

GFM HOLDINGS LTD
Strategic Report, Director's Report and
Financial Statements
for the Year Ended 30 September 2013

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GFM HOLDINGS LTD

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for the year ended 30 September 2013**

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GFM HOLDINGS LTD
Company Information
for the year ended 30 September 2013

Director: P A Sakal

Registered office: 42 Phoenix Court
Hawkins Road
Colchester
Essex
CO2 8JY

Registered number: 03526529

Auditors: Haines Watts
Chartered Accountants and Statutory Auditors
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Bankers: National Westminster Bank plc
25 High Street
Colchester
Essex
CO1 1DG

2014

GFM HOLDINGS LTD

**Strategic Report
for the year ended 30 September 2013**

The director presents his strategic report for the year ended 30 September 2013.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end.

Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company, these being turnover and profit margins.

Review of business

The company has made a profit before tax in the year of £1,036,794 (2012: £881,647). The reasons for which are explained below.

The director notes the following key performance indicators which are used by management to actively and effectively run the business with the joint aims of maximising stakeholder value and profitability.

Turnover

The director notes that the turnover has decreased by £0.12m (£7.92m in 2012 v £7.80m in 2013) in the year, this reflects a stable performance with strong retention of existing clients.

Gross profit

The director notes that gross profit has increased in the year by 8.0% from £6.6m in 2012 to £7.21m in 2013 and the margin from 84.0% to 92.5%. The main reason for the increase in the margin is the decrease in cost of sales. The company's focused approach in utilising internal resources, which has been favoured over the use of subcontractors has made this possible. This has enabled the company to preserve, utilise and enhance the vast business knowledge employees have of the industry.

Administrative expenses and Interest

The director notes that the profit before tax has increased by 18% from £881,647 in 2012 to £1,036,794 in 2013 even though administrative expenses have increased in the year by 9% from £5,780,489 in 2012 to £6,306,162 in 2013. In the main this relates to wages and salaries which have increased by £228,193 due to less subcontractors and more internal resources being used as noted above.

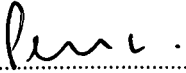
Results and dividends

An interim ordinary dividend was paid amounting to £400,000. The director does not recommend payment of a final dividend.

Future developments

Client satisfaction remains at the heart of the company's ethos and as one part of enhancing this, the company is increasing its brand awareness and quality of services it offers. The company continues to actively identify and develop new business opportunities as they arise, which assists in maintaining the strong repeat custom the company enjoys. The company's activities expose it to certain financial risks, including currency risk, credit risk and liquidity risk. The director carries out risk management on a regular basis, documenting this and ensuring the company's risk policies are adhered to. His programme of risk management seeks to limit any adverse effects on the financial performance of the company by monitoring levels of debt finance and related finance costs.

On behalf of the board:


.....
P A Sakal - Director

Date: 25/07/2014

GFM HOLDINGS LTD

**Director's Report
for the year ended 30 September 2013**

The director presents his report with the financial statements of the company for the year ended 30 September 2013.

Principal activity

The principal activity of the company in the year under review involved management and fulfilment of promotions and related marketing services.

Dividends

The total distribution of dividends for the year ended 30 September 2013 will be £400,000.

Director

P A Sakal held office during the whole of the period from 1 October 2012 to the date of this report.

Political and charitable contributions

During the year the company made total charitable contributions amounting to £323,292 (2012: £310,793).

Charitable donations - the recipients, amounts and the purpose of the charitable donations are as follows:

Gosfield School: £318,000 to provide scholarships and bursaries for deserving children.

Small donations: £5,292.

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he 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.

On behalf of the board:



P A Sakal - Director

Date: 25 JULY 2014

**Independent Auditors' Report to the Members of
GFM Holdings Ltd**

We have audited the financial statements of GFM Holdings Ltd for the year ended 30 September 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

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 Auditors' 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities, the director is 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 director; 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 Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 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.

