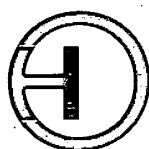


Company Registration No. 02321021 (England and Wales)

GEMACO HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



HILIOSBORNE
CHARTERED ACCOUNTANTS & BUSINESS ADVISERS

GEMACO HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A Lodge Mrs Julie Lodge (Appointed 11 March 2016)
Company number	02321021
Registered office	32-40 Harwell Road Nuffield Industrial Estate Poole Dorset BH17 0GE
Auditor	Hill Osborne Ltd Tower House Parkstone Road Poole Dorset BH15 2JH
Business address	32-40 Harwell Road Nuffield Industrial Estate Poole Dorset BH17 0GE

GEMACO HOLDINGS LIMITED

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GEMACO HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report for the year ended 31 December 2015.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors, who expect continued growth in the foreseeable future.

Principal risks and uncertainties

The key business risks and uncertainties are challenges from competitors and retention of key employees.

Development and performance

The commercial environment is expected to be challenging for the year ahead, but the directors are confident that the present level of activity can be maintained.

Key performance indicators

The key performance indicators are as follows:-

	2015	2014
	£	£
Turnover	4,603,394	4,105,769
Profit before tax	414,351	592,275
	%	%
Gross profit margin	33.48	40.38
Net profit margin	9.00	14.43

On behalf of the board


A Lodge
Director

28/9/16

GEMACO HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the group continued to be that of cable manufacture and the letting of industrial properties.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Lodge	(Resigned 11 March 2016)
A Lodge	
Mrs Julie Lodge	(Appointed 11 March 2016)

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £269,000. The directors do not recommend payment of a further dividend.

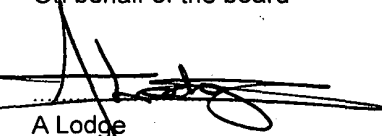
Auditor

In accordance with the company's articles, a resolution proposing that Hill Osborne Ltd be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



A Lodge

Director

28/4/16

GEMACO HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GEMACO HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GEMACO HOLDINGS LIMITED

We have audited the financial statements of Gemaco Holdings Limited for the year ended 31 December 2015 set out on pages 6 to 37. 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 Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

The group has a policy of revaluation of its land and buildings. The last valuation took place in 2009. The timing of this valuation is not in accordance with FRS15 and is now out of date. Any surplus or deficit arising from a revaluation would increase or decrease the amounts shown in the balance sheet for land and buildings and would be credited or charged to the revaluation reserve. Any deficit in excess of the revaluation reserve would be charged to the profit and loss account.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GEMACO HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GEMACO HOLDINGS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

A.R. Hill BSc (Econ) FCA (Senior Statutory Auditor)
for and on behalf of Hill Osborne Ltd

29-9-16

Chartered Accountants
Statutory Auditor

Tower House
Parkstone Road
Poole
Dorset
BH15 2JH

GEMACO HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	4,603,394	4,105,769
Cost of sales		(3,062,098)	(2,447,831)
Gross profit		1,541,296	1,657,938
Administrative expenses		(1,080,149)	(941,728)
Other operating income		28,757	-
Exceptional item	4	-	(52,301)
Operating profit	5	489,904	663,909
Interest receivable and similar income	9	13,725	7,900
Interest payable and similar charges	10	(89,278)	(79,534)
Profit before taxation		414,351	592,275
Taxation	11	(110,906)	(81,489)
Profit for the financial year		303,445	510,786

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GEMACO HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Profit for the year	303,445	510,786
Other comprehensive income	-	-
Total comprehensive income for the year	<u>303,445</u>	<u>510,786</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

GEMACO HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Goodwill	13		(4,167)		(5,557)
Other intangible assets	13		354,208		413,554
Total intangible assets			350,041		407,997
Tangible assets	14		3,578,336		3,494,942
Investment properties	15		1,559,999		1,559,999
			5,488,376		5,462,938
Current assets					
Stocks	19	1,239,534		1,172,157	
Debtors	20	1,296,523		1,151,380	
Cash at bank and in hand		223,081		237,402	
		2,759,138		2,560,939	
Creditors: amounts falling due within one year	21	(1,185,039)		(973,384)	
Net current assets			1,574,099		1,587,555
Total assets less current liabilities			7,062,475		7,050,493
Creditors: amounts falling due after more than one year	22		(1,377,222)		(1,416,285)
Provisions for liabilities	25		(381,804)		(365,204)
Net assets			5,303,449		5,269,004
Capital and reserves					
Called up share capital	26		4,000		4,500
Share premium account			70,000		70,000
Revaluation reserve			2,275,144		2,275,144
Capital redemption reserve			500		-
Profit and loss reserves			2,953,805		2,919,360
Total equity			5,303,449		5,269,004

