

**Gordano Support Group Limited**  
**Financial Statements**  
**30 September 2017**

THURSDAY



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# **Gordano Support Group Limited**

## **Financial Statements**

**Year ended 30 September 2017**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Directors' report	<b>3</b>
Independent auditor's report to the members	<b>5</b>
Statement of comprehensive income	<b>8</b>
Statement of financial position	<b>9</b>
Statement of changes in equity	<b>10</b>
Statement of cash flows	<b>11</b>
Notes to the financial statements	<b>12</b>

# **Gordano Support Group Limited**

## **Officers and Professional Advisers**

### **The board of directors**

M J Bull  
A F Moore  
J E Bull  
N J Bull  
T J Patch  
P J Roberts

### **Company secretary**

Mrs L S Selwyn

### **Registered office**

Barns Ground  
Kenn  
Clevedon  
Avon  
BS21 6ST

### **Auditor**

Grant Thornton UK LLP  
Chartered accountant & statutory auditor  
11-13 Penhill Road  
Cardiff  
CF11 9UP

### **Bankers**

Barclays Bank PLC  
128 High Street  
Cheltenham  
Gloucestershire  
GL50 1EL

# **Gordano Support Group Limited**

## **Strategic Report**

**Year ended 30 September 2017**

### **Principal trading activity**

The principal activity of the company during the year was that of the provision of packaging and related services.

### **Business review**

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors are further pleased to report that trading following the year end has shown increased performance by the company in the current year, and the directors expect to report an increase in turnover and profits for the year ended 30 September 2018.

### **Financial instruments and risk review**

The company's financial instruments comprise of cash at bank, overdrafts and bank loans. The main purpose of these financial instruments is to raise adequate finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate fluctuations and liquidity risk. It is the company's policy to finance its operations through a mixture of cash and borrowings and to review periodically the mix of these instruments with regard to the projected cashflow requirements of the company and an acceptable level of risk exposure.

### **Financial key performance indicators**

The company's financial KPIs are turnover and gross profit margin as reflected in the financial statements, and these will continue to be the focus in the coming year.

This report was approved by the board of directors on 28 June 2018 and signed on behalf of the board by:



M J Bull  
Director

Registered office:  
Barns Ground  
Kenn  
Clevedon  
Avon  
BS21 6ST

# **Gordano Support Group Limited**

## **Directors' Report**

**Year ended 30 September 2017**

The directors present their report and the financial statements of the company for the year ended 30 September 2017.

### **Directors**

The directors who served the company during the year were as follows:

M J Bull  
A F Moore  
J E Bull  
N J Bull  
T J Patch  
P J Roberts

### **Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

### **Disclosure of information in the strategic report**

In accordance with section 414C(11) of the Companies Act 2006 and schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 the company has elected to present the business review and details of the principal risks and uncertainties within the strategic report shown on page 2.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments 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.

# Gordano Support Group Limited

## Directors' Report *(continued)*

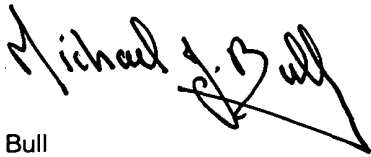
Year ended 30 September 2017

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 28 June 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Michael J. Bull', with a large, stylized flourish at the end.

M J Bull  
Director

Registered office:  
Barns Ground  
Kenn  
Clevedon  
Avon  
BS21 6ST

**Gordano Support Group Limited****Independent Auditor's Report to the Members of Gordano Support Group Limited****Year ended 30 September 2017****Opinion**

We have audited the financial statements of Gordano Support Group Limited (the 'company') for the year ended 30 September 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Gordano Support Group Limited****Independent Auditor's Report to the Members of Gordano Support Group Limited (continued)****Year ended 30 September 2017****Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.



