFarlane
K Hague
Ms P A Barclay
S Scott
J Comiskey

SECRETARY:

J Comiskey

REGISTERED OFFICE:

3 Starlaw Park
LIVINGSTON
West Lothian
EH54 8SF

REGISTERED NUMBER:

SC128821 (Scotland)

AUDITORS:

Ernst and Young LLP
5 George Square
Glasgow
G2 1DY

Endura Limited Group Accounts

Group Strategic Report for the Year Ended 30 April 2015

The directors present their strategic report of the company and the group for the year ended 30 April 2015.

REVIEW OF BUSINESS

The principal activity of the business during the year continued to be the design, manufacture and sale of cycle specific clothing and accessories. On the 1st May 2014 the business acquired the net assets of its US trading partner for the nominal sum of £1. The financial accounts as presented are therefore for the revised group but the comparative financials reflect the 2014 company position.

The group turnover of £24.095m (2014: £21.435m) represents another year of growth for the business despite a very challenging operating environment which was impacted by oversupply, aggressive price competition and poor weather in key markets.

This growth was due in part to the successful launch of the ProSL cycling bib short during the year which cemented Endura's position as a category leader in innovative performance cycling apparel.

An extension to the warehouse at Starlaw Park, Livingston was completed in April 2015 to house the increased stock that was required to support the increase in turnover. It also meant the company was no longer reliant on an external company to take any surplus stock.

During the year the business secured an external minority stake investment to support its continued international expansion. This investment also allowed for a strengthening of the balance sheet, ending the year with net assets of £9.905m and net current assets of £8.311m compared to £5.983m and £4.953m respectively for the previous year.

After tax, the profit of the group was £1.149m for the year.

A summary of key performance indicators is shown below:

	Group	Endura Ltd
	Year to <u>April 2015</u>	Year to <u>April 2014</u>
Turnover	£24.095m	£21.435m
Gross profit	£12.161m	£9.373m
Distribution & Administrative Costs as % of Turnover	45.9%	38.9%

The year to April 2015 includes the turnover from Endura Inc in the USA. A higher margin is achieved on sales in the US and this is reflected in an increase in the GP% from 2014 to 2015. Commission was classified as a direct cost in 2014 but was treated as an overhead in 2015 which also accounts for a 1% increase in the gross margin.

The increase in distribution & administrative costs partly reflects the cost of the external investment, partly reflects relatively high export sales growth and partly reflects increased investment in the business.

Endura Limited Group Accounts

Group Strategic Report for the Year Ended 30 April 2015

PRINCIPAL RISKS AND UNCERTAINTIES

The Group board meets at least 6 times per annum and will always evaluate the current and evolving risk landscape and ensure an appropriate and considered response.

The principal risks affecting the business continue to be the competitive landscape, evolving consumer trends and exposure to foreign exchange movements.

Cycling apparel is an increasingly competitive market space with a number of new entrants into key markets as well as a tendency for aggressive pricing by a number of competitors. Endura maintains a policy of strong pricing discipline and building long term relationships with a broad range of customers to mitigate this.

Consumer trends are constantly evolving both in terms of buying behaviours and preferred cycling disciplines. Endura has intentionally built a broad portfolio in terms of geographical spread, customer base and spread of cycling disciplines, to minimise the risk of any one trend negatively impacting the business. The group also remains committed to innovation to remain current and relevant.

The key financial risk is around the impact of foreign exchange movements on both purchase costs and on income derived in non sterling markets. The group uses forward foreign currency contracts to fix the rate associated with these key exposures.

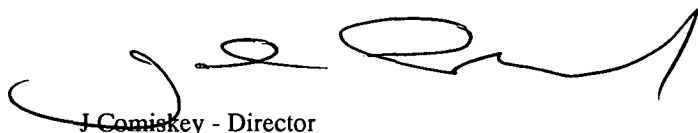
Liquidity risk is managed through ensuring tight cash management as well as utilising a range of appropriate trade financing facilities.

Credit risk is the risk that our customers will cause financial loss by failing to pay outstanding amounts due. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Strict adherence to these procedures means that the group has a low level of bad debts. Details of the group's debtors are shown in Note 15 to the financial statements.