The financial statements were approved by the board of directors and authorised for issue on 28-9-16 and are signed on its behalf by:

A Lodge
Director

GEMACO HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	14	112,419		35,984	
Investment properties	15	4,658,604		4,658,604	
Investments	16	102		102	
		<u>4,771,125</u>		<u>4,694,690</u>	
Current assets					
Debtors	20	798,824		906,179	
Cash at bank and in hand		1,885		6,469	
		<u>800,709</u>		<u>912,648</u>	
Creditors: amounts falling due within one year	21	<u>(423,912)</u>		<u>(385,650)</u>	
Net current assets		376,797		526,998	
Total assets less current liabilities		5,147,922		5,221,688	
Creditors: amounts falling due after more than one year	22	(1,297,535)		(1,357,639)	
Provisions for liabilities	25	(318,065)		(309,274)	
Net assets		<u>3,532,322</u>		<u>3,554,775</u>	
Capital and reserves					
Called up share capital	26	4,000		4,500	
Share premium account		70,000		70,000	
Revaluation reserve		2,275,144		2,275,144	
Capital redemption reserve		500		-	
Profit and loss reserves		1,182,678		1,205,131	
Total equity		<u>3,532,322</u>		<u>3,554,775</u>	

The financial statements were approved by the board of directors and authorised for issue on 28-9-16 and are signed on its behalf by:


A Lodge
Director

Company Registration No. 02321021

GEMACO HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		4,500	70,000	1,576,177	-	2,395,468	4,046,145
Effect of transition to FRS 102		-	-	698,967	-	63,902	762,869
As restated		4,500	70,000	2,275,144	-	2,459,370	4,809,014
Year ended 31 December 2014:							
Profit and total comprehensive income for the year		-	-	-	-	510,786	510,786
Dividends	12	-	-	-	-	(50,800)	(50,800)
Balance at 31 December 2014		4,500	70,000	2,275,144	-	2,919,360	5,269,004
Year ended 31 December 2015:							
Profit and total comprehensive income for the year		-	-	-	-	303,445	303,445
Dividends	12	-	-	-	-	(269,000)	(269,000)
Redemption of shares	26	(500)	-	-	500	-	-
Balance at 31 December 2015		4,000	70,000	2,275,144	500	2,953,805	5,303,449

GEMACO HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		4,500	70,000	1,576,177	-	915,336	2,566,013
Effect of transition to FRS 102		-	-	698,967	-	78,531	777,498
As restated		4,500	70,000	2,275,144	-	993,867	3,343,511
Year ended 31 December 2014:							
Profit and total comprehensive income for the year		-	-	-	-	262,064	262,064
Dividends	12	-	-	-	-	(50,800)	(50,800)
Balance at 31 December 2014		4,500	70,000	2,275,144	-	1,205,131	3,554,775
Year ended 31 December 2015:							
Profit and total comprehensive income for the year		-	-	-	-	246,547	246,547
Dividends	12	-	-	-	-	(269,000)	(269,000)
Redemption of shares	26	(500)	-	-	-	-	(500)
Transfers		-	-	-	500	-	500
Balance at 31 December 2015		4,000	70,000	2,275,144	500	1,182,678	3,532,322

GEMACO HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	32	594,201		429,781	
Interest paid		(89,278)		(79,534)	
Income taxes refunded/(paid)		300,161		(52,194)	
Net cash inflow from operating activities		805,084		298,053	
Investing activities					
Purchase of tangible fixed assets		(268,819)		(241,133)	
Proceeds on disposal of tangible fixed assets		7,000		-	
Proceeds from other investments and loans		120,747		-	
Interest received		13,725		7,900	
Net cash used in investing activities		(127,347)		(233,233)	
Financing activities					
Repayment of borrowings		-		2,600	
Repayment of bank loans		(141,667)		(141,667)	
Payment of finance leases obligations		137,019		97,324	
Dividends paid to equity shareholders		(269,000)		(50,800)	
Net cash used in financing activities		(273,648)		(92,543)	
Net increase/(decrease) in cash and cash equivalents		404,089		(27,723)	
Cash and cash equivalents at beginning of year		160,025		187,748	
Cash and cash equivalents at end of year		223,081		160,025	
Relating to:					
Cash at bank and in hand		223,081		237,402	
Bank overdrafts included in creditors payable within one year		-		(77,377)	

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Gemaco Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Gemaco Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £246,547 (2014 - £262,064 profit).

