

**REGISTERED NUMBER: 04320113 (England and Wales)**

**GREY TECHNOLOGY LIMITED**  
**Strategic Report, Report of the Director and**  
**Financial Statements**  
**for the Year Ended 30 November 2016**



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for the year ended 30 November 2016**

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**GREY TECHNOLOGY LIMITED**

**Company Information  
for the year ended 30 November 2016**

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**DIRECTOR:** N G Grey

**SECRETARY:** Mrs L M Grey

**REGISTERED OFFICE:** Britannia Court  
5 Moor Street  
WORCESTER  
Worcestershire  
WR1 3DB

**REGISTERED NUMBER:** 04320113 (England and Wales)

**AUDITORS:** Haines Watts Birmingham LLP  
Sterling House  
71 Francis Road  
Edgbaston  
Birmingham  
West Midlands  
B16 8SP

**Strategic Report  
for the year ended 30 November 2016**

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The director presents his strategic report for the year ended 30 November 2016.

**REVIEW OF BUSINESS**

The business performance during 2016 reflects the long term strategy to lead the vacuum cleaning sector from corded to cordless. Gtech's trading outlook is a result of high consumer satisfaction combined with more informative advertising and market analysis. The Company continues to invest in research and development focusing on applying the company's philosophy of battery technology to a wider market sector.

Gtech's reported Net Profit is in accordance with the company's KPI target for the financial year of 10%. The adverse movement in foreign currency during 2016 applied further focus to create a natural hedge by means of increased International trade. Following the enhancement of the product offering during 2016 Gtech continues to exceed the required KPI turnover growth target set by the Key Management.

Recruitment of high calibre staff has ensured the company is sufficiently resourced to address the challenges brought about by growth and new product development. The Groups investment in an enhanced operational facility in addition to the strategy pursued by the company has positioned Gtech to maximise all potential global opportunities.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Credit Management**

The Company undertakes extensive credit checks prior to offering a credit account and has become more selective with retail partners. Stringent debt chasing policies ensure debtors are managed efficiently and the marketing strategy reduces Gtech's reliance on the retail environment.

**Cashflow**

The Company continues to be self-funded, the trading model and contract negotiations are expected to facilitate rapid growth without the need for external financing. Cash flow is closely monitored and sufficient funds are available for all current and forecast activities.

**ON BEHALF OF THE BOARD:**



.....  
N G Grey - Director

Date: .....

24<sup>th</sup> Aug '17

**Report of the Director  
for the year ended 30 November 2016**

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The director presents his report with the financial statements of the company for the year ended 30 November 2016.

**DIVIDENDS**

An interim dividend of 211.1275 per share was paid on 31 March 2016. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 30 November 2016 will be £2,111,275.

**DIRECTOR**

N G Grey held office during the whole of the period from 1 December 2015 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director 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.

**Report of the Director  
for the year ended 30 November 2016**

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**AUDITORS**

The auditors, Haines Watts Birmingham LLP, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

  
.....  
N G Grey - Director

Date: 24<sup>th</sup> Aug '17

## **Report of the Independent Auditors to the Members of Grey Technology Limited**

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We have audited the financial statements of Grey Technology Limited for the year ended 30 November 2016 on pages seven to twenty six. 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 director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page three, 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 Report of the Director 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 November 2016 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 Report of the Director 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  
Grey Technology Limited**

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**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.



Kevin Hodgetts (Senior Statutory Auditor)  
for and on behalf of Haines Watts Birmingham LLP  
Sterling House  
71 Francis Road  
Edgbaston  
Birmingham  
West Midlands  
B16 8SP

Date: .....24-08-2017.....

**GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)**

**Income Statement  
for the year ended 30 November 2016**

	Notes	30.11.16 £	30.11.15 £
<b>TURNOVER</b>	3	91,236,046	65,726,882
Cost of sales		41,643,548	27,188,104
<b>GROSS PROFIT</b>		49,592,498	38,538,778
Administrative expenses		39,994,777	25,235,813
<b>OPERATING PROFIT</b>	5	9,597,721	13,302,965
Interest receivable and similar income	6	289,563	27,940
<b>PROFIT BEFORE TAXATION</b>		9,887,284	13,330,905
Tax on profit	7	1,032,927	1,752,485
<b>PROFIT FOR THE FINANCIAL YEAR</b>		8,854,357	11,578,420

The notes form part of these financial statements

**GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)**

**Other Comprehensive Income  
for the year ended 30 November 2016**

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	Notes	30.11.16 £	30.11.15 £
<b>PROFIT FOR THE YEAR</b>		8,854,357	11,578,420
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>8,854,357</u>	<u>11,578,420</u>


The notes form part of these financial statements

**GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)**

**Statement of Financial Position  
30 November 2016**

		30.11.16		30.11.15	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		340		924
Tangible assets	10		2,064,968		1,841,442
Investments	11		1		1
			<u>2,065,309</u>		<u>1,842,367</u>
<b>CURRENT ASSETS</b>					
Stocks	12	16,770,770		8,403,514	
Debtors	13	15,356,947		5,465,953	
Cash at bank and in hand		7,797,076		20,363,889	
		<u>39,924,793</u>		<u>34,233,356</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	13,169,075		12,897,487	
<b>NET CURRENT ASSETS</b>			<u>26,755,718</u>		<u>21,335,869</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			28,821,027		23,178,236
<b>PROVISIONS FOR LIABILITIES</b>	16		3,351,552		4,451,843
<b>NET ASSETS</b>			<u><u>25,469,475</u></u>		<u><u>18,726,393</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		10,000		10,000
Retained earnings	18		25,459,475		18,716,393
<b>SHAREHOLDERS' FUNDS</b>			<u><u>25,469,475</u></u>		<u><u>18,726,393</u></u>

The financial statements were approved by the director on 24/08/2017 and were signed by:



.....  
N G Grey - Director

The notes form part of these financial statements

**GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)**

**Statement of Changes in Equity  
for the year ended 30 November 2016**

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	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 December 2014</b>	10,000	11,147,473	11,157,473
<b>Changes in equity</b>			
Dividends	-	(4,009,500)	(4,009,500)
Total comprehensive income	-	11,578,420	11,578,420
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 November 2015</b>	10,000	18,716,393	18,726,393
	<hr/>	<hr/>	<hr/>
<b>Changes in equity</b>			
Dividends	-	(2,111,275)	(2,111,275)
Total comprehensive income	-	8,854,357	8,854,357
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 November 2016</b>	10,000	25,459,475	25,469,475
	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

**GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)**

**Statement of Cash Flows  
for the year ended 30 November 2016**

		30.11.16	30.11.15
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(6,912,307)	17,769,030
Tax paid		(2,205,449)	(1,387,792)
Net cash from operating activities		<u>(9,117,756)</u>	<u>16,381,238</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,598,940)	(1,721,120)
Sale of tangible fixed assets		-	524
Interest received		289,563	27,940
Net cash from investing activities		<u>(1,309,377)</u>	<u>(1,692,656)</u>
<b>Cash flows from financing activities</b>			
Amount withdrawn by directors		(28,405)	(465,255)
Equity dividends paid		(2,111,275)	(4,009,500)
Net cash from financing activities		<u>(2,139,680)</u>	<u>(4,474,755)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(12,566,813)</u>	<u>10,213,827</u>
<b>Cash and cash equivalents at beginning of year</b>	2	20,363,889	10,150,062
<b>Cash and cash equivalents at end of year</b>	2	<u><u>7,797,076</u></u>	<u><u>20,363,889</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows  
for the year ended 30 November 2016

