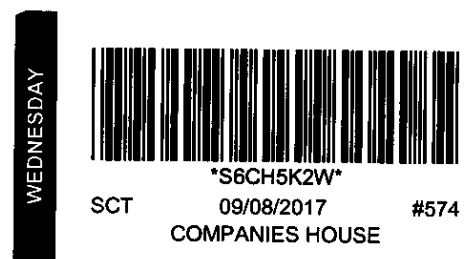


**Group Strategic Report, Directors' Report and
Consolidated Financial Statements for the Year Ended 30 April 2017
for
Endura Limited Group Accounts**



**Contents of the Consolidated Financial Statements
for the Year Ended 30 April 2017**

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Endura Limited Group Accounts

**Company Information
for the Year Ended 30 April 2017**

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 2017

REVIEW OF BUSINESS

The principal activity of the business during the year continued to be the design, manufacture and sale of cycling specific clothing and accessories.

The year to April 17 saw a significant revival of the company's finances following an extremely challenging prior year which had itself been severely impacted by an adverse foreign exchange climate. Turnover, margins, profitability and cash flow were all significantly improved compared to the previous period. The Company refocussed its strategy in the latter part of the previous financial year towards key markets, innovative product, improved marketing and close cost control. These and other initiatives all came together throughout the year under review to deliver not only exceptional results but a strong sense of positive momentum that has continued since the balance sheet date.

A summary of the key performance indicators for the group is shown below:

	Year to April 2017 £'000	Year to April 2016 £'000	Change %
Turnover	£25,116	£22,724	11%
Gross profit	£13,355	£10,694	25%
Profit before tax	£1,848	(£488)	n/a
Shareholders funds	£8,969	£7,512	19%
Net cash from operating activities	£2,810	(£2,078)	n/a

Turnover increased by 11% in the year to reach its highest ever level. The full year impact of prior year price increases, the fall in the value of sterling (and corresponding increase in the value of our export income) following the Brexit vote and a corporate focus on more premium product all contributed to this improvement.

Gross profit also benefits from the higher turnover despite absorbing the negative impact of sterling's devaluation on our cost of sales.

Profit before tax has rebounded from the £0.488m loss making position last year to a profit of £1.85m. A focus on close cost control, particularly in our US subsidiary contributed to this enhanced profit position.

This much strengthened trading position has also resulted in a stronger balance sheet. Shareholder funds have increased by £1.46m with all profits being retained.

Net cash from operating activities this year was £2.8m enabling the repayment of £1.49m of loans or trade finance facilities. The utilisation of trade finance facilities was much reduced throughout the period and we operated comfortably within the facilities at our disposal.

Endura Limited Group Accounts

Group Strategic Report for the Year Ended 30 April 2017

PRINCIPAL RISKS AND UNCERTAINTIES

The group board meets 6 times per annum and routinely evaluates the current and evolving risk landscape to ensure appropriate and considered plans and responses are put in place. In broad terms, the principal risks and uncertainties facing the business can be grouped as - competitive, liquidity, credit, legislative, product and exposure to foreign exchange movements.

Competitive risks continue to exist in all of our major markets. Our response to those risks includes a renewed focus on differentiating the Endura brand and a continued emphasis on innovation. We continue to concentrate exclusively on cycling but across all major cycling disciplines. We believe this combination of sticking to our area of core strength whilst strengthening our brand positioning within every major cycling discipline is the best response to competitive risk.

Liquidity risk continues to be managed through tight cash management practices and ensuring adequate and tailored trade finance facilities. These enable us to fund our supply chain and comfortably absorb the inevitable cash inflow and outflow mismatches throughout the year. We have built a strong relationship with our key banking partners and have traded comfortably within our available facilities throughout the year.

Credit risk from customers failing to pay outstanding amounts is managed through strict policies around to whom and to what level we will provide credit facilities. Trading and payment histories as well as independent credit checks will be closely scrutinised before credit exposures are created. The level of bad debts for the group has been and remains minimal however this is an area where complacency will not be tolerated and adherence to group policies is strictly monitored.

Legislative risk is being used broadly in this context to primarily cover the potential risk from Brexit. Trade with key European markets that is unhindered by trade or tariff barriers is considered critical to the continued success of Endura. Plans are already well underway to consider our potential responses and we anticipate making firm decisions during the remainder of 2017 that will be implemented in 2018.