FUTURE DEVELOPMENTS

The company continues to invest strongly in developing new products and new markets and anticipates further sales and margin growth for both Europe and the rest of the world.

ON BEHALF OF THE BOARD:



J Comiskey - Director

22 January 2016

Endura Limited Group Accounts

Directors' Report for the Year Ended 30 April 2015

The directors present their report with the financial statements of the group and the company for the year ended 30 April 2015.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the design, manufacture and sale of branded cycling apparel.

DIVIDENDS

An interim dividend of £1.84 per share on the Ordinary £1 shares was paid on 1 September 2014. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary 'A' £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 30 April 2015 will be £62,437.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2014 to the date of this report.

J B McFarlane
K Hague
Ms P A Barclay

Other changes in directors holding office are as follows:

S Scott - appointed 6 October 2014
J Comiskey - appointed 27 April 2015

CHARITABLE DONATIONS AND EXPENDITURE

The company made charitable donations of £13,008.

GOING CONCERN

In line with the FRC guidance on going concern issued in November 2009, and taking into account the FRC's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014, the directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

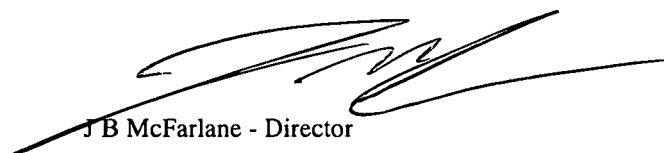
Endura Limited Group Accounts

**Directors' Report
for the Year Ended 30 April 2015**

AUDITORS

The company has passed an elective resolution under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006 to dispense with the obligation to appoint auditors annually.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'J B McFarlane', written over a horizontal line.

22 January 2016

Endura Limited Group Accounts

Statement of Directors' Responsibilities for the Year Ended 30 April 2015

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 judgements 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 and the group'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.

Report of the Independent Auditors to the Members of Endura Limited Group Accounts

We have audited the financial statements of Endura Limited Group Accounts for the year ended 30 April 2015 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 26. 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 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

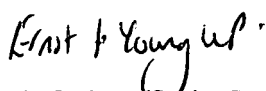
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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 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.



Annie Graham (Senior Statutory Auditor)
for and on behalf of Ernst and Young LLP
5 George Square
Glasgow
G2 1DY

Date: 25 January, 2016

Endura Limited Group Accounts

Consolidated Profit and Loss Account for the Year Ended 30 April 2015

	Notes	2015 £	2014 £
TURNOVER	2	24,095,388	21,434,566
Cost of sales		<u>11,933,915</u>	<u>12,061,279</u>
GROSS PROFIT		12,161,473	9,373,287
Distribution costs		3,121,703	2,615,923
Administrative expenses		<u>7,934,424</u>	<u>5,729,522</u>
		11,056,127	8,345,445
		1,105,346	1,027,842
Other operating income	3	<u>299,560</u>	<u>253,520</u>
OPERATING PROFIT	6	1,404,906	1,281,362
Amortisation of negative goodwill		<u>392,302</u>	<u>-</u>
		1,797,208	1,281,362
Interest receivable and similar income		<u>183</u>	<u>-</u>
		1,797,391	1,281,362
Interest payable and similar charges	7	<u>309,420</u>	<u>267,712</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,487,971	1,013,650
Tax on profit on ordinary activities	8	<u>338,662</u>	<u>222,002</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>1,149,309</u>	<u>791,648</u>

CONTINUING OPERATIONS

All operations were classed as continuing during the year.

TOTAL RECOGNISED GAINS AND LOSSES

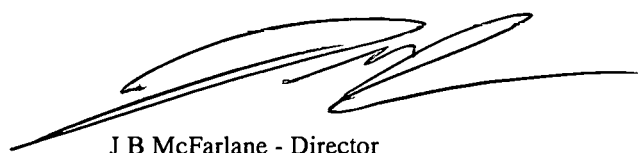
The group has no recognised gains or losses other than the profits for the current year or previous year.