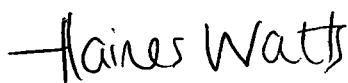
Opinion on other matter prescribed by the Companies Act 2006

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Esther Wood (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditors
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: 29/7/2014

GFM HOLDINGS LTD
Profit and Loss Account
for the year ended 30 September 2013

	Notes	2013 £	2012 £
Turnover		7,800,111	7,923,515
Cost of sales		<u>(587,304)</u>	<u>(1,267,888)</u>
Gross profit		7,212,807	6,655,627
Administrative expenses		<u>(6,306,162)</u>	<u>(5,780,489)</u>
		906,645	875,138
Other operating income		<u>-</u>	<u>(1,475)</u>
Operating profit		906,645	873,663
Interest receivable and similar income		<u>159,613</u>	<u>13,579</u>
		1,066,258	887,242
Interest payable and similar charges	4	<u>(29,464)</u>	<u>(5,595)</u>
Profit on ordinary activities before taxation	5	1,036,794	881,647
Tax on profit on ordinary activities	6	<u>(359,300)</u>	<u>(285,400)</u>
Profit for the financial year		<u><u>677,494</u></u>	<u><u>596,247</u></u>

Continuing operations

None of the company's activities were acquired or discontinued during the current year or previous year.

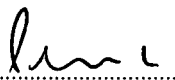
Total recognised gains and losses

The company has no recognised gains or losses other than the profits for the current year or previous year.

Balance Sheet
30 September 2013

	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	8		1,086,007		951,528
Investments	9		108		108
			<u>1,086,115</u>		<u>951,636</u>
Current assets					
Stocks	10	182,481		174,750	
Debtors	11	5,837,505		4,695,760	
Cash at bank and in hand		5,118		340,135	
		<u>6,025,104</u>		<u>5,210,645</u>	
Creditors					
Amounts falling due within one year	12	2,644,286		2,164,393	
Net current assets			<u>3,380,818</u>		<u>3,046,252</u>
Total assets less current liabilities			<u>4,466,933</u>		<u>3,997,888</u>
Creditors					
Amounts falling due after more than one year	13		(330,844)		(196,393)
Provisions for liabilities	16		(57,100)		-
Net assets			<u><u>4,078,989</u></u>		<u><u>3,801,495</u></u>
Capital and reserves					
Called up share capital	17		5,263		5,263
Profit and loss account	18		4,073,726		3,796,232
Shareholders' funds	21		<u><u>4,078,989</u></u>		<u><u>3,801,495</u></u>

The financial statements were approved by the director on 25 JULY 2014 and were signed by:



 P A Sakal - Director

GFM HOLDINGS LTD
Cash Flow Statement
for the year ended 30 September 2013

	Notes	£	2013 £	£	2012 £
Net cash inflow from operating activities	1		194,466		989,759
Returns on investments and servicing of finance	2		130,149		7,984
Taxation			(437,603)		(118,666)
Capital expenditure	2		(225,828)		(468,814)
Equity dividends paid			(400,000)		-
			<u>(738,816)</u>		<u>410,263</u>
Financing	2		(200,309)		193,290
(Decrease)/increase in cash in the period			<u>(939,125)</u>		<u>603,553</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/increase in cash in the period		(939,125)		603,553	
Cash inflow from increase in debt and lease financing		<u>(198,401)</u>		<u>(193,292)</u>	
Change in net funds resulting from cash flows			<u>(1,137,526)</u>		<u>410,261</u>
Movement in net funds in the period			<u>(1,137,526)</u>		<u>410,261</u>
Net funds/(debt) at 1 October			<u>73,231</u>		<u>(337,030)</u>
Net (debt)/funds at 30 September			<u>(1,064,295)</u>		<u>73,231</u>

The notes form part of these financial statements

GFM HOLDINGS LTD

**Notes to the Cash Flow Statement
for the year ended 30 September 2013**

1. Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	906,645	873,663
Depreciation charges	389,806	360,960
Profit on disposal of fixed assets	-	(33,276)
Increase in stocks	(7,731)	(40,185)
Increase in debtors	(1,039,814)	(641,443)
(Decrease)/increase in creditors	(54,440)	470,040
Net cash inflow from operating activities	194,466	989,759

2. Analysis of cash flows for headings netted in the cash flow statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	159,613	13,579
Interest paid	(5,699)	(500)
Interest element of hire purchase payments	(23,765)	(5,095)
Net cash inflow for returns on investments and servicing of finance	130,149	7,984
Capital expenditure		
Purchase of tangible fixed assets	(225,828)	(511,427)
Sale of tangible fixed assets	-	42,613
Net cash outflow for capital expenditure	(225,828)	(468,814)
Financing		
New loans in year	(298,457)	145,247
Loan repayments in year	-	13,618
Capital repayments in year	206,320	34,425
Amount withdrawn by directors	(108,172)	-
Net cash (outflow)/inflow from financing	(200,309)	193,290