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

	30.11.16	30.11.15
	£	£
Profit before taxation	9,887,284	13,330,905
Depreciation charges	1,344,155	754,228
Loss on disposal of fixed assets	31,843	-
Finance income	(289,563)	(27,940)
	<u>10,973,719</u>	<u>14,057,193</u>
(Increase)/decrease in stocks	(8,367,256)	481,071
(Increase)/decrease in trade and other debtors	(9,021,836)	304,829
(Decrease)/increase in trade and other creditors	(496,934)	2,925,937
	<u>(6,912,307)</u>	<u>17,769,030</u>
<b>Cash generated from operations</b>	<b><u>(6,912,307)</u></b>	<b><u>17,769,030</u></b>

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 30 November 2016

	30.11.16	1.12.15
	£	£
Cash and cash equivalents	<u>7,797,076</u>	<u>20,363,889</u>

Year ended 30 November 2015

	30.11.15	1.12.14
	£	£
Cash and cash equivalents	<u>20,363,889</u>	<u>10,150,062</u>

The notes form part of these financial statements

**Notes to the Financial Statements  
for the year ended 30 November 2016**

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**1. STATUTORY INFORMATION**

Grey Technology 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.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated. The company adopted FRS 102 in the current period and reconciliations of how the transition to FRS 102 has affected the reported financial position and performance is shown on pages 24 to 26.

**Preparation of consolidated financial statements**

The financial statements contain information about Grey Technology Limited 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, , .

**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 fixed assets**

Intangible fixed assets relate to domain names which are amortised over their estimated useful life.

**Tangible fixed assets**

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

Improvements to property	- 20% straight line
Tooling	- 40% straight line
Fixtures, fittings and equipment	- 20% straight line
Motor vehicles	- 20% straight line
Computer equipment	- 33% straight line

**Stocks**

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

**Notes to the Financial Statements - continued  
for the year ended 30 November 2016**

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**2. ACCOUNTING POLICIES - continued**

**Tax**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date that are expected to apply to the reversal of timing differences.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**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.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Investments**

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

**Notes to the Financial Statements - continued**  
**for the year ended 30 November 2016**

**2. ACCOUNTING POLICIES - continued****Significant judgements and estimates**

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the company's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

**Warranty provisions**

A provision is incorporated into the financial statements to reflect an estimate of future costs to be incurred as a consequence of warranties provided to customers on invoiced sales. From the 2015 financial year, warranties are provided for a period of 2 years. The estimated requirement for provision is calculated using an average of % returns for individual product lines from the current and previous financial years. This is then applied to the sales value for the current financial year. These %s are scrutinised to identify any anomalies.

**3. TURNOVER**

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

In the opinion of the directors, 5.4% of the turnover of the company is attributable to geographical markets outside the UK (2015 1.6%).

**4. EMPLOYEES AND DIRECTORS**

	30.11.16	30.11.15
	£	£
Wages and salaries	2,708,051	2,927,225
Social security costs	408,357	308,150
Other pension costs	51,049	23,969
	<u>3,167,457</u>	<u>3,259,344</u>

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

	30.11.16	30.11.15
Director & Management	5	5
Research & Development	35	20
Selling & Distribution	69	43
Finance & Administration	11	11
	<u>120</u>	<u>79</u>

**Notes to the Financial Statements - continued  
for the year ended 30 November 2016**

**4. EMPLOYEES AND DIRECTORS - continued**

	30.11.16	30.11.15
	£	£
Director's remuneration	110,000	600,000
	<u>          </u>	<u>          </u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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**5. OPERATING PROFIT**

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

	30.11.16	30.11.15
	£	£
Depreciation - owned assets	1,343,572	753,645
Loss on disposal of fixed assets	31,843	-
Domains & licences amortisation	584	583
Auditors' remuneration	14,500	14,000
Foreign exchange differences	253,385	(29,407)
Operating Lease rental	120,119	25,235
	<u>          </u>	<u>          </u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	30.11.16	30.11.15
	£	£
Intercompany interest	256,763	-
Bank interest	32,800	27,940
	<u>          </u>	<u>          </u>
	289,563	27,940
	<u>          </u>	<u>          </u>