Endura Limited Group Accounts (Registered number: SC128821)

**Consolidated Balance Sheet
30 April 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	<u>4,285,459</u>	<u>3,518,021</u>
		4,285,459	3,518,021
CURRENT ASSETS			
Stocks	14	9,709,718	8,412,435
Debtors	15	5,416,717	5,680,884
Cash at bank and in hand		<u>1,282,521</u>	<u>3,759,829</u>
		16,408,956	17,853,148
CREDITORS			
Amounts falling due within one year	16	<u>8,098,103</u>	<u>12,900,055</u>
NET CURRENT ASSETS		<u>8,310,853</u>	<u>4,953,093</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,596,312	8,471,114
CREDITORS			
Amounts falling due after more than one year	17	(1,728,239)	(1,529,774)
PROVISIONS FOR LIABILITIES	21	<u>(963,525)</u>	<u>(957,868)</u>
NET ASSETS		<u>9,904,548</u>	<u>5,983,472</u>
CAPITAL AND RESERVES			
Called up share capital	22	37,162	34,002
Share premium	23	2,831,044	-
Profit and loss account	23	<u>7,036,342</u>	<u>5,949,470</u>
SHAREHOLDERS' FUNDS	26	<u>9,904,548</u>	<u>5,983,472</u>

The financial statements were approved by the Board of Directors on 22 January 2016 and were signed on its behalf by:



J B McFarlane - Director

Endura Limited Group Accounts (Registered number: SC128821)

**Company Balance Sheet
30 April 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	4,140,107	3,518,021
Investments	13	<u>1</u>	<u>-</u>
		4,140,108	3,518,021
CURRENT ASSETS			
Stocks	14	8,767,285	8,412,435
Debtors	15	6,151,710	5,680,884
Cash at bank and in hand		<u>1,132,989</u>	<u>3,759,829</u>
		16,051,984	17,853,148
CREDITORS			
Amounts falling due within one year	16	<u>7,694,000</u>	<u>12,900,055</u>
NET CURRENT ASSETS		<u>8,357,984</u>	<u>4,953,093</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,498,092	8,471,114
CREDITORS			
Amounts falling due after more than one year	17	(1,728,239)	(1,529,774)
PROVISIONS FOR LIABILITIES	21	<u>(706,945)</u>	<u>(957,868)</u>
NET ASSETS		<u>10,062,908</u>	<u>5,983,472</u>
CAPITAL AND RESERVES			
Called up share capital	22	37,162	34,002
Share premium	23	2,831,044	-
Profit and loss account	23	<u>7,194,702</u>	<u>5,949,470</u>
SHAREHOLDERS' FUNDS	26	<u>10,062,908</u>	<u>5,983,472</u>

The financial statements were approved by the Board of Directors on 22 January 2016 and were signed on its behalf by:



J B McFarlane - Director

Endura Limited Group Accounts

Consolidated Cash Flow Statement for the Year Ended 30 April 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	1	252,197	128,279
Returns on investments and servicing of finance	2	(309,237)	(267,712)
Taxation		(441,841)	(381,196)
Capital expenditure	2	(887,413)	(84,726)
Acquisitions and disposals	2	94,231	-
Equity dividends paid		<u>(62,437)</u>	<u>(165,105)</u>
		(1,354,500)	(770,460)
Management of liquid resources	2	10,753	124,314
Financing	2	<u>2,430,151</u>	<u>1,334,339</u>
Increase in cash in the period		<u>1,086,404</u>	<u>688,193</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		1,086,404	688,193
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>381,717</u>	<u>(1,291,698)</u>
Change in net debt resulting from cash flows		<u>1,468,121</u>	<u>(603,505)</u>
Movement in net debt in the period		1,468,121	(603,505)
Net debt at 1 May		<u>(5,783,207)</u>	<u>(5,179,702)</u>
Net debt at 30 April		<u>(4,315,086)</u>	<u>(5,783,207)</u>