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Gemaco Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2015. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development Costs	10 years straight line
-------------------	------------------------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets include investment properties professionally valued by the directors on an existing use open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Land and buildings Leasehold	10 years straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2015 £	2014 £
Turnover		
Manufacturing sales	4,439,723	3,947,743
Rental income	160,767	154,690
Management charges	2,904	3,336
	<u>4,603,394</u>	<u>4,105,769</u>
 Other significant revenue		
Interest income	<u>13,725</u>	<u>7,900</u>

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

4	Exceptional costs/(income)	2015	2014
		£	£
	Exceptional item	-	52,301
	The exceptional item in 2014 related to the write off of a loan to another company.		
5	Operating profit	2015	2014
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange gains	(3,031)	(11,367)
	Research and development costs	-	4,000
	Depreciation of owned tangible fixed assets	97,729	87,092
	Depreciation of tangible fixed assets held under finance leases	79,091	39,946
	Profit on disposal of tangible fixed assets	1,606	7,604
	Amortisation of intangible assets	57,956	2,896
	Cost of stocks recognised as an expense	1,707,955	1,367,440
	Operating lease charges	63,149	55,258
6	Auditor's remuneration	2015	2014
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	6,500	6,500
	Audit of the company's subsidiaries	17,900	17,580
		24,400	24,080
7	Employees		
	The average monthly number of persons (including directors) employed by the group during the year was:		
		2015	2014
		Number	Number
	Administration	59	92
	Directors	2	20
		61	112

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

7	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2015	2014
		£	£
	Wages and salaries	1,222,692	1,053,181
	Social security costs	91,941	79,253
		<u>1,314,633</u>	<u>1,132,434</u>
8	Directors' remuneration		
		2015	2014
		£	£
	Remuneration for qualifying services	32,922	32,462
9	Interest receivable and similar income		
		2015	2014
		£	£
	Interest income		
	Other interest income	13,725	7,900
10	Interest payable and similar charges		
		2015	2014
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	65,625	67,619
	Interest on finance leases and hire purchase contracts	7,989	4,757
	Other interest on financial liabilities	2,979	1,737
		<u>76,593</u>	<u>74,113</u>
	Other finance costs:		
	Other interest	12,685	5,421
		<u>89,278</u>	<u>79,534</u>
11	Taxation		
		2015	2014
		£	£
	Current tax		
	UK corporation tax on profits for the current period	94,045	69,613
	Adjustments in respect of prior periods	260	(3,690)
		<u>94,305</u>	<u>65,923</u>

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Taxation (Continued)

Deferred tax		
Origination and reversal of timing differences	16,601	15,566
	<u> </u>	<u> </u>
 Total tax charge	 110,906	 81,489
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015 £	2014 £
Profit before taxation	414,351	592,275
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.22% (2014: 20.84%)	83,782	123,430
Tax effect of expenses that are not deductible in determining taxable profit	1,776	3,040
Tax effect of utilisation of tax losses not previously recognised	-	(2,532)
Group relief	(4,125)	-
Permanent capital allowances in excess of depreciation	12,612	(32,069)
Research and development tax credit	-	(17,081)
Under/(over) provided in prior years	260	(3,690)
Deferred tax adjustments in respect of prior years	16,601	15,566
Transition adjustments	-	(5,175)
	<u> </u>	<u> </u>
Tax expense for the year	110,906	81,489
	<u> </u>	<u> </u>

12 Dividends

	2015 £	2014 £
Interim paid	269,000	50,800
	<u> </u>	<u> </u>

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Intangible fixed assets

Group	Goodwill	Development Costs	Total
	£	£	£
Cost			
At 1 January 2015 and 31 December 2015	3,438	422,649	426,087
Amortisation and impairment			
At 1 January 2015	8,995	9,095	18,090
Amortisation charged for the year	(1,390)	59,346	57,956
At 31 December 2015	7,605	68,441	76,046
Carrying amount			
At 31 December 2015	(4,167)	354,208	350,041
At 31 December 2014	(5,557)	413,554	407,997