**Gordano Support Group Limited****Independent Auditor's Report to the Members of Gordano Support Group Limited** *(continued)***Year ended 30 September 2017****Responsibilities of directors**

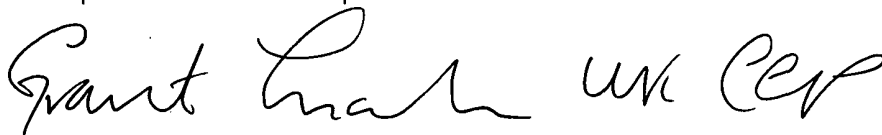
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Rhian Owen (Senior Statutory Auditor)

For and on behalf of  
Grant Thornton UK LLP  
Chartered accountant & statutory auditor  
11-13 Penhill Road  
Cardiff  
CF11 9UP

28 June 2018

# Gordano Support Group Limited

## Statement of Comprehensive Income

Year ended 30 September 2017

	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	<b>8,529,300</b>	8,352,618
Cost of sales		<u>5,411,467</u>	<u>5,184,374</u>
<b>Gross profit</b>		<b>3,117,833</b>	3,168,244
Distribution costs		<u>324,316</u>	286,578
Administrative expenses		<u>2,596,278</u>	<u>2,468,485</u>
<b>Operating profit</b>	<b>5</b>	<b>197,239</b>	413,181
Other interest receivable and similar income	<b>8</b>	<u>44</u>	15
Interest payable and similar expenses	<b>9</b>	<u>40,349</u>	<u>69,515</u>
<b>Profit before taxation</b>		<b>156,934</b>	343,681
Tax on profit	<b>10</b>	<u>46,090</u>	<u>51,342</u>
<b>Profit for the financial year</b>		<b>110,844</b>	<u>292,339</u>
Tax relating to components of other comprehensive income		<u>15,455</u>	<u>15,047</u>
<b>Total comprehensive income for the year</b>		<b>126,299</b>	<u>307,386</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

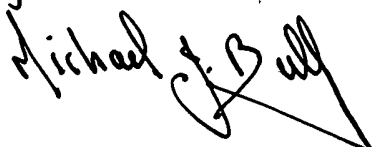
# Gordano Support Group Limited

## Statement of Financial Position

30 September 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	12	3,152,392	3,053,835
Investments	13	250	200
		<u>3,152,642</u>	<u>3,054,035</u>
<b>Current assets</b>			
Stocks	14	684,770	610,477
Debtors	15	2,267,602	2,152,848
Cash at bank and in hand		7,985	11,655
		<u>2,960,357</u>	<u>2,774,980</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>2,538,770</u>	<u>2,309,755</u>
<b>Net current assets</b>		<u>421,587</u>	<u>465,225</u>
<b>Total assets less current liabilities</b>		<u>3,574,229</u>	<u>3,519,260</u>
<b>Creditors: amounts falling due after more than one year</b>	18	890,805	885,785
<b>Provisions</b>			
Taxation including deferred tax	20	103,135	98,485
<b>Net assets</b>		<u>2,580,289</u>	<u>2,534,990</u>
<b>Capital and reserves</b>			
Called up share capital	24	16,045	16,045
Revaluation reserve	25	1,085,430	1,085,641
Capital redemption reserve	25	3,955	3,955
Profit and loss account	25	1,474,859	1,429,349
<b>Shareholders funds</b>		<u>2,580,289</u>	<u>2,534,990</u>

These financial statements were approved by the board of directors and authorised for issue on 28 June 2018 and are signed on behalf of the board by:



M J Bull  
Director

Company registration number: 02637971

The notes on pages 12 to 23 form part of these financial statements.