The notes form part of these financial statements

Endura Limited Group Accounts

Notes to the Consolidated Cash Flow Statement for the Year Ended 30 April 2015

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	1,404,906	1,281,362
Depreciation charges	251,460	211,563
Loss on disposal of fixed assets	7,801	36,779
Decrease/(increase) stock rotation provision	(19,411)	169,920
Government grants	(10,753)	(124,313)
Increase in stocks	(462,359)	(1,286,313)
Increase in debtors	(343,333)	(309,814)
(Decrease)/increase in creditors	(576,114)	149,095
Net cash inflow from operating activities	<u>252,197</u>	<u>128,279</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	183	-
Interest paid	(302,347)	(258,914)
Interest element of hire purchase payments	(7,073)	(8,798)
Net cash outflow for returns on investments and servicing of finance	<u>(309,237)</u>	<u>(267,712)</u>
Capital expenditure		
Purchase of intangible fixed assets	1	-
Purchase of tangible fixed assets	(957,885)	(131,019)
Sale of tangible fixed assets	70,471	46,293
Net cash outflow for capital expenditure	<u>(887,413)</u>	<u>(84,726)</u>
Acquisitions and disposals		
Endura Inc - cash balance	94,231	-
Net cash inflow for acquisitions and disposals	<u>94,231</u>	<u>-</u>
Management of liquid resources		
Government grant	10,753	124,314
Net cash inflow from management of liquid resources	<u>10,753</u>	<u>124,314</u>

Endura Limited Group Accounts

Notes to the Consolidated Cash Flow Statement for the Year Ended 30 April 2015

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2015 £	2014 £
Financing		
HSBC Other loans	(438,743)	898,614
HSBC Term loan	304,988	190,410
Harris Bank short term loan	326,113	-
Other loans	(520,579)	284,600
Capital repayments in year	(53,495)	(81,925)
Amount introduced by directors	19,523	45,106
Amount withdrawn by directors	(41,860)	(2,466)
Share issue	3,160	-
Share premium	<u>2,831,044</u>	<u>-</u>
Net cash inflow from financing	<u><u>2,430,151</u></u>	<u><u>1,334,339</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.14 £	Cash flow £	At 30.4.15 £
Net cash:			
Cash at bank and in hand	3,759,829	(2,477,308)	1,282,521
Bank overdraft	<u>(3,563,712)</u>	<u>3,563,712</u>	<u>-</u>
	<u>196,117</u>	<u>1,086,404</u>	<u>1,282,521</u>
Debt:			
Hire purchase	(144,236)	53,495	(90,741)
Debts falling due within one year	(4,386,790)	571,631	(3,815,159)
Debts falling due after one year	<u>(1,448,298)</u>	<u>(243,409)</u>	<u>(1,691,707)</u>
	<u>(5,979,324)</u>	<u>381,717</u>	<u>(5,597,607)</u>
Total	<u><u>(5,783,207)</u></u>	<u><u>1,468,121</u></u>	<u><u>(4,315,086)</u></u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements for the Year Ended 30 April 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking drawn up to 30th April each year. No parent company profit and loss account is presented as permitted by section 408 of the Companies Act 2006. The profit dealt with in the financial statements of the parent entity is £1,307,669. Endura Inc has been consolidated in the group financial statements from the date of acquisition using the acquisition method of accounting. The comparatives reflect the company position because the group was created on 1 May 2014.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, after making provision for sales which can be returned for stock rotation within a 7 month period.

Negative goodwill

Negative goodwill arising on the acquisition of Endura Inc is being amortised evenly over the life of the assets acquired.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Stock levels by individual style are reviewed regularly and reasons are obtained for any slow moving stock. Appropriate and prudent provisions of between 25% and 100% of the stock value are then made depending on this analysis and future sales expectations of the specific stock style.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Government grants

Government grants are accounted for only when received and are matched as far as possible to the periods in which the related expenditure has been incurred.

2. TURNOVER

The group's geographical markets are world wide but, in the opinion of the directors, disclosure of the breakdown of these markets would be seriously prejudicial to the interests of the company.

3. OTHER OPERATING INCOME

	2015	2014
	£	£
Sundry receipts	249,598	80,904
Government grants	10,753	124,313
Exchange gains	<u>39,209</u>	<u>48,303</u>
	<u>299,560</u>	<u>253,520</u>

Endura Ltd won first prize of £241,000 in the HSBC Global Connections competition which is included in other operating income.

4. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	3,628,433	2,360,956
Social security costs	222,825	209,319
Other pension costs	<u>65,640</u>	<u>51,879</u>
	<u>3,916,898</u>	<u>2,622,154</u>

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

	2015	2014
Administration	65	60
Production	<u>72</u>	<u>45</u>
	<u>137</u>	<u>105</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

5. DIRECTORS' EMOLUMENTS

	2015	2014
	£	£
Directors' remuneration	<u>124,865</u>	<u>115,994</u>

None of the directors received pension contributions in the years to April 2015 and 2014.

6. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Other operating leases	84,781	20,290
Depreciation - owned assets	225,713	175,596
Depreciation - assets on hire purchase contracts	27,640	35,969
Loss on disposal of fixed assets	7,801	36,779
Auditors' remuneration	<u>20,129</u>	<u>12,667</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest	201,769	72,424
Loan interest	100,578	186,490
Hire purchase	<u>7,073</u>	<u>8,798</u>
	<u>309,420</u>	<u>267,712</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	313,594	240,393
Deferred tax	<u>25,068</u>	<u>(18,391)</u>
Tax on profit on ordinary activities	<u>338,662</u>	<u>222,002</u>

UK corporation tax has been charged at 21%.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

8. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,487,971</u>	<u>1,013,650</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	312,474	233,140
Effects of:		
Expenses not deductible for tax purposes	385	57
Capital allowances in excess of depreciation	(41,320)	-
Depreciation in excess of capital allowances	-	12,609
Adjustments to tax charge in respect of previous periods	9,901	-
Tax loss not utilised	33,347	-
Reduction in CT rate on 1 April 2015	(1,193)	(592)
Marginal relief	<u>-</u>	<u>(4,821)</u>
Current tax charge	<u>313,594</u>	<u>240,393</u>

The rate of corporation tax reduced from 24% to 23%, effective from 1 April 2013 and to 21%, effective from 1 April 2014. A reduction to 20%, effective from 1 April 2015, was included in the Finance Act 2013 which was enacted on 17 July 2013. It was announced in the Summer Budget in July 2015 that the corporation tax rate will further reduce to 19% from 1 April 2017, and to 18% from 1 April 2020; however these reductions have not yet been substantively enacted.

9. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,307,669 (2014 - £791,648).

10. DIVIDENDS

	2015 £	2014 £
Ordinary shares of £1 each		
Interim	<u>62,437</u>	<u>165,105</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
Additions	(392,302)
At 30 April 2015	(392,302)
AMORTISATION	
Released in year	(392,302)
At 30 April 2015	(392,302)
NET BOOK VALUE	
At 30 April 2015	-

Negative goodwill has arisen from the purchase of the assets of Endura Inc for £1 which was less than the net book value. The assets purchased were current assets and therefore, in line with FRS10, the negative goodwill is being released to the profit and loss account within one year.

12. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2014	3,091,126	518,562	273,693
Additions	549,687	213,817	38,034
Disposals	-	(2,452)	-
At 30 April 2015	<u>3,640,813</u>	<u>729,927</u>	<u>311,727</u>
DEPRECIATION			
At 1 May 2014	66,430	366,268	106,342
Charge for year	62,936	69,108	21,529
Eliminated on disposal	-	-	-
At 30 April 2015	<u>129,366</u>	<u>435,376</u>	<u>127,871</u>
NET BOOK VALUE			
At 30 April 2015	<u>3,511,447</u>	<u>294,551</u>	<u>183,856</u>
At 30 April 2014	<u>3,024,696</u>	<u>152,294</u>	<u>167,351</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

12. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2014	569,386	261,526	4,714,293
Additions	143,074	13,273	957,885
Disposals	(241,044)	-	(243,496)
At 30 April 2015	<u>471,416</u>	<u>274,799</u>	<u>5,428,682</u>
DEPRECIATION			
At 1 May 2014	295,122	209,364	1,043,526
Charge for year	70,468	29,312	253,353
Eliminated on disposal	(153,656)	-	(153,656)
At 30 April 2015	<u>211,934</u>	<u>238,676</u>	<u>1,143,223</u>
NET BOOK VALUE			
At 30 April 2015	<u>259,482</u>	<u>36,123</u>	<u>4,285,459</u>
At 30 April 2014	<u>274,264</u>	<u>52,162</u>	<u>3,670,767</u>

The net book value of assets held under hire purchase contracts is £169,054 (2014 £203,492).