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, Motor vehicles fittings & equipment £	Total £
Cost					
At 1 January 2015	3,098,605	26,566	1,705,911	155,471	5,033,739
Additions	-	-	111,203	35,102	268,819
Disposals	-	-	-	(15,300)	(15,300)
At 31 December 2015	3,098,605	26,566	1,817,114	190,573	5,287,258
Depreciation and impairment					
At 1 January 2015	14,138	4,853	1,387,126	112,899	1,538,796
Depreciation charged in the year	14,138	2,657	104,552	20,144	176,820
Eliminated in respect of disposals	-	-	-	(6,694)	(6,694)
At 31 December 2015	28,276	7,510	1,491,678	133,043	1,708,922
Carrying amount					
At 31 December 2015	3,070,329	19,056	325,436	57,530	3,578,336
At 31 December 2014	3,084,467	21,712	318,786	42,572	3,494,942

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

Company	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2015	579,644	84,185	25,800	689,629
Additions	-	-	122,514	122,514
Disposals	-	-	(15,300)	(15,300)
At 31 December 2015	579,644	84,185	133,014	796,843
Depreciation and impairment				
At 1 January 2015	564,243	78,114	11,288	653,645
Depreciation charged in the year	3,850	1,518	32,105	37,473
Eliminated in respect of disposals	-	-	(6,694)	(6,694)
At 31 December 2015	568,093	79,632	36,699	684,424
Carrying amount				
At 31 December 2015	11,551	4,553	96,315	112,419
At 31 December 2014	15,401	6,071	14,512	35,984
Plant and machinery	138,860	125,950	-	-
Motor vehicles	98,408	8,607	98,408	8,607
	237,268	134,557	98,408	8,607

15 Investment property

	Group 2015 £	Company 2015 £
Fair value		
At 1 January 2015 and 31 December 2015	1,559,999	4,658,604

Investment property comprises two properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors' of the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

16 Fixed asset investments

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Investments in subsidiaries	17	-	-	102	102

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Cable First Limited	England and Wales	Cable Manufacturers	Ordinary	100.00
Concept Cables Limited	England and Wales	Cable Manufacturers	Ordinary	100.00
Plasticable Limited	England and Wales	Cable Manufacturers	Ordinary	100.00

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Cable First Limited	85,036	659,727
Concept Cables Limited	(33,310)	1,114,419
Plasticable Limited	17,921	79,528

18 Financial instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,256,211	1,149,322	797,784	905,139
Equity instruments measured at cost less impairment	-	-	102	102
Carrying amount of financial liabilities				
Measured at amortised cost	2,296,244	2,235,300	1,611,148	1,669,933

19 Stocks

	Group 2015 £	2014 £	Company 2015 £	2014 £
Raw materials and consumables	1,239,534	1,172,157	-	-

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

20 Debtors

	Group 2015	2014	Company 2015	2014
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	768,583	574,930	17,487	9,248
Amounts due from subsidiary undertakings	-	-	403,168	343,742
Other debtors	487,628	574,392	377,129	552,149
Prepayments and accrued income	40,312	2,058	1,040	1,040
	<u>1,296,523</u>	<u>1,151,380</u>	<u>798,824</u>	<u>906,179</u>

21 Creditors: amounts falling due within one year

	Notes	Group 2015	2014	Company 2015	2014
		£	£	£	£
Bank loans and overdrafts	23	141,667	219,044	141,667	141,667
Obligations under finance leases	24	83,293	48,878	24,036	5,100
Other borrowings	23	102,600	102,600	100,000	100,000
Trade creditors		404,486	419,687	31,310	33,813
Amounts due to group undertakings		-	-	-	22,614
Corporation tax payable		139,564	86,130	97,520	61,498
Other taxation and social security		126,453	68,239	12,779	11,858
Other creditors		157,599	2,844	7,600	100
Accruals and deferred income		29,377	25,962	9,000	9,000
		<u>1,185,039</u>	<u>973,384</u>	<u>423,912</u>	<u>385,650</u>