Product risk is seen as the risk of not remaining relevant to customers. With innovation remaining a fundamental cornerstone of the groups strategy, we are committed to continually striving to better understand our customer groups and evolving our product and service offerings to ensure our relevance is not only maintained but enhanced.

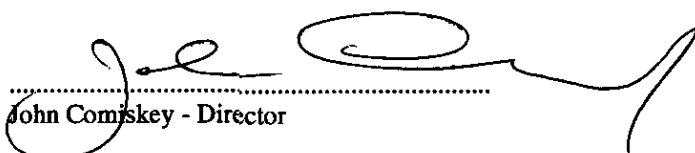
Exposure to foreign exchange movements remains a key risk for the business. To contain this risk and reduce uncertainty we have developed a comprehensive hedging strategy that utilises forward currency contracts. These are used for both our sensitivity to foreign denominated income and foreign denominated costs. These instruments are used only for known or reasonably certain future foreign denominated cash flows.

FUTURE DEVELOPMENTS

We are continuing the implementation of our new strategy that has proven so successful in the year under review. Forward momentum remains positive and our order book continues to suggest strong year on year growth.

As mentioned above, the implications of Brexit present a major uncertainty for our current business model, however we are confident that within the next twelve months we will have developed a fully thought through response that will enable us to move forward with confidence.

ON BEHALF OF THE BOARD:



.....
John Comiskey - Director

Date: 4th August 2017

Endura Limited Group Accounts

Directors' Report for the Year Ended 30 April 2017

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2017.

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

No dividends will be distributed for the year ended 30 April 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2016 to the date of this report.

J B McFarlane

K Hague

Ms P A Barclay

S Scott

J Comiskey

CHARITABLE DONATIONS AND EXPENDITURE

The company made charitable donations of £6,130

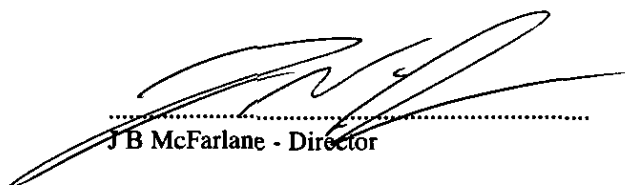
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

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:



.....
J B McFarlane - Director

Date: 4th August 2017

Endura Limited Group Accounts

Statement of Directors' Responsibilities for the Year Ended 30 April 2017

The directors are responsible for preparing the Strategic Report, 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), 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 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 2017 which comprise the Consolidated Income Statement, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flow 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), including FRS 102 "The Financial Reporting standard applicable in the UK and the 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young LLP

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

Date: *7 August 2017*

Endura Limited Group Accounts

Consolidated Income Statement for the Year Ended 30 April 2017

	Notes	2017 £	2016 £
TURNOVER	4	25,115,992	22,723,823
Cost of sales		<u>11,760,584</u>	<u>12,029,456</u>
GROSS PROFIT		13,355,408	10,694,367
Distribution costs		3,174,911	3,270,824
Administrative expenses		<u>8,343,772</u>	<u>7,776,722</u>
		<u>11,518,683</u>	<u>11,047,546</u>
		1,836,725	(353,179)
Other operating income	5	<u>219,062</u>	<u>130,153</u>
OPERATING PROFIT/(LOSS)	8	2,055,787	(223,026)
Interest receivable and similar income		<u>1,170</u>	<u>1,593</u>
		2,056,957	(221,433)
Interest payable and similar expenses	9	<u>209,399</u>	<u>266,376</u>
PROFIT/(LOSS) BEFORE TAXATION		1,847,558	(487,809)
Tax on profit/(loss)	10	<u>244,196</u>	<u>(237,898)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,603,362</u>	<u>(249,911)</u>
Profit/(loss) attributable to: Owners of the parent		<u>1,603,362</u>	<u>(249,911)</u>

The notes form part of these financial statements

Endura Limited Group Accounts

Consolidated Other Comprehensive Income for the Year Ended 30 April 2017

	Notes	2017 £	2016 £
PROFIT/(LOSS) FOR THE YEAR		1,603,362	(249,911)
OTHER COMPREHENSIVE LOSS			
Net movement on cash flow hedge position		(127,459)	(126,096)
Exchange rate difference on translation of Endura Inc at closing v average rate		(44,113)	(40,855)
Income tax relating to components of other comprehensive loss		<u>25,492</u>	<u>25,219</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX		<u>(146,080)</u>	<u>(141,732)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u><u>1,457,282</u></u>	<u><u>(391,643)</u></u>
Total comprehensive income attributable to: Owners of the parent		<u><u>1,457,282</u></u>	<u><u>(391,643)</u></u>

