

Goldline (UK) Limited
Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2016

Kilby Fox
Registered Auditor
4 Pavilion Court
600 Pavilion Drive
Northampton Business Park
Northampton
Northamptonshire
NN4 7SL



Goldline (UK) Limited

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for the Year Ended 31 December 2016

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Goldline (UK) Limited

Company Information
for the Year Ended 31 December 2016

DIRECTORS:

R Burrows
P Higham
W Kellingray
M Bodsworth

REGISTERED OFFICE:

23 Lamport Close
Kettering Park Way
Kettering
Northamptonshire
NN15 6XY

REGISTERED NUMBER:

02645067 (England and Wales)

AUDITORS:

Kilby Fox
Registered Auditor
4 Pavilion Court
600 Pavilion Drive
Northampton Business Park
Northampton
Northamptonshire
NN4 7SL

Goldline (UK) Limited

Strategic Report
for the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

In spite of retail problems which have reduced the size of our customer base the business has performed satisfactorily and our team both in the UK and in the Far East has continued to perform well.

PRINCIPAL RISKS AND UNCERTAINTIES

Problems within retail have continued to grow as trading uncertainties around the world have developed. This has increased considerably since the Pound started to come under pressure in relation to the Dollar in the middle of the year and this combined with political uncertainties will continue to affect retail and our business.

DEVELOPMENT AND PERFORMANCE

The efficiency of our teams both in the UK and abroad has enabled us to produce a satisfactory profit for the year. Our design skills and manufacturing capabilities together with good quality control have ensured that our position as a major supplier of footwear has been maintained.

FINANCIAL KEY PERFORMANCE INDICATORS

During the year we have succeeded in maintaining our margins in spite of financial pressures at retail. Unfortunately the closure of one of our oldest and largest customers has affected our profitability but even so we have been able to obtain a satisfactory result. Indications at all levels of retail suggest that problems are expected to increase during 2017. However we are aware of steps several of our customers are taking to reduce risk and we are also taking similar steps to ensure profitability during the year.

ON BEHALF OF THE BOARD:



R Burrows - Director

Date: 6.4.17

Goldline (UK) Limited
Report of the Directors
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

DIVIDENDS

Interim dividends per share on the Ordinary £1 shares were paid as follows:

120	- 16 June 2016
51.196	- 21 September 2016
<u>171.196</u>	

The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the 5.25% cumulative redeemable preference shares 1.00 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 December 2016 will be £427,990.

DIRECTORS

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

R Burrows
P Higham
W Kellingray
M Bodsworth

FUTURE DEVELOPMENTS

Trading with the retail sector remains difficult and is expected to continue through 2016 with the loss of high street stores. The Directors have continued to manage the business and growth of customer base and any such impact in the market place will not affect significantly the Company's stability and growth.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

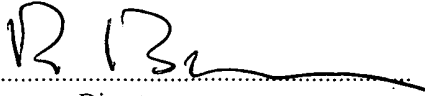
Goldline (UK) Limited

Report of the Directors
for the Year Ended 31 December 2016

AUDITORS

The auditors, Kilby Fox, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'R Burrows', followed by a horizontal line.

R Burrows - Director

Date: 6.4.17

Report of the Independent Auditors to the Members of
Goldline (UK) Limited

We have audited the financial statements of Goldline (UK) Limited for the year ended 31 December 2016 on pages seven to nineteen. 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 Financial Reporting Standard 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of
Goldline (UK) 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, 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.

Christopher Beavan (Senior Statutory Auditor)
for and on behalf of Kilby Fox
Registered Auditor
4 Pavilion Court
600 Pavilion Drive
Northampton Business Park
Northampton
Northamptonshire
NN4 7SL

Date:12/04/17.....