22 Creditors: amounts falling due after more than one year

	Notes	Group 2015	2014	Company 2015	2014
		£	£	£	£
Bank loans and overdrafts	23	1,215,972	1,357,639	1,215,972	1,357,639
Obligations under finance leases	24	161,250	58,646	81,563	-
		<u>1,377,222</u>	<u>1,416,285</u>	<u>1,297,535</u>	<u>1,357,639</u>

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

23 Loans and overdrafts

	Group 2015 £	2014 £	Company 2015 £	2014 £
Bank loans	1,357,639	1,499,306	1,357,639	1,499,306
Bank overdrafts	-	77,377	-	-
Other loans	102,600	102,600	100,000	100,000
	<u>1,460,239</u>	<u>1,679,283</u>	<u>1,457,639</u>	<u>1,599,306</u>
Payable within one year	244,267	321,644	241,667	241,667
Payable after one year	<u>1,215,972</u>	<u>1,357,639</u>	<u>1,215,972</u>	<u>1,357,639</u>

The long-term loans are secured by fixed charges over the company's assets

The long-term loans are secured by fixed charges over the group's assets.

24 Finance lease obligations

	Group 2015 £	2014 £	Company 2015 £	2014 £
Future minimum lease payments due under finance leases:				
Within one year	44,656	48,878	24,036	5,100
In two to five years	161,250	58,646	81,563	-
	<u>205,906</u>	<u>107,524</u>	<u>105,599</u>	<u>5,100</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

25 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Group		
Accelerated capital allowances	80,517	56,747
Revaluations	301,287	308,457
	<u>381,804</u>	<u>365,204</u>
	Liabilities 2015 £	Liabilities 2014 £
Company		
Accelerated capital allowances	16,778	817
Revaluations	301,287	308,457
	<u>318,065</u>	<u>309,274</u>
	Group 2015 £	Company 2015 £
Movements in the year:		
Liability at 1 January 2015	365,204	309,274
Charge to profit or loss	8,791	8,791
	<u>373,995</u>	<u>318,065</u>
Liability at 31 December 2015		

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

26 Share capital

	Group and company	
	2015	2014
	£	£
Ordinary share capital		
Authorised		
40,000 Ordinary shares class A of 10p each	4,000	4,000
5,000 Ordinary shares class C of 10p each	500	500
	<u>4,500</u>	<u>4,500</u>
Issued and fully paid		
40,000 Ordinary shares class A of 10p each	4,000	4,000
5,000 Ordinary shares class C of 10p each	-	500
	<u>4,000</u>	<u>4,500</u>

27 Financial commitments, guarantees and contingent liabilities

The group's bankers hold an Unlimited Multilateral Guarantee over Gemaco Holdings Limited and its subsidiary companies.

Leoni Draft GMBH, a supplier of Concept Cables Limited holds a third party cross guarantees given by Gemaco Holdings Limited in favour of Concept Cables Limited for £50,000.

28 Operating lease commitments

Lessor

The operating leases represent leases to third parties. The leases are negotiated over terms of 10 years.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Within one year	155,090	167,090	325,046	291,727
Between two and five years	380,360	-	380,360	-
In over five years	340,450	-	340,450	-
	<u>1,045,856</u>	<u>291,727</u>	<u>1,045,856</u>	<u>291,727</u>

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2015	2014
	£	£
Aggregate compensation	<u>23,920</u>	<u>23,920</u>

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

29 Related party transactions

(Continued)

Transactions with related parties

Interconnect (UK) Ltd

At 31 December 2015 the balance on the intercompany loan account owed by Interconnect (UK) Ltd amounted to £31,850 (2014: £31,850). Interconnect is controlled by Mr A Lodge and Mrs J Lodge who are the majority shareholders.

Wages and salaries

During the year the company paid wages amounting to £11,960 to Mrs Y Lodge. Mrs Y Lodge is the wife of Mr P Lodge.

During the year the company paid wages amounting to £11,960 to Mrs J Lodge. Mrs J Lodge is the wife of Mr A Lodge.

During the year the company paid wages amounting to £1,400 to Miss M Lodge. Miss M Lodge is the daughter of Mr A Lodge.

During the year the company paid wages amounting to £3,900 to Mr M F Lodge. Mr M F Lodge is the son of Mr A Lodge.