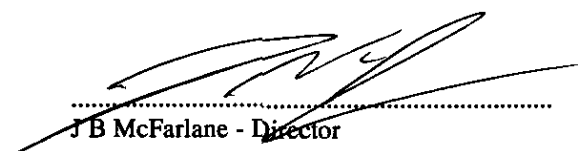
The notes form part of these financial statements

Endura Limited Group Accounts (Registered number: SC128821)

**Consolidated Statement of Financial Position
30 April 2017**

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12		4,240,799		4,398,756
Investments	13		<u>-</u>		<u>-</u>
			4,240,799		4,398,756
CURRENT ASSETS					
Stocks	14	10,625,107		10,388,298	
Debtors	15	6,296,037		6,109,550	
Cash at bank and in hand		<u>700,124</u>		<u>370,772</u>	
		17,621,268		16,868,620	
CREDITORS					
Amounts falling due within one year	16	<u>8,030,974</u>		<u>9,198,576</u>	
NET CURRENT ASSETS			<u>9,590,294</u>		<u>7,670,044</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,831,093		12,068,800
CREDITORS					
Amounts falling due after more than one year	17		(3,245,752)		(3,473,535)
PROVISIONS FOR LIABILITIES	21		<u>(1,615,930)</u>		<u>(1,083,136)</u>
NET ASSETS			<u>8,969,411</u>		<u>7,512,129</u>
CAPITAL AND RESERVES					
Called up share capital	22		32,043		32,043
Share premium	23		1,135,105		1,135,105
Cash flow hedge reserve	23		(133,940)		(31,973)
Retained earnings	23		<u>7,936,203</u>		<u>6,376,954</u>
SHAREHOLDERS' FUNDS			<u>8,969,411</u>		<u>7,512,129</u>

The financial statements were approved by the Board of Directors on 4th August 2017 and were signed on its behalf by:

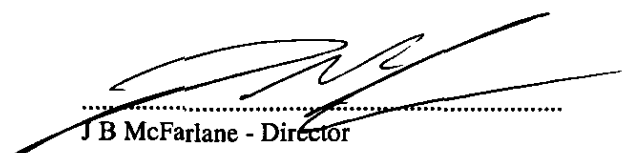

J B McFarlane - Director

The notes form part of these financial statements

Company Statement of Financial Position
30 April 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	4,194,594	4,238,405
Investments	13	<u>1</u>	<u>1</u>
		4,194,595	4,238,406
CURRENT ASSETS			
Stocks	14	9,698,887	9,051,539
Debtors	15	7,343,671	7,737,694
Cash at bank and in hand		<u>593,047</u>	<u>370,772</u>
		17,635,605	17,160,005
CREDITORS			
Amounts falling due within one year	16	<u>8,004,501</u>	<u>9,167,026</u>
NET CURRENT ASSETS		<u>9,631,104</u>	<u>7,992,979</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,825,699	12,231,385
CREDITORS			
Amounts falling due after more than one year	17	(3,245,752)	(3,473,535)
PROVISIONS FOR LIABILITIES	21	<u>(1,279,295)</u>	<u>(850,475)</u>
NET ASSETS		<u>9,300,652</u>	<u>7,907,375</u>
CAPITAL AND RESERVES			
Called up share capital	22	32,043	32,043
Share premium	23	1,135,105	1,135,105
Cash flow hedge reserve	23	(133,940)	(31,973)
Retained earnings	23	<u>8,267,444</u>	<u>6,772,200</u>
SHAREHOLDERS' FUNDS		<u>9,300,652</u>	<u>7,907,375</u>
Company's profit/(loss) for the financial year		<u>1,495,244</u>	<u>(53,880)</u>

The financial statements were approved by the Board of Directors on 4th August 2017 and were signed on its behalf by:


J B McFarlane - Director

Endura Limited Group Accounts

Consolidated Statement of Changes in Equity for the Year Ended 30 April 2017

	Called up share capital £	Retained earnings £	Share premium £	Cash flow hedge reserve £	Total equity £
Balance at 1 May 2015	32,043	6,667,720	1,135,105	68,904	7,903,772
Changes in equity					
Total comprehensive loss	-	(290,766)	-	(100,877)	(391,643)
Balance at 30 April 2016	<u>32,043</u>	<u>6,376,954</u>	<u>1,135,105</u>	<u>(31,973)</u>	<u>7,512,129</u>
Changes in equity					
Total comprehensive income	-	1,559,249	-	(101,967)	1,457,282
Balance at 30 April 2017	<u>32,043</u>	<u>7,936,203</u>	<u>1,135,105</u>	<u>(133,940)</u>	<u>8,969,411</u>