The notes form part of these financial statements

GFM HOLDINGS LTD

**Notes to the Cash Flow Statement
for the year ended 30 September 2013**

3. Analysis of changes in net funds

	At 1/10/12 £	Cash flow £	At 30/9/13 £
Net cash:			
Cash at bank and in hand	340,135	(335,017)	5,118
Bank overdraft	-	(604,108)	(604,108)
	<u>340,135</u>	<u>(939,125)</u>	<u>(598,990)</u>
Debt:			
Hire purchase	(108,039)	(206,320)	(314,359)
Debts falling due within one year	(13,618)	4,959	(8,659)
Debts falling due after one year	(145,247)	2,960	(142,287)
	<u>(266,904)</u>	<u>(198,401)</u>	<u>(465,305)</u>
Total	<u><u>73,231</u></u>	<u><u>(1,137,526)</u></u>	<u><u>(1,064,295)</u></u>

The notes form part of these financial statements

GFM HOLDINGS LTD

Notes to the Financial Statements for the year ended 30 September 2013

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about GFM Holdings Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Forwards and Upwards Limited, a company registered in England and Wales.

Turnover

Turnover represents amounts receivable for management and fulfilment of promotions and marketing services, net of VAT.

Turnover is recognised at the point of invoicing the customer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 20% on cost
Plant and machinery	- 33% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a responsible probability that a liability or asset will crystallise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Employer financed retirement benefit schemes (efrbs)

In a previous accounting period, the Company established an EFRBS for the benefit of its officers, employees and their wider families, The GFM Holdings Limited 2012 EFRBS ('the Scheme').

In accordance with UITF Abstract 32 'Employee Benefit Trusts and other intermediate payment arrangements', the Company does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.'

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Employee benefit trusts

The accounts are prepared in accordance with the provisions of UITF 32. Assets and liabilities held in the EBT are recognised to the extent that the company retains de facto control.

GFM HOLDINGS LTD

**Notes to the Financial Statements - continued
for the year ended 30 September 2013**

2. Staff costs

	2013	2012
	£	£
Wages and salaries	3,158,548	2,954,678
Social security costs	276,124	247,034
	<u>3,434,672</u>	<u>3,201,712</u>

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

	2013	2012
Employees	<u>176</u>	<u>176</u>

3. Directors' emoluments

	2013	2012
	£	£
Director's remuneration	<u>87,500</u>	<u>111,823</u>

In a previous accounting period, the Company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefit of the Company's officers, employees and their wider families, The GFM Holdings Limited 2012 EFRBS ('the Scheme').

Contributions were made to the Scheme during the current accounting period and these created value in that Scheme. The amount of such value which is held on terms which are discretionary is £495,050. Because the value created in the Scheme is held on terms which are discretionary and no earmarking has yet taken place, it is not considered that these amounts can be regarded as directors' remuneration and, therefore, these amounts have been excluded from the overall figure above and the remuneration of the highest paid director.

4. Interest payable and similar charges

	2013	2012
	£	£
Bank loan interest	5,699	-
Int o'due tax pd	-	500
Hire purchase	23,765	5,095
	<u>29,464</u>	<u>5,595</u>

5. Profit on ordinary activities before taxation

The profit on ordinary activities is stated after charging/(crediting):

	2013	2012
	£	£
Hire of plant and machinery	77,139	60,297
Other operating leases	140,616	150,793
Depreciation - owned assets	306,210	303,794
Depreciation - assets on hire purchase contracts	83,596	57,165
Profit on disposal of fixed assets	-	(33,276)
Audit fees	10,000	10,000
EFRBS Contribution	<u>500,000</u>	<u>500,200</u>

GFM HOLDINGS LTD

**Notes to the Financial Statements - continued
for the year ended 30 September 2013**

6. Taxation

Analysis of the tax charge

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

	2013 £	2012 £
Current tax:		
UK corporation tax	300,500	277,500
Deferred tax	58,800	7,900
Tax on profit on ordinary activities	<u>359,300</u>	<u>285,400</u>

Factors affecting the tax charge

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

	2013 £	2012 £
Profit on ordinary activities before tax	<u>1,036,794</u>	<u>881,647</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 25%)	238,463	220,412
Effects of:		
Expenses not deductible for tax purposes	35,885	23,480
Depreciation in excess of capital allowances	19,692	41,559
Other tax adjustments	6,460	(7,951)
Current tax charge	<u>300,500</u>	<u>277,500</u>

7. Dividends

	2013 £	2012 £
Ordinary shares of £1 each		
Interim	<u>400,000</u>	<u>-</u>

GFM HOLDINGS LTD

Notes to the Financial Statements - continued
for the year ended 30 September 2013