# Gordano Support Group Limited

## Statement of Changes in Equity

Year ended 30 September 2017

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
<b>At 1 October 2015</b>	16,045	1,084,432	3,955	1,223,172	2,327,604
Profit for the year				292,339	292,339
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	(13,838)	–	13,838	–
Tax relating to components of other comprehensive income <b>10</b>	–	15,047	–	–	15,047
<b>Total comprehensive income for the year</b>	–	1,209	–	306,177	307,386
Dividends paid and payable <b>11</b>	–	–	–	(100,000)	(100,000)
<b>Total investments by and distributions to owners</b>	–	–	–	(100,000)	(100,000)
<b>At 30 September 2016</b>	16,045	1,085,641	3,955	1,429,349	<b>2,534,990</b>
Profit for the year				110,844	<b>110,844</b>
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	(15,666)	–	15,666	–
Tax relating to components of other comprehensive income <b>10</b>	–	15,455	–	–	<b>15,455</b>
<b>Total comprehensive income for the year</b>	–	(211)	–	126,510	<b>126,299</b>
Dividends paid and payable <b>11</b>	–	–	–	(81,000)	<b>(81,000)</b>
<b>Total investments by and distributions to owners</b>	–	–	–	(81,000)	<b>(81,000)</b>
<b>At 30 September 2017</b>	<u>16,045</u>	<u>1,085,430</u>	<u>3,955</u>	<u>1,474,859</u>	<u><b>2,580,289</b></u>

The notes on pages 12 to 23 form part of these financial statements.

# Gordano Support Group Limited

## Statement of Cash Flows

Year ended 30 September 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		110,844	292,339
<i>Adjustments for:</i>			
Depreciation of tangible assets		172,815	162,006
Other interest receivable and similar income		(44)	(15)
Interest payable and similar expenses		40,349	69,515
Loss on disposal of tangible assets		801	5,467
Tax on profit		46,090	51,342
Accrued (income)/expenses		(40,960)	58,787
<i>Changes in:</i>			
Stocks		(74,293)	(28,095)
Trade and other debtors		(114,754)	(312,731)
Trade and other creditors		46,907	205,323
Cash generated from operations		187,755	503,938
Interest paid		(40,349)	(69,515)
Interest received		44	15
Tax paid		(51,389)	(37,039)
Net cash from operating activities		<u>96,061</u>	<u>397,399</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(290,373)	(199,719)
Proceeds from sale of tangible assets		18,200	4,750
Acquisition of fixed asset investments		(50)	-
Net cash used in investing activities		<u>(272,223)</u>	<u>(194,969)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		(88,091)	(97,193)
Payments of finance lease liabilities		103,064	(45,565)
Dividends paid		(81,000)	(100,000)
Net cash used in financing activities		<u>(66,027)</u>	<u>(242,758)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(242,189)</u>	<u>(40,328)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>(285,359)</u>	<u>(245,031)</u>
<b>Cash and cash equivalents at end of year</b>	16	<u>(527,548)</u>	<u>(285,359)</u>

The notes on pages 12 to 23 form part of these financial statements.

# **Gordano Support Group Limited**

## **Notes to the Financial Statements**

**Year ended 30 September 2017**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Barns Ground, Kenn, Clevedon, Avon, BS21 6ST.

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

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

### **3. Accounting policies**

#### **Basis of preparation**

The company has taken advantage of the available exemption under s405(2) of the Companies Act 2006 on the basis the company's subsidiaries were dormant in the year as such are not material to the year end position and for the purpose of giving a true and fair view.

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

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

Significant judgements:

#### **Depreciation**

The directors exercise judgements in order to determine the useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated lives.

#### **Deemed cost**

The directors have opted to utilise the deemed cost election upon transition to FRS102 for the leasehold property. The revalued amount is based on an independent professional valuation undertaken on 10 June 2016 by RICS registered valuers Carter Baynes Limited. The directors are confident that this valuation is materially correct and have critically assessed the valuation methodology and underlying assumptions.

#### **Revenue recognition**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Revenue is recognised when the significant risks and benefits of ownership of the goods have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

#### **Income tax**

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

# **Gordano Support Group Limited**

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

**Year ended 30 September 2017**

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

#### **Income tax** *(continued)*

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

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

#### **Tangible assets**

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

In accordance with section 35 of FRS102 the directors have chosen to adopt the cost model for leasehold premises previously held under the revaluation model. The directors have elected to use a previous revaluation of this asset as its deemed cost at the transition date.

