

REGISTERED NUMBER: 04139146 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
CYBEX INTERNATIONAL UK LIMITED

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

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FOR THE YEAR ENDED 31 DECEMBER 2017

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CYBEX INTERNATIONAL UK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:

J S Worthy
F H L Van De Ven
J Foran

SECRETARY:

J H Greenard

REGISTERED OFFICE:

c/o Life Fitness (UK) Ltd
Queen Adelaide
Ely
Cambridgeshire
CB7 4UB

REGISTERED NUMBER:

04139146 (England and Wales)

AUDITORS:

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

CESSATION OF TRADING

The company ceased trading on 1 October 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a non-trading company.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

J S Worthy
F H L Van De Ven

Other changes in directors holding office are as follows:

J Foran was appointed as a director after 31 December 2017 but prior to the date of this report.

M T Vaughn ceased to be a director after 31 December 2017 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 company'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 company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

J Foran - Director

2 August 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CYBEX INTERNATIONAL UK LIMITED

Opinion

We have audited the financial statements of Cybex International UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CYBEX INTERNATIONAL UK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit,
we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you

if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion.

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

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

John Hatcher (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

3 August 2018

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 Continuing £	2017 Discontinued £	2017 Total £
TURNOVER	3	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		-	-	-
Tax on profit	7	<u>-</u>	<u>21,293</u>	<u>21,293</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>-</u></u>	<u><u>21,293</u></u>	<u><u>21,293</u></u>

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2016 Continuing £	2016 Discontinued £	2016 Total £
TURNOVER	3	-	2,747,541	2,747,541
Cost of sales		-	<u>(2,471,000)</u>	<u>(2,471,000)</u>
GROSS PROFIT		-	276,541	276,541
Administrative expenses		-	<u>(952,848)</u>	<u>(952,848)</u>
OPERATING LOSS	5	-	(676,307)	(676,307)
Interest receivable and similar income		-	377	377
Interest payable and similar expenses	6	-	(4,857)	(4,857)
LOSS BEFORE TAXATION		-	<u>(680,787)</u>	<u>(680,787)</u>
Tax on loss	7	-	<u>149,038</u>	<u>149,038</u>
LOSS FOR THE FINANCIAL YEAR		-	<u><u>(531,749)</u></u>	<u><u>(531,749)</u></u>

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
PROFIT/(LOSS) FOR THE YEAR		21,293	(531,749)
OTHER COMPREHENSIVE INCOME			
Revaluation of tangible fixed assets		-	20,079
Disposal of revalued fixed assets		-	(20,079)
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME		<hr/>	<hr/>
FOR THE YEAR, NET OF INCOME TAX		-	-
TOTAL COMPREHENSIVE INCOME		<hr/>	<hr/>
FOR THE YEAR		21,293 <hr/>	(531,749) <hr/>

BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	9	48,906	10,159
Cash at bank and in hand		<u>498,946</u>	<u>589,906</u>
		547,852	600,065
CREDITORS			
Amounts falling due within one year	10	<u>-</u>	<u>73,506</u>
NET CURRENT ASSETS		<u>547,852</u>	<u>526,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>547,852</u>	<u>526,559</u>
CAPITAL AND RESERVES			
Called up share capital	11	5,771,338	5,771,338
Retained earnings	12	<u>(5,223,486)</u>	<u>(5,244,779)</u>
SHAREHOLDERS' FUNDS		<u>547,852</u>	<u>526,559</u>

The financial statements were approved by the Board of Directors on 2 August 2018 and were signed on its behalf by:

J Foran - Director

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

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2016	3,826,323	(4,713,030)	-	(886,707)
Changes in equity				
Issue of share capital	1,945,015	-	-	1,945,015
Total comprehensive income	-	(531,749)	-	(531,749)
Balance at 31 December 2016	<u>5,771,338</u>	<u>(5,244,779)</u>	<u>-</u>	<u>526,559</u>
Changes in equity				
Total comprehensive income	-	21,293	-	21,293
Balance at 31 December 2017	<u>5,771,338</u>	<u>(5,223,486)</u>	<u>-</u>	<u>547,852</u>

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

1. STATUTORY INFORMATION

Cybox International UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements were prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements were prepared under the historical cost convention, as modified by the revaluation of certain assets.

The company ceased to trade on 1st October 2016 when its business, together with the bulk of the company's assets and liabilities, were sold as a going concern to a fellow group undertaking. The financial statements for the year ended 31st December 2016 were therefore prepared on a realisation basis.