No guarantees have been given or received.

30 Directors' transactions

Dividends totalling £269,000 (2014 - £50,800) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
P Lodge	3.06	134,430	70,990	3,144	(134,507)	74,057
A Lodge	3.06	134,430	70,976	3,144	(134,493)	74,057
		<u>268,860</u>	<u>141,966</u>	<u>6,288</u>	<u>(269,000)</u>	<u>148,114</u>

31 Controlling party

The ultimate controlling party is Mr P Lodge, by virtue of the fact that he owns 50.0025% of the 'A' class ordinary shares issued.

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

32 Cash generated from group operations

	2015 £	2014 £
Profit for the year after tax	303,445	510,786
Adjustments for:		
Taxation charged	110,906	81,489
Finance costs	89,278	79,534
Investment income	(13,725)	(7,900)
Loss on disposal of tangible fixed assets	1,606	7,604
Amortisation and impairment of intangible assets	57,956	2,896
Depreciation and impairment of tangible fixed assets	176,820	127,038
Movements in working capital:		
(Increase) in stocks	(67,377)	(102,092)
(Increase)/decrease in debtors	(265,890)	53,239
Increase/(decrease) in creditors	201,182	(322,813)
Cash generated from operations	594,201	429,781

33 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	Notes	At 1 January 2014			At 31 December 2014		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Goodwill		(7,210)	-	(7,210)	(5,557)	-	(5,557)
Other intangibles		381,674	-	381,674	413,554	-	413,554
Tangible assets		2,873,601	454,394	3,327,995	3,016,368	478,574	3,494,942
Investment properties		910,000	649,999	1,559,999	910,000	649,999	1,559,999
		<u>4,158,065</u>	<u>1,104,393</u>	<u>5,262,458</u>	<u>4,334,365</u>	<u>1,128,573</u>	<u>5,462,938</u>
Current assets							
Stocks		1,070,065	-	1,070,065	1,172,157	-	1,172,157
Debtors		993,779	-	993,779	1,151,380	-	1,151,380
Bank and cash		187,748	-	187,748	237,402	-	237,402
		<u>2,251,592</u>	<u>-</u>	<u>2,251,592</u>	<u>2,560,939</u>	<u>-</u>	<u>2,560,939</u>

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

33 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 1 January 2014			At 31 December 2014		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Creditors due within one year						
Loans and overdrafts	(192,729)	-	(192,729)	(321,644)	-	(321,644)
Finance leases	(38,611)	-	(38,611)	(48,878)	-	(48,878)
Taxation	(260,573)	-	(260,573)	(154,369)	-	(154,369)
Other creditors	(336,383)	(491)	(336,874)	(448,431)	(62)	(448,493)
	(828,296)	(491)	(828,787)	(973,322)	(62)	(973,384)
Net current assets	1,423,296	(491)	1,422,805	1,587,617	(62)	1,587,555
Total assets less current liabilities	5,581,361	1,103,902	6,685,263	5,921,982	1,128,511	7,050,493
Creditors due after one year						
Loans and overdrafts	(1,499,306)	-	(1,499,306)	(1,357,639)	-	(1,357,639)
Finance leases	(27,305)	-	(27,305)	(58,646)	-	(58,646)
	(1,526,611)	-	(1,526,611)	(1,416,285)	-	(1,416,285)
Provisions for liabilities						
Deferred tax	(8,605)	(341,033)	(349,638)	(56,747)	(308,457)	(365,204)
Net assets	4,046,145	762,869	4,809,014	4,448,950	820,054	5,269,004
Capital and reserves						
Share capital	4,500	-	4,500	4,500	-	4,500
Share premium	70,000	-	70,000	70,000	-	70,000
Revaluation reserve	1,576,177	698,967	2,275,144	1,576,177	698,967	2,275,144
Profit and loss	2,395,468	63,902	2,459,370	2,798,272	121,088	2,919,360
Total equity	4,046,145	762,869	4,809,014	4,448,949	820,055	5,269,004

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

33 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of group profit for the financial period