#### **Depreciation**

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

Leasehold property	-	2% straight line
Plant and machinery	-	10% - 15% straight line
Fixtures and fittings	-	10% - 15% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line
Commercial vehicles	-	25% straight line

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

# **Gordano Support Group Limited**

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

**Year ended 30 September 2017**

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

#### **Impairment of fixed assets *(continued)***

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Stocks**

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

#### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Provisions**

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

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

#### **Financial instruments**

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

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

Debt instruments are subsequently measured at amortised cost.

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



# Gordano Support Group Limited

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

Year ended 30 September 2017

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

#### Defined contribution plans

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

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

	2017 £	2016 £
Sale of goods	<u>8,529,300</u>	<u>8,352,618</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017 £	2016 £
United Kingdom	<u>8,321,589</u>	<u>8,210,283</u>
Overseas	<u>207,711</u>	<u>142,335</u>
	<u>8,529,300</u>	<u>8,352,618</u>

### 5. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	172,815	162,006
Loss on disposal of tangible assets	801	5,467
Impairment of trade debtors	992	47
Fees payable for the audit of the financial statements	<u>11,000</u>	<u>10,500</u>

### 6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017 No.	2016 No.
Production staff	91	81
Administrative staff	25	23
Management staff	<u>6</u>	<u>6</u>
	<u>122</u>	<u>110</u>

# Gordano Support Group Limited

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

Year ended 30 September 2017

### 6. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	2,860,777	2,569,422
Social security costs	283,238	248,036
Other pension costs	28,883	39,162
	<u>3,172,898</u>	<u>2,856,620</u>

### 7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	358,774	345,190
Company contributions to defined contribution pension plans	8,539	20,485
	<u>367,313</u>	<u>365,675</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	<u>2</u>	<u>4</u>

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	101,905	98,270
Company contributions to defined contribution pension plans	–	10,000
	<u>101,905</u>	<u>108,270</u>

### 8. Other interest receivable and similar income

	2017	2016
	£	£
Interest on cash and cash equivalents	<u>44</u>	<u>15</u>

### 9. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	12,651	8,718
Interest on obligations under finance leases and hire purchase contracts	7,052	5,658
Other interest payable and similar charges	20,646	55,139
	<u>40,349</u>	<u>69,515</u>

# Gordano Support Group Limited

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

Year ended 30 September 2017

### 10. Tax on profit

#### Major components of tax expense

	2017 £	2016 £
<b>Current tax:</b>		
UK current tax expense	25,985	77,278
Adjustments in respect of prior periods	–	(25,889)
Total current tax	<u>25,985</u>	<u>51,389</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	20,105	(47)
<b>Tax on profit</b>	<u>46,090</u>	<u>51,342</u>

#### Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £(15,455) (2016: £(15,047)).

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19.52% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>156,934</u>	<u>343,681</u>
Profit on ordinary activities by rate of tax	30,634	68,736
Adjustment to tax charge in respect of prior periods	–	(25,889)
Effect of expenses not deductible for tax purposes	8,498	10,976
Effect of capital allowances and depreciation	9,967	(2,434)
Rounding on tax charge	(2,980)	–
Deferred tax	(29)	(47)
Tax on profit	<u>46,090</u>	<u>51,342</u>