Goldline (UK) Limited

Statement of Comprehensive Income
for the Year Ended 31 December 2016

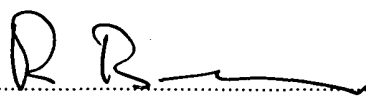
	Notes	2016 £	2015 £
TURNOVER		17,989,403	22,872,160
Cost of sales		15,640,237	19,906,773
GROSS PROFIT		2,349,166	2,965,387
Distribution costs		155,683	108,788
Administrative expenses		2,443,550	2,215,365
		2,599,233	2,324,153
		(250,067)	641,234
Other operating income		793,276	194,788
OPERATING PROFIT	4	543,209	836,022
Interest receivable and similar income		6	5
		543,215	836,027
Interest payable and similar expenses	5	47,950	25,895
PROFIT BEFORE TAXATION		495,265	810,132
Tax on profit	6	92,500	168,179
PROFIT FOR THE FINANCIAL YEAR		402,765	641,953
OTHER COMPREHENSIVE INCOME			
Bonus share issue		-	(2,000)
Purchase of own shares		-	(635,920)
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	(637,920)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		402,765	4,033

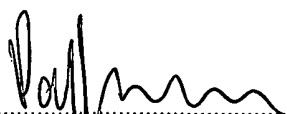
The notes form part of these financial statements

Statement of Financial Position
31 December 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	8	32,926	-
Tangible assets	9	220,908	259,952
		<u>253,834</u>	<u>259,952</u>
CURRENT ASSETS			
Stocks	10	-	30,739
Debtors	11	4,967,643	4,740,091
Cash at bank and in hand		39,038	44,868
		<u>5,006,681</u>	<u>4,815,698</u>
CREDITORS			
Amounts falling due within one year	12	3,234,032	2,903,036
NET CURRENT ASSETS		<u>1,772,649</u>	<u>1,912,662</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,026,483</u>	<u>2,172,614</u>
CREDITORS			
Amounts falling due after more than one year	13	(533,395)	(653,433)
PROVISIONS FOR LIABILITIES	16	<u>(17,156)</u>	<u>(18,024)</u>
NET ASSETS		<u><u>1,475,932</u></u>	<u><u>1,501,157</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	3,000	3,000
Retained earnings	18	1,472,932	1,498,157
SHAREHOLDERS' FUNDS		<u><u>1,475,932</u></u>	<u><u>1,501,157</u></u>

The financial statements were approved by the Board of Directors on6.4.17..... and were signed on its behalf by:


.....
R Burrows - Director


.....
P Higham - Director

Goldline (UK) Limited

Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	1,000	1,844,124	1,845,124
Changes in equity			
Issue of share capital	2,000	-	2,000
Dividends	-	(350,000)	(350,000)
Total comprehensive income	-	4,033	4,033
Balance at 31 December 2015	<u>3,000</u>	<u>1,498,157</u>	<u>1,501,157</u>
Changes in equity			
Dividends	-	(427,990)	(427,990)
Total comprehensive income	-	402,765	402,765
Balance at 31 December 2016	<u><u>3,000</u></u>	<u><u>1,472,932</u></u>	<u><u>1,475,932</u></u>

The notes form part of these financial statements

Goldline (UK) Limited

Statement of Cash Flows
for the Year Ended 31 December 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	999,880	1,109,277
Interest paid		(46,915)	(23,046)
Interest element of hire purchase payments paid		(1,035)	(2,849)
Tax paid		(161,908)	(69,949)
Net cash from operating activities		<u>790,022</u>	<u>1,013,433</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(43,900)	-
Purchase of tangible fixed assets		(34,038)	(189,448)
Sale of tangible fixed assets		-	74,250
Interest received		6	5
Net cash from investing activities		<u>(77,932)</u>	<u>(115,193)</u>
Cash flows from financing activities			
Capital repayments in year		(11,065)	241
Amount introduced by directors		-	4,422
Amount withdrawn by directors		(17,270)	-
Equity dividends paid		(427,990)	(350,000)
Net cash from financing activities		<u>(456,325)</u>	<u>(345,337)</u>
Increase in cash and cash equivalents		<u>255,765</u>	<u>552,903</u>
Cash and cash equivalents at beginning of year	2	(1,774,678)	(2,327,581)
Cash and cash equivalents at end of year	2	<u><u>(1,518,913)</u></u>	<u><u>(1,774,678)</u></u>