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2014	3,091,126	518,562	265,697
Additions	549,687	203,405	35,325
Disposals	-	(2,452)	-
At 30 April 2015	<u>3,640,813</u>	<u>719,515</u>	<u>301,022</u>
DEPRECIATION			
At 1 May 2014	66,430	366,268	101,102
Charge for year	62,936	67,807	21,012
Eliminated on disposal	-	-	-
At 30 April 2015	<u>129,366</u>	<u>434,075</u>	<u>122,114</u>
NET BOOK VALUE			
At 30 April 2015	<u>3,511,447</u>	<u>285,440</u>	<u>178,908</u>
At 30 April 2014	<u>3,024,696</u>	<u>152,294</u>	<u>164,595</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

12. TANGIBLE FIXED ASSETS - continued

Company

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2014	316,094	233,885	4,425,364
Additions	72,951	12,057	873,425
Disposals	(113,769)	-	(116,221)
At 30 April 2015	<u>275,276</u>	<u>245,942</u>	<u>5,182,568</u>
DEPRECIATION			
At 1 May 2014	180,468	193,075	907,343
Charge for year	32,866	23,301	207,922
Eliminated on disposal	(72,804)	-	(72,804)
At 30 April 2015	<u>140,530</u>	<u>216,376</u>	<u>1,042,461</u>
NET BOOK VALUE			
At 30 April 2015	<u>134,746</u>	<u>29,566</u>	<u>4,140,107</u>
At 30 April 2014	<u>135,626</u>	<u>40,810</u>	<u>3,518,021</u>

The net book value of assets held under hire purchase contracts is £169,054 (2014 £203,492).

13. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
Additions	<u>1</u>
At 30 April 2015	<u>1</u>
NET BOOK VALUE	
At 30 April 2015	<u>1</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

13. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Endura Inc

Country of incorporation: United States of America

Nature of business: Sale of Endura branded cycling apparel

	% holding	2015 £
Class of shares:	100.00	
Ordinary		
Loss for the year		<u>(318,784)</u>

On 1 May 2014 Endura Ltd acquired Endura Inc for a consideration of £1. The investment in Endura Inc has been included in the company's balance sheet at its book value at the date of acquisition.

Analysis of the acquisition of Endura Inc:

Net assets at the date acquisition:

	£000
Tangible assets	128
Stocks	835
Debtors	947
Cash	94
Creditors due within one year	<u>(1,612)</u>
Net assets	392
Negative goodwill arising on acquisition	<u>(392)</u>
	-

Discharged by:

Assets were purchased for £1

There was no fair value adjustment required at the date of acquisition to the assets purchased.