The notes form part of these financial statements

Endura Limited Group Accounts

**Company Statement of Changes in Equity
for the Year Ended 30 April 2017**

	Called up share capital £	Retained earnings £	Share premium £	Cash flow hedge reserve £	Total equity £
Balance at 1 May 2015	32,043	6,826,080	1,135,105	68,904	8,062,132
Changes in equity					
Total comprehensive loss	-	(53,880)	-	(100,877)	(154,757)
Balance at 30 April 2016	<u>32,043</u>	<u>6,772,200</u>	<u>1,135,105</u>	<u>(31,973)</u>	<u>7,907,375</u>
Changes in equity					
Total comprehensive income	-	1,495,244	-	(101,967)	1,393,277
Balance at 30 April 2017	<u>32,043</u>	<u>8,267,444</u>	<u>1,135,105</u>	<u>(133,940)</u>	<u>9,300,652</u>

The notes form part of these financial statements

Endura Limited Group Accounts

Consolidated Statement of Cash Flows for the Year Ended 30 April 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	3,124,310	(1,962,830)
Interest paid		(203,837)	(256,557)
Interest element of hire purchase payments paid		(5,562)	(9,819)
Tax paid		<u>(105,238)</u>	<u>151,575</u>
Net cash from operating activities		<u>2,809,673</u>	<u>(2,077,631)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(340,221)	(463,497)
Sale of tangible fixed assets		114,417	64,219
Government grants		170,783	67,189
Interest received		<u>1,170</u>	<u>1,593</u>
Net cash from investing activities		<u>(53,851)</u>	<u>(330,496)</u>
Cash flows from financing activities			
HSBC Other loans		(1,183,665)	1,845,399
HSBC Term loan		(213,908)	(282,669)
Harris Bank short term loan		(47,220)	(278,892)
Other loans		3,150	785
Capital repayments in year		(50,407)	(62,303)
Amount introduced by directors		-	13,579
Repayment of directors' loans		<u>(571,974)</u>	<u>-</u>
Net cash from financing activities		<u>(2,064,024)</u>	<u>1,235,899</u>
Increase/(decrease) in cash and cash equivalents		<u>691,798</u>	<u>(1,172,228)</u>
Cash and cash equivalents at beginning of year	2	110,293	1,282,521
Effect of foreign exchange rate changes		<u>(101,967)</u>	<u>-</u>
Cash and cash equivalents at end of year	2	<u>700,124</u>	<u>110,293</u>

The notes form part of these financial statements

Endura Limited Group Accounts

Notes to the Consolidated Statement of Cash Flows for the Year Ended 30 April 2017

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017 £	2016 £
Profit/(loss) before taxation	1,847,558	(487,809)
Depreciation charges	377,622	338,671
Loss on disposal of fixed assets	19,087	8,756
(Decrease)/inc stock rotation provision	611,732	81,655
Ex rate difference on value of assets	(12,950)	(6,196)
Sterling translation of Endura Inc	(44,113)	(40,855)
Revaluation of 'A' Shares liability	-	(38,464)
Government grants	(170,783)	(67,189)
Finance costs	209,399	266,376
Finance income	(1,170)	(1,593)
	<u>2,836,382</u>	<u>53,352</u>
Increase in stocks	(236,809)	(678,577)
Increase in trade and other debtors	(186,487)	(710,059)
Increase/(decrease) in trade and other creditors	<u>711,224</u>	<u>(627,546)</u>
Cash generated from operations	<u>3,124,310</u>	<u>(1,962,830)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 April 2017

	30.4.17 £	1.5.16 £
Cash and cash equivalents	700,124	370,772
Bank overdrafts	-	(260,479)
	<u>700,124</u>	<u>110,293</u>

Year ended 30 April 2016

	30.4.16 £	1.5.15 £
Cash and cash equivalents	370,772	1,282,521
Bank overdrafts	(260,479)	-
	<u>110,293</u>	<u>1,282,521</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements for the Year Ended 30 April 2017

1. STATUTORY INFORMATION

Endura Limited Group Accounts is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £.