The notes form part of these financial statements

Goldline (UK) Limited

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	495,265	810,132
Depreciation charges	83,848	60,989
Loss/(profit) on disposal of fixed assets	207	(7,692)
Finance costs	47,950	25,895
Finance income	(6)	(5)
	<hr/>	<hr/>
	627,264	889,319
Decrease in stocks	30,739	133,281
(Increase)/decrease in trade and other debtors	(210,282)	616,669
Increase/(decrease) in trade and other creditors	552,159	(529,992)
	<hr/>	<hr/>
Cash generated from operations	999,880	1,109,277
	<hr/> <hr/>	<hr/> <hr/>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	39,038	44,868
Bank overdrafts	(1,557,951)	(1,819,546)
	<hr/>	<hr/>
	(1,518,913)	(1,774,678)
	<hr/> <hr/>	<hr/> <hr/>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	44,868	263,892
Bank overdrafts	(1,819,546)	(2,591,473)
	<hr/>	<hr/>
	(1,774,678)	(2,327,581)
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

Goldline (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1. STATUTORY INFORMATION

Goldline (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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property improvements	- over the period of the lease
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Goldline (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

Pension costs and other post-retirement benefits

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

3. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	1,548,674	1,440,090
Social security costs	142,017	128,287
Other pension costs	106,706	76,272
	<u>1,797,397</u>	<u>1,644,649</u>

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

	2016	2015
Administration	21	20
Sales	11	9
	<u>32</u>	<u>29</u>

	2016	2015
	£	£
Directors' remuneration	<u>528,836</u>	<u>505,337</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2016	2015
Money purchase schemes	<u>1</u>	<u>1</u>

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	<u>173,816</u>	<u>171,712</u>

4. OPERATING PROFIT

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

	2016	2015
	£	£
Depreciation - owned assets	72,875	60,990
Loss/(profit) on disposal of fixed assets	207	(7,692)
Software amortisation	10,974	-
Auditors' remuneration	11,535	11,215
Foreign exchange differences	<u>(772,056)</u>	<u>(173,727)</u>

Goldline (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Invoice discounting	17,689	19,479
5.25% Preference Share interest	29,226	3,567
Hire purchase interest	1,035	2,849
	<u>47,950</u>	<u>25,895</u>

6. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	93,367	169,854
Deferred tax	(867)	(1,675)
Tax on profit	<u>92,500</u>	<u>168,179</u>

UK corporation tax was charged at 20.20% in 2015.

Reconciliation of total tax charge 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:

	2016	2015
	£	£
Profit before tax	<u>495,265</u>	<u>810,132</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.199%)	99,053	163,639
Effects of:		
Expenses not deductible for tax purposes	(2,484)	5,554
Capital allowances in excess of depreciation	(3,201)	-
Depreciation in excess of capital allowances	-	661
excess of balancing allowances		
Movement in deferred tax charge	(868)	(1,675)
Total tax charge	<u>92,500</u>	<u>168,179</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2016.

	2015	
	Gross	Net
	£	£
Bonus share issue	(2,000)	(2,000)
Purchase of own shares	(635,920)	(635,920)
	<u>(637,920)</u>	<u>(637,920)</u>

Goldline (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

7. DIVIDENDS

	2016 £	2015 £
Ordinary shares of £1 each		
Interim	<u>427,990</u>	<u>350,000</u>

8. INTANGIBLE FIXED ASSETS

	Software £
COST	
Additions	<u>43,900</u>
At 31 December 2016	<u>43,900</u>
AMORTISATION	
Amortisation for year	<u>10,974</u>
At 31 December 2016	<u>10,974</u>
NET BOOK VALUE	
At 31 December 2016	<u>32,926</u>

9. TANGIBLE FIXED ASSETS

	Property improvements £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2016	27,346	176,094	200,542	403,982
Additions	-	21,038	13,000	34,038
Disposals	-	(1,662)	-	(1,662)
At 31 December 2016	<u>27,346</u>	<u>195,470</u>	<u>213,542</u>	<u>436,358</u>
DEPRECIATION				
At 1 January 2016	9,845	105,448	28,737	144,030
Charge for year	5,834	22,461	44,580	72,875
Eliminated on disposal	-	(1,455)	-	(1,455)
At 31 December 2016	<u>15,679</u>	<u>126,454</u>	<u>73,317</u>	<u>215,450</u>
NET BOOK VALUE				
At 31 December 2016	<u>11,667</u>	<u>69,016</u>	<u>140,225</u>	<u>220,908</u>
At 31 December 2015	<u>17,501</u>	<u>70,646</u>	<u>171,805</u>	<u>259,952</u>

