

**GEMU VALVES LIMITED**  
**Financial Statements**  
**31 December 2016**

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**SHEPPARDS**  
Chartered accountant & statutory auditor  
Oak House  
Barrington Road  
Altrincham  
Cheshire  
WA14 1HZ

# **GEMU VALVES LIMITED**

## **Financial Statements**

**Year Ended 31 December 2016**

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# **GEMU VALVES LIMITED**

## **Officers and Professional Advisers**

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<b>The board of directors</b>	Mr F Müller Mr S Orton Mr S Müller Mr A Winkler
<b>Company secretary</b>	Mr A Winkler
<b>Registered office</b>	10 Olympic Way Birchwood Warrington Cheshire WA2 0YL
<b>Auditor</b>	Sheppards Chartered accountant & statutory auditor Oak House Barrington Road Altrincham Cheshire WA14 1HZ
<b>Bankers</b>	Barclays Bank plc PO Box 159 Sankey Street Warrington Cheshire WA1 1XQ
<b>Solicitors</b>	Steels Solicitors 17 Bold Street Warrington Cheshire WA1 1DH

# GEMU VALVES LIMITED

## Statement of Financial Position

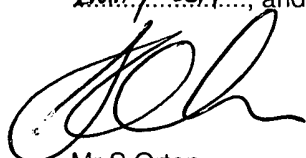
31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	7	724,813	742,750
<b>Current assets</b>			
Stocks	8	61,337	68,576
Debtors	9	926,610	789,125
Cash at bank and in hand		918,328	1,710,076
		<u>1,906,275</u>	<u>2,567,777</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>530,732</u>	<u>551,393</u>
<b>Net current assets</b>		<u>1,375,543</u>	<u>2,016,384</u>
<b>Total assets less current liabilities</b>		<u>2,100,356</u>	<u>2,759,134</u>
<b>Provisions</b>			
Taxation including deferred tax		16,090	12,924
<b>Net assets</b>		<u>2,084,266</u>	<u>2,746,210</u>
<b>Capital and reserves</b>			
Called up share capital	12	200,000	200,000
Profit and loss account		1,884,266	2,546,210
<b>Members funds</b>		<u>2,084,266</u>	<u>2,746,210</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 2 May 2017, and are signed on behalf of the board by:



Mr S Orton  
Director



Mr A Winkler  
Director

Company registration number: 01567612

The notes on pages 3 to 9 form part of these financial statements.

# **GEMU VALVES LIMITED**

## **Notes to the Financial Statements**

**Year Ended 31 December 2016**

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### **1. General information**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is 10 Olympic Way, Birchwood, Warrington, Cheshire, WA2 0YL.

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

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

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

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

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

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 17.

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

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

#### **Significant judgements**

There were no significant judgements that management has made in the process of applying the entity's accounting policies.

# **GEMU VALVES LIMITED**

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

### **Year Ended 31 December 2016**

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

##### **Judgements and key sources of estimation uncertainty** *(continued)*

###### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

###### **Useful economic lives of tangible fixed assets**

As described in the accounting policies note to the financial statements, depreciation of tangible fixed assets has been based on economic useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other businesses operating in the sector and actual asset lives and residual values, as evidenced by disposals during current and prior accounting periods.

###### **Revenue recognition**

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

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

###### **Income tax**

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

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

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

# **GEMU VALVES LIMITED**

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

**Year Ended 31 December 2016**

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

#### **Foreign currencies**

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

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### **Tangible assets**

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

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

#### **Depreciation**

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

Freehold Property	-	30 years straight line
Plant and Machinery	-	10% - 33% straight line
Motor Vehicles	-	33% straight line
Equipment	-	10% - 33% straight line

#### **Stocks**

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

#### **Provisions**

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

# GEMU VALVES LIMITED

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

### Year Ended 31 December 2016

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

##### Provisions *(continued)*

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

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# GEMU VALVES LIMITED

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

Year Ended 31 December 2016

### 4. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>6,491</u>	<u>5,675</u>

### 5. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 15 (2015: 15).

### 6. Profit before taxation

Profit before taxation is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	<u>97,301</u>	<u>89,524</u>

### 7. Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 January 2016	725,717	11,967	186,878	87,108	1,011,670
Additions	—	2,099	64,112	13,156	79,367
Disposals	—	—	(56,986)	(11,431)	(68,417)
<b>At 31 December 2016</b>	<u>725,717</u>	<u>14,066</u>	<u>194,004</u>	<u>88,833</u>	<u>1,022,620</u>
<b>Depreciation</b>					
At 1 January 2016	102,252	7,110	113,940	45,618	268,920
Charge for the year	24,118	1,795	56,736	14,652	97,301
Disposals	—	—	(56,984)	(11,430)	(68,414)
<b>At 31 December 2016</b>	<u>126,370</u>	<u>8,905</u>	<u>113,692</u>	<u>48,840</u>	<u>297,807</u>
<b>Carrying amount</b>					
<b>At 31 December 2016</b>	<u>599,347</u>	<u>5,161</u>	<u>80,312</u>	<u>39,993</u>	<u>724,813</u>
At 31 December 2015	<u>623,465</u>	<u>4,857</u>	<u>72,938</u>	<u>41,490</u>	<u>742,750</u>

### 8. Stocks

	2016 £	2015 £
Raw materials and consumables	<u>61,337</u>	<u>68,576</u>

# GEMU VALVES LIMITED

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

### Year Ended 31 December 2016

#### 9. Debtors

	2016	2015
	£	£
Trade debtors	889,401	750,871
Other debtors	37,209	38,254
	<u>926,610</u>	<u>789,125</u>

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

	2016	2015
	£	£
Trade creditors	4,706	3,338
Amounts owed to group undertakings and undertakings in which the company has a participating interest	224,741	284,408
Corporation tax	5,338	37,818
Social security and other taxes	225,945	155,968
Other creditors	70,002	69,861
	<u>530,732</u>	<u>551,393</u>

#### 11. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016	2015
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	889,401	750,871
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	237,773	298,621

#### 12. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

#### 13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Later than 1 year and not later than 5 years	<u>1,856</u>	<u>2,681</u>

# **GEMU VALVES LIMITED**

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

### **Year Ended 31 December 2016**

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#### **14. Contingencies**

The company has given a bank guarantee of £4,000 to HM Revenue and Customs.

#### **15. Summary audit opinion**

The auditor's report for the year dated 23 MAY 2017 was unqualified.

The senior statutory auditor was Charles Levine BA FCA, for and on behalf of Sheppards.

#### **16. Controlling party**

The immediate parent undertaking is Gemü Holding AG (Ltd), a company incorporated in Switzerland.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Gemü Holding GmbH & Co KG, a limited partnership business entity incorporated in Germany. Copies of the consolidated accounts can be obtained from The Secretary at Fritz-Müller-Strabe 8, 74653 Ingelfingen, Germany.

#### **17. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

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