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 £1.49m (2016 £53.8k loss). Endura Inc has been consolidated in the group financial statements from the date of acquisition using the acquisition method of accounting.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Stock rotation provision:

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. The quantum of the amount of returns is inherently uncertain and the amounts provided are based on prior years' experience and expectations for the future. The calculation of the provision requires the exercise of significant judgement by management.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of 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 10% 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.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017**

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. *Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.*

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency .

The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at the average exchange rates for the period. All resulting exchange rate differences are recognised in other comprehensive income.

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss 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 profit or loss in the period to which they relate.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017**

3. ACCOUNTING POLICIES - continued

Financial instruments

Derivative Financial Instruments and Hedge Accounting

The Company's activities expose it to the financial risks of changes in foreign exchange rates. The Company uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The use of financial derivative is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy.

The Company does not use derivative financial instruments for speculative purposes.

On initial designation of the hedge, the Company formally documents the relationship between the hedge instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedge relationship. The Company makes an assessment, both at the inception of the hedge relationship as well as on an on-going basis, whether each hedging instrument is expected to be "highly effective" in offsetting the changes in the cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 90 - 110 percent.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Where a cash flow hedge is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in shareholders' funds. The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of income as the hedged item.

Changes in the fair value of derivative financial instruments that do not qualify for the hedge accounting are recognised in profit or loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purposes of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments.

When shares are issued, any component that creates a financial liability of the company or the group is presented as a liability in the balance sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity. The carrying amount of the equity component is not re-measured in subsequent years.

The Group's 'A' Ordinary shares have been accounted for as such a hybrid instrument.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

4. 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. All turnover is generated through the sale of goods.

5. OTHER OPERATING INCOME

	2017	2016
	£	£
Sundry receipts	48,279	62,964
Government grants	<u>170,783</u>	<u>67,189</u>
	<u>219,062</u>	<u>130,153</u>

In 2016 and 2017 the company received revenue grants from Scottish Enterprise which are related to product development.

6. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	3,715,040	3,783,699
Social security costs	241,214	228,403
Other pension costs	<u>75,871</u>	<u>70,376</u>
	<u>4,032,125</u>	<u>4,082,478</u>

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

	2017	2016
Administration	59	69
Production	<u>69</u>	<u>64</u>
	<u>128</u>	<u>133</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 13 (2016 - 19).

7. DIRECTORS' EMOLUMENTS

	2017	2016
	£	£
Directors' remuneration	243,643	234,568
Directors' pension contributions to money purchase schemes	<u>3,224</u>	<u>3,100</u>

Information regarding the highest paid director is as follows:

	2017	2016
	£	£
Emoluments etc	110,228	107,736
Pension contributions to money purchase schemes	<u>3,224</u>	<u>3,100</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

8. OPERATING PROFIT/(LOSS)

The operating profit (2016 - operating loss) is stated after charging/(crediting):

	2017 £	2016 £
Other operating leases	106,751	89,121
Depreciation - owned assets	342,597	301,983
Depreciation - assets on hire purchase contracts	35,025	36,688
Loss on disposal of fixed assets	19,087	8,756
Auditors' remuneration	25,886	29,817
Foreign exchange differences	<u>80,414</u>	<u>(120,363)</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank interest	129,727	145,303
Loan interest	74,110	111,254
Hire purchase	<u>5,562</u>	<u>9,819</u>
	<u>209,399</u>	<u>266,376</u>

10. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	323,134	(275,853)
Deferred tax	<u>(78,938)</u>	<u>37,955</u>
Tax on profit/(loss)	<u>244,196</u>	<u>(237,898)</u>

UK corporation tax has been charged at 20% (2016 - 20%).

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

10. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2017 £	2016 £
Profit/(loss) before tax	<u>1,847,558</u>	<u>(487,809)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	369,512	(97,562)
Effects of:		
Expenses not deductible for tax purposes	1,071	5,569
Adjustments to tax charge in respect of previous periods	(236,256)	(262,872)
Tax loss not utilised	100,475	124,660
Depreciation on assets not qualifying for capital allowances	12,325	-
Effect on change in tax rates	(2,931)	-
Increase/(decrease) in tax for FRS 102 adjustments	<u>-</u>	<u>(7,693)</u>
Total tax charge/(credit)	<u>244,196</u>	<u>(237,898)</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2017 Tax £	Net £
Net movement on cash flow hedge position	(127,459)	25,492	(101,967)
Exchange rate difference on translation of Endura Inc at closing v average rate	<u>(44,113)</u>	<u>-</u>	<u>(44,113)</u>
	<u>(171,572)</u>	<u>25,492</u>	<u>(146,080)</u>
	Gross £	2016 Tax £	Net £
Net movement on cash flow hedge position	(126,096)	25,219	(100,877)
Exchange rate difference on translation of Endura Inc at closing v average rate	<u>(40,855)</u>	<u>-</u>	<u>(40,855)</u>
	<u>(166,951)</u>	<u>25,219</u>	<u>(141,732)</u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. As the reductions in the main rate of corporation tax were substantively enacted at the balance sheet date, and reduce the tax rate applying when temporary differences reverse on or after 1 January 2017, it could have the effect of reducing the UK deferred tax assets and liabilities depending upon the timing of the reversal of the temporary differences.

11. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2016	3,657,131	1,052,132	314,854
Additions	97,841	148,279	9,519
Disposals	-	(81,368)	-
Exchange differences	-	-	1,126
At 30 April 2017	<u>3,754,972</u>	<u>1,119,043</u>	<u>325,499</u>
DEPRECIATION			
At 1 May 2016	202,433	576,804	150,475
Charge for year	73,092	199,906	23,098
Eliminated on disposal	-	(20,590)	-
Exchange differences	-	-	1,159
At 30 April 2017	<u>275,525</u>	<u>756,120</u>	<u>174,732</u>
NET BOOK VALUE			
At 30 April 2017	<u>3,479,447</u>	<u>362,923</u>	<u>150,767</u>
At 30 April 2016	<u>3,454,698</u>	<u>475,328</u>	<u>164,379</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2016	456,439	299,658	5,780,214
Additions	68,786	15,796	340,221
Disposals	(135,668)	-	(217,036)
Exchange differences	24,708	6,446	32,280
At 30 April 2017	<u>414,265</u>	<u>321,900</u>	<u>5,935,679</u>
DEPRECIATION			
At 1 May 2016	187,782	263,966	1,381,460
Charge for year	74,749	6,777	377,622
Eliminated on disposal	(62,942)	-	(83,532)
Exchange differences	13,314	4,857	19,330
At 30 April 2017	<u>212,903</u>	<u>275,600</u>	<u>1,694,880</u>
NET BOOK VALUE			
At 30 April 2017	<u>201,362</u>	<u>46,300</u>	<u>4,240,799</u>
At 30 April 2016	<u>268,657</u>	<u>35,692</u>	<u>4,398,754</u>

The net book value of assets held under hire purchase contracts is £57,147 (2016 £201,966).

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

12. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2016	3,657,131	1,014,166	303,304
Additions	97,841	148,279	8,843
Disposals	-	(43,402)	-
At 30 April 2017	<u>3,754,972</u>	<u>1,119,043</u>	<u>312,147</u>
DEPRECIATION			
At 1 May 2016	202,433	570,681	143,643
Charge for year	73,092	199,906	21,600
Eliminated on disposal	-	(14,467)	-
At 30 April 2017	<u>275,525</u>	<u>756,120</u>	<u>165,243</u>
NET BOOK VALUE			
At 30 April 2017	<u>3,479,447</u>	<u>362,923</u>	<u>146,904</u>
At 30 April 2016	<u>3,454,698</u>	<u>443,485</u>	<u>159,661</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2016	301,695	260,243	5,536,539
Additions	68,786	14,697	338,446
Disposals	(15,130)	-	(58,532)
At 30 April 2017	<u>355,351</u>	<u>274,940</u>	<u>5,816,453</u>
DEPRECIATION			
At 1 May 2016	145,718	235,659	1,298,134
Charge for year	57,030	-	351,628
Eliminated on disposal	(13,436)	-	(27,903)
At 30 April 2017	<u>189,312</u>	<u>235,659</u>	<u>1,621,859</u>
NET BOOK VALUE			
At 30 April 2017	<u>166,039</u>	<u>39,281</u>	<u>4,194,594</u>
At 30 April 2016	<u>155,977</u>	<u>24,584</u>	<u>4,238,405</u>

The net book value of assets held under hire purchase contracts is £57,147 (2016 £201,966).

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

13. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 May 2016 and 30 April 2017	<u>1</u>
NET BOOK VALUE	
At 30 April 2017	<u>1</u>
At 30 April 2016	<u>1</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

Endura Inc

Registered office: 2340 East Perry Road, Plainfield, Indianapolis, US.