8. Tangible fixed assets

	Freehold property £	Short leasehold £	Plant and machinery £
Cost			
At 1 October 2012	200,000	807,953	697,757
Additions	76,020	69,559	375,763
At 30 September 2013	276,020	877,512	1,073,520
Depreciation			
At 1 October 2012	-	500,977	429,071
Charge for year	-	135,387	191,549
At 30 September 2013	-	636,364	620,620
Net book value			
At 30 September 2013	276,020	241,148	452,900
At 30 September 2012	200,000	306,976	268,686
	Fixtures and fittings £	Motor vehicles £	Totals £
Cost			
At 1 October 2012	129,979	166,498	2,002,187
Additions	2,943	-	524,285
At 30 September 2013	132,922	166,498	2,526,472
Depreciation			
At 1 October 2012	77,892	42,719	1,050,659
Charge for year	18,642	44,228	389,806
At 30 September 2013	96,534	86,947	1,440,465
Net book value			
At 30 September 2013	36,388	79,551	1,086,007
At 30 September 2012	52,087	123,779	951,528

GFM HOLDINGS LTD

**Notes to the Financial Statements - continued
for the year ended 30 September 2013**

8. Tangible fixed assets - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
Cost			
At 1 October 2012	80,585	110,476	191,061
Additions	298,457	-	298,457
	<u>379,042</u>	<u>110,476</u>	<u>489,518</u>
At 30 September 2013			
Depreciation			
At 1 October 2012	30,447	20,395	50,842
Charge for year	55,976	27,620	83,596
	<u>86,423</u>	<u>48,015</u>	<u>134,438</u>
At 30 September 2013			
Net book value			
At 30 September 2013	<u>292,619</u>	<u>62,461</u>	<u>355,080</u>
At 30 September 2012	<u>50,138</u>	<u>90,081</u>	<u>140,219</u>

9. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 October 2012 and 30 September 2013	108
Net book value	
At 30 September 2013	108
At 30 September 2012	108

The company's investments at the balance sheet date in the share capital of companies include the following:

GFM Services Ltd

Country of incorporation: England and Wales

Nature of business: Dormant

	% holding	2013 £
Class of shares:	100.00	
Ordinary		100
Aggregate capital and reserves		<u>100</u>

GFM HOLDINGS LTD

**Notes to the Financial Statements - continued
for the year ended 30 September 2013**

9. Fixed asset investments - continued

Off Peak Limited

Country of incorporation: England and Wales

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00
	2013
	£
Aggregate capital and reserves	2

Brandboost Limited

Country of incorporation: England and Wales

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00
	2013
	£
Aggregate capital and reserves	2

Callspill Limited

Country of incorporation: England and Wales

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00
	2013
	£
Aggregate capital and reserves	2

Buy Off Peak Limited

Country of incorporation: England and Wales

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00
	2013
	£
Aggregate capital and reserves	2

10. Stocks

	2013	2012
	£	£
Work-in-progress	182,481	174,750

GFM HOLDINGS LTD

**Notes to the Financial Statements - continued
for the year ended 30 September 2013**

11. Debtors

	2013 £	2012 £
Amounts falling due within one year:		
Trade debtors	1,719,543	962,889
Amounts owed by group undertakings	1,393,398	1,306,051
Other debtors	2,003,813	1,875,115
Directors' current accounts	380,114	271,942
Deferred tax asset		
Accelerated capital allowances	-	1,700
Prepayments	340,637	205,334
	<u>5,837,505</u>	<u>4,623,031</u>
Amounts falling due after more than one year:		
Other debtors	-	72,728
	<u>-</u>	<u>72,728</u>
Aggregate amounts	<u>5,837,505</u>	<u>4,695,759</u>

12. Creditors: amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts (see note 14)	612,767	13,618
Hire purchase contracts (see note 15)	125,802	56,893
Trade creditors	569,861	793,608
Tax	517,239	591,242
Social security and other taxes	104,514	72,649
VAT	291,112	228,313
Other creditors	309,021	384,155
Accruals and deferred income	113,970	23,914
	<u>2,644,286</u>	<u>2,164,392</u>

The company has provided an unlimited cross guarantee against the bank borrowings of Forwards & Upwards Limited, the company's holding company.

Bank loans and overdrafts relate to a mortgage the company took out during the prior year in order to purchase a property. The mortgage is secured over the property acquired by the company.