**7. TAXATION**

**Analysis of the tax charge**

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

	30.11.16	30.11.15
	£	£
Current tax:		
UK corporation tax	1,165,636	1,735,824
Deferred tax	(132,709)	16,661
	<u>          </u>	<u>          </u>
Tax on profit	1,032,927	1,752,485
	<u>          </u>	<u>          </u>

Notes to the Financial Statements - continued  
for the year ended 30 November 2016

7. **TAXATION - continued**

**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:

	30.11.16 £	30.11.15 £
Profit before tax	9,887,284	13,330,905
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.330%)	1,977,457	2,710,173
Effects of:		
Expenses not deductible for tax purposes	1,758	3,236
Capital allowances in excess of depreciation	(7,681)	(17,267)
Adjustments to tax charge in respect of previous periods	-	16,661
Patent Box deduction	(481,534)	(672,504)
Research & Development enhanced deduction	(383,528)	(287,814)
Group Relief	(73,545)	-
Total tax charge	1,032,927	1,752,485

8. **DIVIDENDS**

	30.11.16 £	30.11.15 £
Ordinary shares of £1 each		
Interim	2,111,275	4,009,500

**Notes to the Financial Statements - continued**  
**for the year ended 30 November 2016**

**9. INTANGIBLE FIXED ASSETS**

	Domains & licences £
<b>COST</b>	
At 1 December 2015	
and 30 November 2016	1,750
<b>AMORTISATION</b>	
At 1 December 2015	826
Amortisation for year	584
At 30 November 2016	1,410
<b>NET BOOK VALUE</b>	
At 30 November 2016	340
At 30 November 2015	924

**10. TANGIBLE FIXED ASSETS**

	Improvements to property £	Tooling £	Fixtures, fittings and equipment £
<b>COST</b>			
At 1 December 2015	53,416	3,839,123	87,168
Additions	-	921,825	245,621
Disposals	(40,765)	-	(42,320)
At 30 November 2016	12,651	4,760,948	290,469
<b>DEPRECIATION</b>			
At 1 December 2015	25,425	2,300,493	60,392
Charge for year	10,683	1,112,690	27,066
Eliminated on disposal	(27,535)	-	(23,708)
At 30 November 2016	8,573	3,413,183	63,750
<b>NET BOOK VALUE</b>			
At 30 November 2016	4,078	1,347,765	226,719
At 30 November 2015	27,991	1,538,630	26,776

Notes to the Financial Statements - continued  
for the year ended 30 November 2016

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 December 2015	-	514,843	4,494,550
Additions	36,832	394,662	1,598,940
Disposals	-	-	(83,085)
	<u>36,832</u>	<u>909,505</u>	<u>6,010,405</u>
At 30 November 2016	36,832	909,505	6,010,405
<b>DEPRECIATION</b>			
At 1 December 2015	-	266,798	2,653,108
Charge for year	2,046	191,087	1,343,572
Eliminated on disposal	-	-	(51,243)
	<u>2,046</u>	<u>457,885</u>	<u>3,945,437</u>
At 30 November 2016	2,046	457,885	3,945,437
<b>NET BOOK VALUE</b>			
At 30 November 2016	<u>34,786</u>	<u>451,620</u>	<u>2,064,968</u>
At 30 November 2015	<u>-</u>	<u>248,045</u>	<u>1,841,442</u>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
At 1 December 2015 and 30 November 2016	<u>1</u>
<b>NET BOOK VALUE</b>	
At 30 November 2016	<u>1</u>
At 30 November 2015	<u>1</u>

Notes to the Financial Statements - continued  
for the year ended 30 November 2016

11. **FIXED ASSET INVESTMENTS - continued**

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Gtech USA Inc**

Registered office: Outside of the United Kingdom

Nature of business: Distribution of domestic electrical products

Class of shares:	% holding
Ordinary	100.00

	30.11.16 £	30.11.15 £
Aggregate capital and reserves	(3,207,546)	(2,979,486)
Loss for the year	(228,076)	(467,885)

Gtech USA Inc. was incorporated on 16 November 2012. The company commenced trading in 2013.