14. STOCKS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Work-in-progress	341,744	298,243	341,744	298,243
Finished goods	<u>9,367,974</u>	<u>8,114,192</u>	<u>8,425,541</u>	<u>8,114,192</u>
	<u>9,709,718</u>	<u>8,412,435</u>	<u>8,767,285</u>	<u>8,412,435</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	4,262,966	3,218,841	3,000,441	3,218,841
Other debtors	2,900	9,329	2,900	9,329
Endura Inc	-	1,554,518	2,005,376	1,554,518
VAT	290,651	116,709	290,651	116,709
Prepayments and accrued income	860,200	781,487	852,342	781,487
	<u>5,416,717</u>	<u>5,680,884</u>	<u>6,151,710</u>	<u>5,680,884</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (see note 18)	3,498,846	7,113,610	3,172,733	7,113,610
Other loans (see note 18)	316,313	836,892	316,313	836,892
Hire purchase contracts (see note 19)	54,209	62,760	54,209	62,760
Trade creditors	1,892,143	2,054,703	1,817,572	2,054,703
Tax	286,141	414,388	303,693	414,388
Social security and other taxes	55,973	54,101	55,973	54,101
Other creditors	592,324	935,120	592,324	935,120
Directors' loan accounts	699,122	721,459	699,122	721,459
Accruals and deferred income	703,032	707,022	682,061	707,022
	<u>8,098,103</u>	<u>12,900,055</u>	<u>7,694,000</u>	<u>12,900,055</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans (see note 18)	1,691,707	1,448,298	1,691,707	1,448,298
Hire purchase contracts (see note 19)	36,532	81,476	36,532	81,476
	<u>1,728,239</u>	<u>1,529,774</u>	<u>1,728,239</u>	<u>1,529,774</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due within one year or on demand:				
Bank overdrafts	-	3,563,712	-	3,563,712
Bank loans - HSBC	3,498,846	3,549,898	3,172,733	3,549,898
Other loans	<u>316,313</u>	<u>836,892</u>	<u>316,313</u>	<u>836,892</u>
	<u>3,815,159</u>	<u>7,950,502</u>	<u>3,489,046</u>	<u>7,950,502</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>288,251</u>	<u>260,016</u>	<u>288,251</u>	<u>260,016</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>664,797</u>	<u>521,662</u>	<u>664,797</u>	<u>521,662</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more than 5 years by instalments	<u>738,659</u>	<u>666,620</u>	<u>738,659</u>	<u>666,620</u>
	<u>738,659</u>	<u>666,620</u>	<u>738,659</u>	<u>666,620</u>

The business has 2 term loans and the rate of interest on both loans is 2.95% above the bank lending rate. There is also a short term bank loan and the interest rate of this loan is 4.5% per annum.

19. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2015 £	2014 £
Net obligations repayable:		
Within one year	54,209	62,760
Between one and five years	<u>36,532</u>	<u>81,476</u>
	<u>90,741</u>	<u>144,236</u>

Company

	Hire purchase contracts	
	2015 £	2014 £
Net obligations repayable:		
Within one year	54,209	62,760
Between one and five years	<u>36,532</u>	<u>81,476</u>
	<u>90,741</u>	<u>144,236</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

19. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

Group

	Land and buildings		Other operating leases	
	2015	2014	2015	2014
	£	£	£	£
Expiring:				
Within one year	-	-	14,088	-
Between one and five years	<u>71,618</u>	<u>-</u>	<u>29,662</u>	<u>46,762</u>
	<u>71,618</u>	<u>-</u>	<u>43,750</u>	<u>46,762</u>

Company

	Other operating leases	
	2015	2014
	£	£
Expiring:		
Within one year	14,088	-
Between one and five years	<u>29,662</u>	<u>46,762</u>
	<u>43,750</u>	<u>46,762</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank overdraft	-	3,563,712	-	3,563,712
Bank loans	5,190,553	4,998,196	4,864,440	4,998,196
Other creditors - HSBC IF	<u>548,372</u>	<u>930,805</u>	<u>548,372</u>	<u>930,805</u>
	<u>5,738,925</u>	<u>9,492,713</u>	<u>5,412,812</u>	<u>9,492,713</u>

General pledge over documents and goods given by Endura Limited. Floating charge over all assets, goodwill, undertaking and uncalled capital both present and future.

Endura Ltd has raised finance of £548,372 (2014 £930,805), included in other creditors, from HSBC IF on the UK Trade Debtor's balance of £1,368,776.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Deferred tax				
Deferred tax	79,161	97,552	79,161	97,552
Deferred tax for year	<u>25,068</u>	<u>(18,391)</u>	<u>25,068</u>	<u>(18,391)</u>
	<u>104,229</u>	<u>79,161</u>	<u>104,229</u>	<u>79,161</u>
 Other provisions	 <u>859,296</u>	 <u>878,707</u>	 <u>602,716</u>	 <u>878,707</u>
 Aggregate amounts	 <u>963,525</u>	 <u>957,868</u>	 <u>706,945</u>	 <u>957,868</u>
 Group			Deferred tax	Other provisions
			£	£
Balance at 1 May 2014			79,161	878,707
Provided during year			-	(19,411)
Accelerated CA's			<u>25,068</u>	<u>-</u>
Balance at 30 April 2015			<u>104,229</u>	<u>859,296</u>
 Company			Deferred tax	Other provisions
			£	£
Balance at 1 May 2014			79,161	878,707
Provided during year			-	(275,991)
Accelerated allowances			<u>25,068</u>	<u>-</u>
Balance at 30 April 2015			<u>104,229</u>	<u>602,716</u>

Other Provisions

Other provisions is the allowance for stock rotations. Customers may return their purchases, under strict conditions, within a 7 month period for stock rotation. The Group provides for the potential reduction in profit that will result from these returned sales.