During the period ended 31 December 2018 it is anticipated that steps will be taken to close the company and have it struck off the Companies House Register.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The results of the company have been consolidated into the group accounts of the company's ultimate parent company, Brunswick Corporation and copies of its financial statements are available from:

Brunswick Corporation
26125 N Riverwoods Blvd
Ste 500 Mettawa
Illinois 60045
USA

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions:

Extended warranties

The company recognised a provision for the best estimate of the costs of making good under the warranties.

These provisions required management's best estimate of the costs that will be incurred based on past experience. In addition, the discount rates used to establish net present value of the obligations required management's judgement.

During the year ended 31 December 2016 there was a change in these accounting estimates as disclosed below in

Note 8 to the financial statements, and subsequently these provisions formed part of the business assets and

liabilities transferred to a fellow group company on 1 October 2016, therefore their carrying value at 31st

December 2016 was £Nil.

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continued...

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

2. ACCOUNTING POLICIES - continued

Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of fitness and sports equipment and associated parts is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Extended warranties

Revenues attributable to extended warranties are deferred and recognised over the period covered by the warranty.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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

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.

Hire purchase and leasing commitments

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

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Debtors and creditors receivable / payable within one year

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 profit and loss account in other administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market for the year ended 31 December 2016 is given below:

	£
UK	2,673,216
Europe	<u>74,325</u>
	<u><u>2,747,541</u></u>

This analysis is not considered to be applicable to the year ended 31 December 2017.

4. EMPLOYEES AND DIRECTORS

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

	2017	2016
	-	18
	<u>-</u>	<u>18</u>
	2017	2016
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. OPERATING LOSS

The operating loss is stated after charging:

	2017	2016
	£	£
Operating lease charges	-	57,685
Depreciation - owned assets	-	16,639
Loss on disposal of fixed assets	-	13,424
Auditors' remuneration - Current year	-	-
Auditors' remuneration - Other services	-	4,662
Foreign exchange differences	-	55,710
Cost of stock recognised as an expense	<u>-</u>	<u>1,950,561</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	<u>-</u>	<u>4,857</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**7. TAXATION****Analysis of the tax credit**

The tax credit on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
Group company contribution for surrender of tax losses in the year	<u>(21,293)</u>	<u>(149,038)</u>
Tax on loss	<u>(21,293)</u>	<u>(149,038)</u>

UK corporation tax was charged at 20%) in 2016.

Reconciliation of total tax 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 £
Loss before tax	<u>-</u>	<u>(680,787)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	-	(136,157)
Effects of:		
Expenses not deductible for tax purposes	-	(96)
Depreciation in excess of capital allowances	-	6,002
Excess tax losses arising in the year	-	130,251
Group company contribution for surrender of tax losses in the year	<u>(21,293)</u>	<u>(149,038)</u>
Total tax credit	<u>(21,293)</u>	<u>(149,038)</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2017.

	Gross £	2016 Tax £	Net £
Revaluation of tangible fixed assets	20,079	-	20,079
Disposal of revalued fixed assets	<u>(20,079)</u>	<u>-</u>	<u>(20,079)</u>
	<u>-</u>	<u>-</u>	<u>-</u>

At 31st December 2017 there were no tax losses (2016: £5,029,367) which were available for relief against future trading profits of the company / group.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**8. EXCEPTIONAL ITEMS**

During the year ended 31 December 2016 the directors made a change in their accounting estimate for deferred warranty revenue in respect of the future costs of making good under these warranties, largely based on past experience of these costs. A discount factor was applied to arrive at the present value of these future net cash flows.

The impact of this change was to decrease the value of the company's liabilities by £356,671 and to recognise exceptional turnover in the year ended 31 December 2016 of £356,671.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed by group undertakings	21,293	-
Other debtors	10,159	10,159
VAT	17,454	-
	<u>48,906</u>	<u>10,159</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed to fellow group undertaking	-	38,044
Social security and other taxes	-	<u>35,462</u>
	<u>-</u>	<u>73,506</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
		£1	£	£
5,771,338	Ordinary		<u>5,771,338</u>	<u>5,771,338</u>

12. RESERVES

	Retained earnings
	£
At 1 January 2017	(5,244,779)
Profit for the year	<u>21,293</u>
At 31 December 2017	<u>(5,223,486)</u>

13. PARENT COMPANY / ULTIMATE PARENT COMPANY

The company's parent company is Normalduns BV, a company incorporated in the Netherlands.

The company's ultimate parent company is Brunswick Corporation, a company incorporated in the United States of America.