Nature of business: Sale of Endura branded cycling apparel

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Loss for the year		<u>(541,899)</u>	<u>(630,206)</u>

14. STOCKS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Work-in-progress	393,436	334,559	393,436	334,559
Finished goods	<u>10,231,671</u>	<u>10,053,739</u>	<u>9,305,451</u>	<u>8,716,980</u>
	<u>10,625,107</u>	<u>10,388,298</u>	<u>9,698,887</u>	<u>9,051,539</u>

The amount of stock recognised as an expense in the year is £10.63m.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	5,631,093	5,411,142	4,702,046	4,372,005
Other debtors	2,492	198,428	2,492	198,428
Endura Inc	-	-	1,987,369	2,674,509
VAT	356,593	134,915	356,593	134,915
Prepayments and accrued income	<u>305,859</u>	<u>365,065</u>	<u>295,171</u>	<u>357,837</u>
	<u>6,296,037</u>	<u>6,109,550</u>	<u>7,343,671</u>	<u>7,737,694</u>

The directors consider that the carrying amount of trade debtors approximates to their fair value.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 18)	3,834,469	5,325,835	3,834,469	5,383,709
Other loans (see note 18)	320,247	317,097	320,247	317,097
Hire purchase contracts (see note 19)	13,875	50,407	13,875	50,407
Trade creditors	2,284,043	1,832,497	2,284,043	1,783,633
Tax	379,759	161,863	379,759	161,863
Social security and other taxes	66,592	58,094	66,592	58,094
Other creditors	329,631	354,504	329,631	354,504
Derivative financial instrument	133,940	31,973	133,940	31,973
Directors' loan accounts	140,727	712,701	140,727	712,702
Accruals and deferred income	<u>527,691</u>	<u>353,605</u>	<u>501,218</u>	<u>313,044</u>
	<u>8,030,974</u>	<u>9,198,576</u>	<u>8,004,501</u>	<u>9,167,026</u>

The directors consider that the carrying amount of trade creditors approximates to their fair value.

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 18)	1,195,130	1,409,038	1,195,130	1,409,038
Hire purchase contracts (see note 19)	19,406	33,281	19,406	33,281
Other creditors	<u>2,031,216</u>	<u>2,031,216</u>	<u>2,031,216</u>	<u>2,031,216</u>
	<u>3,245,752</u>	<u>3,473,535</u>	<u>3,245,752</u>	<u>3,473,535</u>

Other creditors consist of preference shares and is the potential liability that may arise when some preference 'A' shares are entitled to be redeemed.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	260,479	-	365,577
Bank loans	3,834,469	5,065,356	3,834,469	5,018,132
Other loans	<u>320,247</u>	<u>317,097</u>	<u>320,247</u>	<u>317,097</u>
	<u>4,154,716</u>	<u>5,642,932</u>	<u>4,154,716</u>	<u>5,700,806</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>218,808</u>	<u>218,808</u>	<u>218,808</u>	<u>218,808</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>656,424</u>	<u>656,424</u>	<u>656,424</u>	<u>656,424</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more than 5 years by instalments	<u>319,898</u>	<u>533,806</u>	<u>319,898</u>	<u>533,806</u>
	<u>1,195,130</u>	<u>1,409,038</u>	<u>1,195,130</u>	<u>1,409,038</u>

The business has 2 term loans and the rate of interest on these loans is 2.95% above the bank lending rate.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	13,875	50,407
Between one and five years	<u>19,406</u>	<u>33,281</u>
	<u>33,281</u>	<u>83,688</u>

Company

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	13,875	50,407
Between one and five years	<u>19,406</u>	<u>33,281</u>
	<u>33,281</u>	<u>83,688</u>

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank overdraft	-	260,479	-	365,577
Bank loans	5,029,599	6,474,394	5,029,599	6,427,170
Other creditors - HSBC IF	-	283,268	-	283,268
	<u>5,029,599</u>	<u>7,018,141</u>	<u>5,029,599</u>	<u>7,076,015</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.

Last year Endura Ltd raised finance of £283,268 included in other creditors, from HSBC IF on the UK Trade Debtor's balance of £2,067,135. At the balance sheet date there were no borrowings from HSBC IF.