### 11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Dividends on equity shares	<u>81,000</u>	<u>100,000</u>

# Gordano Support Group Limited

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

Year ended 30 September 2017

### 12. Tangible assets

	Leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Commercial vehicles £	Total £
<b>Cost</b>						
At 1 Oct 2016	2,541,781	854,918	715,022	159,419	113,011	<b>4,384,151</b>
Additions	17,302	175,991	29,430	41,270	26,380	<b>290,373</b>
Disposals	—	(40,000)	(3,985)	(25,383)	—	<b>(69,368)</b>
<b>At 30 Sep 2017</b>	<b>2,559,083</b>	<b>990,909</b>	<b>740,467</b>	<b>175,306</b>	<b>139,391</b>	<b>4,605,156</b>
<b>Depreciation</b>						
At 1 Oct 2016	51,871	546,070	607,188	57,596	67,591	<b>1,330,316</b>
Charge for the year	51,062	44,406	38,141	26,574	12,632	<b>172,815</b>
Disposals	—	(26,000)	(3,984)	(20,383)	—	<b>(50,367)</b>
<b>At 30 Sep 2017</b>	<b>102,933</b>	<b>564,476</b>	<b>641,345</b>	<b>63,787</b>	<b>80,223</b>	<b>1,452,764</b>
<b>Carrying amount</b>						
<b>At 30 Sep 2017</b>	<b>2,456,150</b>	<b>426,433</b>	<b>99,122</b>	<b>111,519</b>	<b>59,168</b>	<b>3,152,392</b>
At 30 Sep 2016	2,489,910	308,848	107,834	101,823	45,420	3,053,835

### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	Commercial vehicles £	Total £
<b>At 30 September 2017</b>	<b>167,650</b>	<b>94,479</b>	<b>40,555</b>	<b>302,684</b>
At 30 September 2016	59,241	96,823	31,164	187,228

### 13. Investments

	Shares in group undertaking s £
<b>Cost</b>	
At 1 October 2016	200
Additions	50
<b>At 30 September 2017</b>	<b>250</b>
<b>Impairment</b>	
At 1 October 2016 and 30 September 2017	—

# Gordano Support Group Limited

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

Year ended 30 September 2017

### 13. Investments *(continued)*

	Shares in group undertakings £
<b>Carrying amount</b>	
<b>At 30 September 2017</b>	<b>250</b>
At 30 September 2016	200

During the year the company acquired 50% of the issued share capital of Safe2Ship Limited, a company incorporated in England & Wales.

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

	Percentage of shareholding	Number of shares held	2017 £
Gordano Packaging Limited (Dormant)	100	100	100
Gordano Support Limited (Dormant)	100	100	100
Safe2Ship Limited (Dormant)	50	50	50
Total		<u>250</u>	<u>250</u>

The capital and reserves and retained profits for the financial year ended 30 September 2017 of the undertakings were as follows:

	Retained Profit/ (Loss) for the year £	Capital and reserves £
Gordano Packaging Limited	—	100
Gordano Support Limited	—	100
Safe2Ship Limited	—	100

All investment companies have remained dormant throughout the period.

### 14. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>684,770</u>	<u>610,477</u>

### 15. Debtors

	2017 £	2016 £
Trade debtors	2,173,333	2,083,628
Prepayments and accrued income	94,269	69,220
	<u>2,267,602</u>	<u>2,152,848</u>

# Gordano Support Group Limited

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

**Year ended 30 September 2017**

### 16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	7,985	11,655
Bank overdrafts	<u>(535,533)</u>	<u>(297,014)</u>
	<u>(527,548)</u>	<u>(285,359)</u>

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

	2017	2016
	£	£
Bank loans and overdrafts	653,961	425,494
Trade creditors	1,214,924	1,186,824
Accruals and deferred income	299,660	340,620
Corporation tax	25,985	51,389
Social security and other taxes	268,494	249,687
Obligations under finance leases and hire purchase contracts	<u>75,746</u>	<u>55,741</u>
	<u>2,538,770</u>	<u>2,309,755</u>

The bank overdraft is secured on the book debts of the company. The bank loans are secured by a charge over the company's leasehold premises.

### 18. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	759,637	837,676
Obligations under finance leases and hire purchase contracts	<u>131,168</u>	<u>48,109</u>
	<u>890,805</u>	<u>885,785</u>

The bank loans are secured by a charge over the company's leasehold premises.

The property loan commenced in 2005 and is repayable in equal monthly instalments (allowing for an initial capital holiday of 24 months) over a period of 20 years. Interest is charged at 1.85% above base rate.