Notes	Year ended 31 December 2014		FRS 102 £
	Previous UK GAAP £	Effect of transition £	
Turnover	4,105,769	-	4,105,769
Cost of sales	(2,448,260)	429	(2,447,831)
Gross loss	1,657,509	429	1,657,938
Administrative expenses	(965,909)	24,181	(941,728)
Exceptional items	(52,301)	-	(52,301)
Operating (loss)/profit	639,299	24,610	663,909
Interest receivable and similar income	7,900	-	7,900
Interest payable and similar charges	(79,534)	-	(79,534)
Profit before taxation	567,665	24,610	592,275
Taxation	(114,065)	32,576	(81,489)
Profit for the financial period	453,600	57,186	510,786

Notes to reconciliations on adoption of FRS 102 - group

Reconciliation of equity - company

Notes	At 1 January 2014			At 31 December 2014		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets						
Tangible assets	2,654,332	(2,606,352)	47,980	2,641,877	(2,605,893)	35,984
Investment properties	910,000	3,724,883	4,634,883	910,000	3,748,604	4,658,604
Investments	102	-	102	102	-	102
	3,564,434	1,118,531	4,682,965	3,551,979	1,142,711	4,694,690
Current assets						
Debtors	880,360	-	880,360	906,179	-	906,179
Bank and cash	33,314	-	33,314	6,469	-	6,469
	913,674	-	913,674	912,648	-	912,648

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

33 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 1 January 2014			At 31 December 2014		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Creditors due within one year						
Loans and overdrafts	(191,129)	-	(191,129)	(241,667)	-	(241,667)
Finance leases	(5,100)	-	(5,100)	(5,100)	-	(5,100)
Taxation	(90,252)	-	(90,252)	(73,356)	-	(73,356)
Other creditors	(121,208)	-	(121,208)	(65,527)	-	(65,527)
	<u>(407,689)</u>	<u>-</u>	<u>(407,689)</u>	<u>(385,650)</u>	<u>-</u>	<u>(385,650)</u>
Net current assets	<u>505,985</u>	<u>-</u>	<u>505,985</u>	<u>526,998</u>	<u>-</u>	<u>526,998</u>
Total assets less current liabilities	<u>4,070,419</u>	<u>1,118,531</u>	<u>5,188,950</u>	<u>4,078,977</u>	<u>1,142,711</u>	<u>5,221,688</u>
Creditors due after one year						
Loans and overdrafts	(1,499,306)	-	(1,499,306)	(1,357,639)	-	(1,357,639)
Finance leases	(5,100)	-	(5,100)	-	-	-
	<u>(1,504,406)</u>	<u>-</u>	<u>(1,504,406)</u>	<u>(1,357,639)</u>	<u>-</u>	<u>(1,357,639)</u>
Provisions for liabilities						
Deferred tax	-	(341,033)	(341,033)	(817)	(308,457)	(309,274)
Net assets	<u>2,566,013</u>	<u>777,498</u>	<u>3,343,511</u>	<u>2,720,521</u>	<u>834,254</u>	<u>3,554,775</u>
Capital and reserves						
Share capital	4,500	-	4,500	4,500	-	4,500
Share premium	70,000	-	70,000	70,000	-	70,000
Revaluation reserve	1,576,177	698,967	2,275,144	1,576,177	698,967	2,275,144
Profit and loss	915,336	78,531	993,867	1,069,843	135,288	1,205,131
Total equity	<u>2,566,013</u>	<u>777,498</u>	<u>3,343,511</u>	<u>2,720,520</u>	<u>834,255</u>	<u>3,554,775</u>

GEMACO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

33 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of company profit for the financial period

Notes	Year ended 31 December 2014		FRS 102 £
	Previous UK GAAP £	Effect of transition £	
Turnover	530,254	-	530,254
Cost of sales	(40,579)	-	(40,579)
Gross loss	489,675	-	489,675
Administrative expenses	(174,433)	24,181	(150,252)
Exceptional items	(52,301)	-	(52,301)
Operating (loss)/profit	262,941	24,181	287,122
Income from shares in group undertakings	45,000	-	45,000
Interest receivable and similar income	7,900	-	7,900
Interest payable and similar charges	(68,426)	-	(68,426)
Profit before taxation	247,415	24,181	271,596
Taxation	(42,108)	32,576	(9,532)
Profit for the financial period	205,307	56,757	262,064

Notes to reconciliations on adoption of FRS 102 - company

Land and buildings

Land and buildings which are rented to subsidiary companies have been re-classified as Investment properties.

Deferred tax

Deferred tax has been calculated on the revaluation of the investment properties.