12. **STOCKS**

	30.11.16 £	30.11.15 £
Finished goods	16,770,770	8,403,514

13. **DEBTORS**

	30.11.16 £	30.11.15 £
Amounts falling due within one year:		
Trade debtors	3,763,940	1,942,992
Bad debt provision	-	(15,047)
Amounts owed by group undertakings	3,191,582	3,054,977
Other debtors	396,835	10,364
Tax	176,835	-
Deferred tax asset	72,890	-
Prepayments and accrued income	316,221	214,173
	7,918,303	5,207,459

Notes to the Financial Statements - continued  
for the year ended 30 November 2016

13. **DEBTORS - continued**

	30.11.16	30.11.15
	£	£
Amounts falling due after more than one year:		
Amounts owed by group undertakings	7,438,644	-
Other debtors	-	258,494
	<u>7,438,644</u>	<u>258,494</u>
Aggregate amounts	<u>15,356,947</u>	<u>5,465,953</u>

The amount included as due after more than one year for 2015, relates to professional fees paid in relation to the purchase of land for the newly established associated company under common control. In 2016 this amount is included within amounts owed to group undertaking.

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.11.16	30.11.15
	£	£
Trade creditors	7,554,151	8,803,838
Tax	-	862,978
Social security and other taxes	88,663	201,571
VAT	682,384	597,120
Other creditors	21,729	32,953
Directors' current accounts	24,595	53,000
Accrued expenses	4,797,553	2,346,027
	<u>13,169,075</u>	<u>12,897,487</u>

A debenture is held by Handelsbanken over the company assets and undertakings.

15. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.11.16	30.11.15
	£	£
Within one year	190,067	6,676
Between one and five years	643,508	32,706
	<u>833,575</u>	<u>39,382</u>

**Notes to the Financial Statements - continued  
for the year ended 30 November 2016**

**16. PROVISIONS FOR LIABILITIES**

	30.11.16	30.11.15
	£	£
Deferred tax	-	59,819
Warranty provision	3,351,552	4,392,024
	<u>3,351,552</u>	<u>4,451,843</u>
	Deferred tax	Warranty provision
	£	£
Balance at 1 December 2015	59,819	4,392,024
Provided during year	-	(1,040,472)
Movement on timing differences	(132,709)	-
	<u>(72,890)</u>	<u>3,351,552</u>
Balance at 30 November 2016	<u>(72,890)</u>	<u>3,351,552</u>

A warranty provision is provided at the point the revenue is recognised on products sold under the company warranty terms. The company has a product range with varying warranty terms. The provision is estimated based on an average return rate calculated by reference to the product and sales channel.

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.11.16	30.11.15
			£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

During the year, the total shares were transferred from the director to the holding company.

**18. RESERVES**

	Retained earnings £
At 1 December 2015	18,716,393
Profit for the year	8,854,357
Dividends	<u>(2,111,275)</u>
At 30 November 2016	<u>25,459,475</u>

**Notes to the Financial Statements - continued  
for the year ended 30 November 2016**

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**19. ULTIMATE PARENT COMPANY**

Grey Technology Holding Limited, a company registered and incorporated in England and Wales, on 23 February 2016, is now the company's immediate and ultimate parent company.

On the 10 March 2016, as part of a group reconstruction, the company's issued share capital was acquired by Grey Technology Holding Limited in a share for share exchange with the shareholders, N Grey and L Grey.

Consolidated accounts for the year are available from Brindley Road, Warndon, Worcestershire, WR4 9FB.

**20. RELATED PARTY DISCLOSURES**

During the year, total dividends of £2,111,275 were paid to the director.

Key management personnel remuneration during the year totalled £110,000 (2015 £600,000).