Deferred Tax

The deferred tax balances as at 30 April 2015 have been recognised at a rate of 20% as this is the rate at which deferred tax is expected to reverse. It was announced in the Summer Budget in July 2015 that the corporation tax rate will further reduce to 19% from 1 April 2017, and to 18% from 1 April 2020; however these reductions have not yet been substantively enacted.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
NIL	Ordinary	£1	-	34,002
37,162	Ordinary 'A'	£1	<u>37,162</u>	<u>-</u>
			<u>37,162</u>	<u>34,002</u>

3,160 Ordinary 'A' shares of £1 each were allotted as fully paid at a premium of £895.90 per share during the year.

During the year 34,002 Ordinary Shares were converted to Ordinary 'A' Shares.

23. RESERVES

Group

	Profit and loss account £	Share premium £	Totals £
At 1 May 2014	5,949,470	-	5,949,470
Profit for the year	1,149,309		1,149,309
Dividends	(62,437)		(62,437)
Cash share issue	<u>-</u>	<u>2,831,044</u>	<u>2,831,044</u>
At 30 April 2015	<u>7,036,342</u>	<u>2,831,044</u>	<u>9,867,386</u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1 May 2014	5,949,470	-	5,949,470
Profit for the year	1,307,669		1,307,669
Dividends	(62,437)		(62,437)
Cash share issue	<u>-</u>	<u>2,831,044</u>	<u>2,831,044</u>
At 30 April 2015	<u>7,194,702</u>	<u>2,831,044</u>	<u>10,025,746</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

24. RELATED PARTY DISCLOSURES

N McFarlane

The mother of J McFarlane, director

has loaned Endura £315,000. Interest is payable on the loan but there are no repayment terms. At the year end the interest accrued was £1,313. Interest is payable at 5% per annum.

	2015 £	2014 £
Amount due to related party at the balance sheet date	<u>316,313</u>	<u>630,000</u>

J B McFarlane

director and shareholder

has made a loan of £299,599 to the company. There are no repayment terms but interest is accruing at 2.5% per annum.

	2015 £	2014 £
Amount due to related party at the balance sheet date	<u>299,599</u>	<u>343,924</u>

Ms P A Barclay

director and shareholder of the company

has made a loan of £399,523 to the company. There are no repayment terms but interest is accruing at 2.5% per annum.

	2015 £	2014 £
Amount due to related party at the balance sheet date	<u>399,523</u>	<u>380,000</u>

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J B McFarlane.

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2015 £	2014 £
Profit for the financial year	1,149,309	791,648
Dividends	<u>(62,437)</u>	<u>(165,105)</u>
	1,086,872	626,543
New share capital subscribed	3,160	-
Share premium account	<u>2,831,044</u>	<u>-</u>
Net addition to shareholders' funds	3,921,076	626,543
Opening shareholders' funds	<u>5,983,472</u>	<u>5,356,929</u>
Closing shareholders' funds	<u>9,904,548</u>	<u>5,983,472</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2015

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2015 £	2014 £
Profit for the financial year	1,307,669	791,648
Dividends	<u>(62,437)</u>	<u>(165,105)</u>
	1,245,232	626,543
New share capital subscribed	3,160	-
Share premium account	<u>2,831,044</u>	<u>-</u>
Net addition to shareholders' funds	4,079,436	626,543
Opening shareholders' funds	<u>5,983,472</u>	<u>5,356,929</u>
Closing shareholders' funds	<u><u>10,062,908</u></u>	<u><u>5,983,472</u></u>