10. STOCKS

	2016 £	2015 £
Stocks	<u>-</u>	<u>30,739</u>

Goldline (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	4,843,500	4,664,057
Other debtors	44,251	8,443
Sundry debtors and prepayments	53,819	51,667
Directors' current accounts	24,012	6,742
VAT	2,061	9,182
	<u>4,967,643</u>	<u>4,740,091</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 14)	1,557,951	1,819,546
Hire purchase contracts (see note 15)	11,057	11,061
Trade creditors	1,044,643	376,290
Corporation tax	100,209	168,750
Social security and other taxes	63,488	68,991
Accruals and deferred income	456,684	458,398
	<u>3,234,032</u>	<u>2,903,036</u>

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

	2016	2015
	£	£
Hire purchase contracts (see note 15)	6,452	17,513
5.25% cumulative redeemable preference shares	526,943	635,920
	<u>533,395</u>	<u>653,433</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,557,951</u>	<u>1,819,546</u>

Goldline (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2016	2015
	£	£
Gross obligations repayable:		
Within one year	12,095	12,099
Between one and five years	7,058	19,157
	<u>19,153</u>	<u>31,256</u>
Finance charges repayable:		
Within one year	1,038	1,038
Between one and five years	606	1,644
	<u>1,644</u>	<u>2,682</u>
Net obligations repayable:		
Within one year	11,057	11,061
Between one and five years	6,452	17,513
	<u>17,509</u>	<u>28,574</u>
	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	93,280	93,280
Between one and five years	466,400	466,400
In more than five years	93,280	186,560
	<u>652,960</u>	<u>746,240</u>

16. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax	<u>17,156</u>	<u>18,024</u>
		Deferred tax
		£
Balance at 1 January 2016		18,024
Provided during year		(868)
Balance at 31 December 2016		<u>17,156</u>

Goldline (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
2,500	Ordinary	£1	2,500	2,500
500	5.25% cumulative redeemable preference shares	1.00	500	500
			<u>3,000</u>	<u>3,000</u>

18. RESERVES

	Retained earnings £
At 1 January 2016	1,498,157
Profit for the year	402,765
Dividends	(427,990)
At 31 December 2016	<u>1,472,932</u>

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2016 and 31 December 2015:

	2016 £	2015 £
M Bodsworth		
Balance outstanding at start of year	6,742	11,161
Amounts advanced	20,000	-
Amounts repaid	(2,730)	(4,419)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>24,012</u>	<u>6,742</u>

20. RELATED PARTY DISCLOSURES

During the year, total dividends of £171,196 (2015 - £105,000) were paid to the directors.

Goldline (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

20. RELATED PARTY DISCLOSURES - continued

70% of the company is owned by Pinpoint Investments Limited which is incorporated in the British Virgin Islands.

Pinpoint Investments Limited received a dividend of £218,275 from Goldline (UK) Limited during the year.

M Bodsworth a director of Goldline (UK) Limited received a loan from the Company on 17/08/2012 of £20,000, this is repayable over 5 years and interest will be charged at a rate of 3.5% over the Bank of England Base Rate per annum. Michael received a further loan of £20,000 from the Company in November 2016 that is repayable over a 71 month period and interest will be charged at a rate of 3% per annum. The balance outstanding at the 31 December 2016 is £24,012 (2015: £6,742).

On 20th December 2013 Goldline (UK) Limited entered into a lease agreement for new office premises at a cost of £93,280 per annum with Newstone Properties Limited, a company with mutual Shareholders as Goldline (UK) Limited. On 17th December 2013 Goldline (UK) Limited signed a guarantee agreement with National Westminster Bank Plc on behalf of Newstone Properties Limited to the value of £900,000. The guarantee is payable to the bank on demand.

During the year Goldline Asia Limited, a company based in Asia, was formed with the same Directors and Shareholders as Goldline (UK) Limited. At the 31st December 2016 £44,251 (2015: £8,443) was owed to Goldline (UK) Limited by Goldline Asia Limited

No other transactions between the parties above took place during the year and no balances exist at the year end.

21. ULTIMATE CONTROLLING PARTY

Control lies with Mr Robert Brown.