13. Creditors: amounts falling due after more than one year

	2013 £	2012 £
Bank loans (see note 14)	142,287	145,247
Hire purchase contracts (see note 15)	188,557	51,146
	<u>330,844</u>	<u>196,393</u>

GFM HOLDINGS LTD

**Notes to the Financial Statements - continued
for the year ended 30 September 2013**

14. Loans

An analysis of the maturity of loans is given below:

	2013 £	2012 £
Amounts falling due within one year or on demand:		
Bank overdrafts	604,108	-
Bank loans	8,659	13,618
	<u>612,767</u>	<u>13,618</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>142,287</u>	<u>145,247</u>

15. Obligations under hire purchase contracts

	2013 £	2012 £
Net obligations repayable:		
Within one year	125,802	56,893
Between one and five years	188,557	51,146
	<u>314,359</u>	<u>108,039</u>

16. Provisions for liabilities

	2013 £	
Deferred tax		
Accelerated capital allowances	<u>57,100</u>	
		Deferred tax
		£
Balance at 1 October 2012		(1,700)
Provided during year		<u>58,800</u>
Balance at 30 September 2013		<u>57,100</u>

17. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
5,000	Ordinary	£1	5,000	5,000
263	Ordinary B	£1	263	263
			<u>5,263</u>	<u>5,263</u>

GFM HOLDINGS LTD

**Notes to the Financial Statements - continued
for the year ended 30 September 2013**

18. Reserves

	Profit and loss account £
At 1 October 2012	3,796,232
Profit for the year	677,494
Dividends	(400,000)
At 30 September 2013	<u>4,073,726</u>

19. Related party disclosures

Loan to directors

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	Rate %	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
P A Sakal	4.00	271,942	592,290	12,785	(496,904)	380,114
		<u>271,942</u>	<u>592,290</u>	<u>12,785</u>	<u>(496,904)</u>	<u>380,114</u>

Included with Other Debtors are the following amounts owed from related parties in which the Director, P A Sakal has an interest as follows:-

Goldstar Fabrications Limited: £907,583 (2012: £794,892). The company made sales of £431,602 (2012: £109,181) and purchases of £24,848 (2012: £23,824).

The American Italian Restaurant Company Limited: £Nil (which is after a write off of £1,028,824), (2012: £64,592) - after a partial provision of £916,380. This company is now in liquidation.

The American Italian Restaurant Company (Glasgow) Limited : £702,328, after a partial write off of £40,528, (2012: £737,259 after a partial provision of £61,511).

GFM Recruit Limited: £3,846 (2012: £nil).

Included within amounts owed by the parent undertaking is an amount of £1,393,398 (2012: £1,306,051) due from Forwards and Upwards Limited, a company which is controlled by P A Sakal.

Rent is paid to P A Sakal in the sum of £68,055 (2012: £68,055) in relation to the company's main trading premises.

On 13th July 2013, the Company contracted to purchase a trust interest in possession from P A Sakal, a shareholder of the Company, for consideration of £3,900,000, payable on completion of the agreement. The agreement is due to complete in three equal annual instalments, the first completion date being 1st September 2014. The directors consider that this was an arm's length transaction made at market value.

20. Ultimate controlling party

The company is controlled by Forwards and Upwards Limited. The ultimate party is P A Sakal, by virtue of his beneficial interest in the holding company.

GFM HOLDINGS LTD

**Notes to the Financial Statements - continued
for the year ended 30 September 2013**

21. Reconciliation of movements in shareholders' funds

	2013	012
	£	£
Profit for the financial year	677,494	596,247
Dividends	(400,000)	-
Net addition to shareholders' funds	277,494	596,247
Opening shareholders' funds	3,801,495	3,205,248
Closing shareholders' funds	4,078,989	3,801,495

22. Employee benefit trust

The company has an Employee Benefit Trust (EBT), which is a discretionary trust set up for the absolute benefit of all employees of the company (and its subsidiary undertakings). All distributions from the trust are at the absolute discretion of the trustees. The trustees are not related to the company or any of its officers or employees. Contributions to the trust are charged to the profit and loss account in the year in which they are approved by the company.

In accordance with UITF 32 the balances and transactions relating to the EBT are consolidated into the company's financial statements: Debtors £100,000 (2012: £100,000), Cash at Bank £2,014 (2012: £2,014), and Creditors due within one year £102,014 (2012 - £102,014) have been included in the balance sheet.

The trust is responsible for its own costs and liabilities and no indemnity has been given by the company in respect of these costs or liabilities. The trust made no contributions to beneficiaries during the year (2012 - £Nil).

The financial statements used to disclose the above relates to 30/09/2012.