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax				
Deferred tax	104,053	104,229	104,053	104,229
Deferred tax for year	(40,807)	37,955	(40,807)	37,955
	<u>63,246</u>	<u>142,184</u>	<u>63,246</u>	<u>142,184</u>
Other provisions	<u>1,552,684</u>	<u>940,952</u>	<u>1,216,049</u>	<u>708,291</u>
Aggregate amounts	<u>1,615,930</u>	<u>1,083,136</u>	<u>1,279,295</u>	<u>850,475</u>

Group

	Deferred tax	Other provisions
	£	£
Balance at 1 May 2016	142,184	940,952
Accelerated allowances	(40,807)	-
Stock rotation provision	-	611,732
Deferred currency gains	(38,131)	-
Balance at 30 April 2017	<u>63,246</u>	<u>1,552,684</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017

21. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £	Other provisions £
Balance at 1 May 2016	142,184	718,701
Accelerated allowances	(40,807)	-
Stock rotation provision	-	507,758
Deferred currency gains	<u>(38,131)</u>	<u>-</u>
Balance at 30 April 2017	<u>63,246</u>	<u>1,226,459</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

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. As the reductions in the main rate of corporation tax were substantively enacted at the balance sheet date, and reduce the tax rate applying when temporary differences reverse on or after 1 January 2017, it could have the effect of reducing the UK deferred tax assets and liabilities depending upon the timing of the reversal of the temporary differences.

£41,201 deferred tax is expected to reverse in the year to 30 April, 2018.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
28,614	Ordinary	£1	28,614	28,614
8,548	Ordinary 'A'	£1	8,548	8,548
5,119	Ordinary 'A' (treated as preference share)	£1	<u>(5,119)</u>	<u>(5,119)</u>
			<u>32,043</u>	<u>32,043</u>

Endura Ltd has 8,548 issued Ordinary 'A' shares. 5,119 of these shares have terms that create a liability on the company and so have been removed from shares in the capital and reserves section of the balance sheet and are now classified as a debt instrument. The number of shares registered at Companies House has not been affected by this reclassification.

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

23. RESERVES

Group

	Retained earnings £	Share premium £	Cash flow hedge reserve £	Totals £
At 1 May 2016	6,376,954	1,135,105	(31,973)	7,480,086
Profit for the year	1,603,362			1,603,362
Fair value adjustment on foreign exchange forwards	-	-	(101,967)	(101,967)
Exchange rate difference on translation of Endura Inc.	(44,113)	-	-	(44,113)
At 30 April 2017	<u>7,936,203</u>	<u>1,135,105</u>	<u>(133,940)</u>	<u>8,937,368</u>

Company

	Retained earnings £	Share premium £	Cash flow hedge reserve £	Totals £
At 1 May 2016	6,772,200	1,135,105	(31,973)	7,875,332
Profit for the year	1,495,244			1,495,244
Fair value adjustment on foreign exchange forwards	-	-	(101,967)	(101,967)
At 30 April 2017	<u>8,267,444</u>	<u>1,135,105</u>	<u>(133,940)</u>	<u>9,268,609</u>

24. CONTINGENT LIABILITIES

Previously Endura Limited used an Employee Benefit Trust in order to reward and incentivise key employees of the business. HMRC has challenged the UK tax treatment of this and similar EBT's. It is possible that this may result in a tax charge being levied on the company, however, the final sum cannot be determined so no provision for any liability has been made in these financial statements.

25. RELATED PARTY DISCLOSURES

The remuneration of the Directors, who are the key management personnel of the company is disclosed in Note 7.

Entities over which the entity has control, joint control or significant influence

	2017 £	2016 £
Bike trail for use of Endura Lifecycle Trust	<u>117,550</u>	<u>-</u>

Endura Lifecycle Trust is a charity set up to provide bike trail facilities to disadvantaged groups. J McFarlane and P Barclay are trustees of the charity. Endura Ltd has built a bike trail that will be used by the charity on land that is owned by J McFarlane and P Barclay. The cost of the trail is £117,550

Endura Limited Group Accounts

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 April 2017

25. RELATED PARTY DISCLOSURES - continued

Key management personnel of the entity or its parent (in the aggregate)

	2017	2016
	£	£
Amount due to related party	<u>140,727</u>	<u>712,702</u>

Endura Limited Group has borrowed £140,727 from key management personnel. There are no repayment terms but interest is accruing at 4% per annum

Other related parties

	2017	2016
	£	£
Amount due to related party	<u>316,313</u>	<u>317,097</u>

Endura Ltd has borrowed £315,000 from N McFarlane, the mother of J McFarlane, Director. At the year end interest of £1,313 was due. There are no repayment terms but interest is charged at 5% per annum

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J B McFarlane.