A further loan of £98,500 commenced in October 2012 in relation to the expansion of premises, and is repayable in equal monthly instalments over a period of 10 years with interest charged at variable rate of 3.75% above base rate.

### 19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2017	2016
	£	£
Not later than 1 year	75,746	55,741
Later than 1 year and not later than 5 years	<u>131,168</u>	<u>48,109</u>
	<u>206,914</u>	<u>103,850</u>

# Gordano Support Group Limited

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

Year ended 30 September 2017

### 20. Provisions

	Deferred tax (note 21) £
At 1 October 2016	98,485
Additions	4,650
<b>At 30 September 2017</b>	<b><u>103,135</u></b>

### 21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017 £	2016 £
Included in provisions (note 20)	<b><u>103,135</u></b>	<b><u>98,485</u></b>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017 £	2016 £
Accelerated capital allowances	86,751	66,646
Revaluation of tangible assets	16,384	31,839
	<b><u>103,135</u></b>	<b><u>98,485</u></b>

### 22. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £28,883 (2016: £39,162).

### 23. Financial instruments

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

	2017 £	2016 £
<b>Financial assets measured at fair value through profit or loss</b>		
Financial assets measured at fair value through profit or loss	<b><u>7,985</u></b>	<b><u>11,655</u></b>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<b><u>2,173,333</u></b>	<b><u>2,083,628</u></b>
<b>Financial liabilities measured at fair value through profit or loss</b>		
Financial liabilities measured at fair value through profit or loss	<b><u>535,533</u></b>	<b><u>297,014</u></b>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<b><u>2,567,400</u></b>	<b><u>2,570,815</u></b>

# Gordano Support Group Limited

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

Year ended 30 September 2017

### 23. Financial instruments *(continued)*

Financial assets measured at fair value comprise of cash.

Financial assets measured at amortised cost comprise of trade debtors.

Financial liabilities measured at fair value comprise of bank overdrafts.

Financial liabilities measured at amortised cost comprise of trade creditors, accruals, obligations under finance leases and hire purchase agreements, together with bank loan commitments.

### 24. Called up share capital

#### Authorised share capital

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

#### Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>16,045</u>	<u>16,045</u>	<u>16,045</u>	<u>16,045</u>

### 25. Reserves

Revaluation reserve - This reserve represents the difference between accounting cost and revalued property where the deemed cost election has been taken. The reserve also includes movements in the deferred tax provision arising on the difference between tax base cost and the carrying value of property where this election has been taken.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 26. Operating leases

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

	2017	2016
	£	£
Not later than 1 year	164,025	164,943
Later than 1 year and not later than 5 years	402,933	474,239
Later than 5 years	658,000	705,000
	<u>1,224,958</u>	<u>1,344,182</u>



# **Gordano Support Group Limited**

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

**Year ended 30 September 2017**

### **27. Related party transactions**

The director M J Bull controls the company by virtue of holding a controlling interest in the issued share capital.

During the year the directors received dividends from the company totalling £67,602 (2016 - £83,459).

During the year, Roberts & Co (Bristol) Limited, a company in which the director, Mr P Roberts, holds a controlling interest, provided services to the company totalling £36,735 (2016 - £40,910).

At the year end date the company owed Roberts & Co (Bristol) Limited a balance of £7,968 in respect of services provided.

During the year the company made ground rent payments totalling £47,000 to the GPL Executive Pension Trust, a pension scheme in which the directors, M J Bull, N J Bull and J E Bull, are trustees.

The above ground rental is at market-value and is subject to a lease term of 35 years commencing 16 January 2001. The associated remaining total lease commitment of £893,000 (£47,000 per annum for 19 years) is disclosed within note 25 in respect of operating lease commitments.

Prepayments and accrued income includes a balance of £31,463 in respect of expenditure incurred on behalf of the joint venture Safe2Ship Limited.

### **28. Controlling party**

Gordano Support Group Limited is under the control of M J Bull and his close family who own 91.5% of the issued share capital.