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

**21. ULTIMATE CONTROLLING PARTY**

The director remains the ultimate controlling party, by virtue of holding the controlling interest in the parent company.

**22. FIRST YEAR ADOPTION**

The Company has transitioned to FRS 102 from previously being prepared under the historical cost convention as at 1st December 2014. A reconciliation on this transition can be found on pages 24 to 26.

**Reconciliation of Equity**  
**1 December 2014**  
**(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		1,507	-	1,507
Tangible assets		874,491	-	874,491
Investments		1	-	1
		<u>875,999</u>	<u>-</u>	<u>875,999</u>
<b>CURRENT ASSETS</b>				
Stocks		8,884,585	-	8,884,585
Debtors		5,238,708	-	5,238,708
Prepayments and accrued income		101,238	-	101,238
Cash at bank and in hand		10,150,062	-	10,150,062
		<u>24,374,593</u>	<u>-</u>	<u>24,374,593</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(10,462,760)	-	(10,462,760)
<b>NET CURRENT ASSETS</b>		<u>13,911,833</u>	<u>-</u>	<u>13,911,833</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,787,832	-	14,787,832
<b>PROVISIONS FOR LIABILITIES</b>		(3,630,359)	-	(3,630,359)
<b>NET ASSETS</b>		<u><u>11,157,473</u></u>	<u><u>-</u></u>	<u><u>11,157,473</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		10,000	-	10,000
Retained earnings		11,147,473	-	11,147,473
<b>SHAREHOLDERS' FUNDS</b>		<u><u>11,157,473</u></u>	<u><u>-</u></u>	<u><u>11,157,473</u></u>

The notes form part of these financial statements

**Reconciliation of Equity - continued**  
**30 November 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		924	-	924
Tangible assets		1,841,442	-	1,841,442
Investments		1	-	1
		<u>1,842,367</u>	<u>-</u>	<u>1,842,367</u>
<b>CURRENT ASSETS</b>				
Stocks		8,403,514	-	8,403,514
Debtors		5,839,941	(373,988)	5,465,953
Cash at bank and in hand		20,363,889	-	20,363,889
		<u>34,607,344</u>	<u>(373,988)</u>	<u>34,233,356</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(13,271,475)	373,988	(12,897,487)
<b>NET CURRENT ASSETS</b>		<u>21,335,869</u>	<u>-</u>	<u>21,335,869</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		23,178,236	-	23,178,236
<b>PROVISIONS FOR LIABILITIES</b>		(4,451,843)	-	(4,451,843)
<b>NET ASSETS</b>		<u><u>18,726,393</u></u>	<u><u>-</u></u>	<u><u>18,726,393</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		10,000	-	10,000
Retained earnings		18,716,393	-	18,716,393
<b>SHAREHOLDERS' FUNDS</b>		<u><u>18,726,393</u></u>	<u><u>-</u></u>	<u><u>18,726,393</u></u>

**Notes to the reconciliation of equity**

The adjustment between debtors and creditors is a reclassification done within the accounts with no impact upon reserves.

The notes form part of these financial statements

**GREY TECHNOLOGY LIMITED (REGISTERED NUMBER: 04320113)**

**Reconciliation of Profit  
for the year ended 30 November 2015**

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	<b>UK GAAP £</b>	<b>Effect of transition to FRS 102 £</b>	<b>FRS 102 £</b>
<b>TURNOVER</b>	65,726,882	-	65,726,882
Cost of sales	(27,188,104)	-	(27,188,104)
<b>GROSS PROFIT</b>	38,538,778	-	38,538,778
Administrative expenses	(25,235,813)	-	(25,235,813)
<b>OPERATING PROFIT</b>	13,302,965	-	13,302,965
Interest receivable and similar income and	27,940	-	27,940
<b>PROFIT BEFORE TAXATION</b>	13,330,905	-	13,330,905
Tax on profit	(1,752,485)	-	(1,752,485)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>11,578,420</u>	<u>-</u>	<u>11,578,420</u>

The notes form part of these financial statements