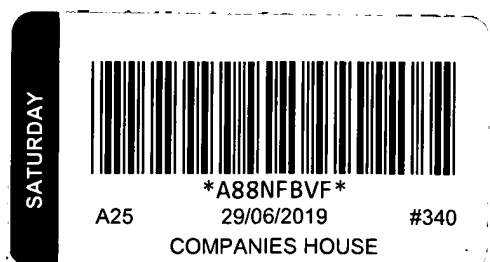


Gordano Support Group Limited
Financial Statements
30 September 2018



Gordano Support Group Limited

Financial Statements

Year ended 30 September 2018

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Gordano Support Group Limited

Officers and Professional Advisers

The board of directors

M J Bull
A F Moore (Resigned 15 May 2019)
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

Mazars LLP
Chartered accountants & statutory auditor
90 Victoria Street
Bristol
BS1 6DP

Bankers

Barclays Bank PLC
128 High Street
Cheltenham
Gloucestershire
GL50 1EL

Gordano Support Group Limited

Strategic Report

Year ended 30 September 2018

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 pleased to report that trading following the year end has continued to show a positive performance and the directors expect to report an increase in turnover and profits for the year ended 30 September 2019.

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.

Future developments

The company is continuing to invest in new equipment to enable greater automation and advanced levels of efficiencies and effectiveness within the production processes of the business.

In addition, the company is pursuing increased levels of overseas trading in order to expand into new geographical territories.

In understanding its environmental responsibilities, the company is striving to promote continual improvements and efficiencies regarding material usage and the associated requirement of keeping wastage levels to a minimum.

We have undertaken an analysis of the risks and operational challenges to our business arising as a result of Brexit. Although there is potential for increased tariffs and duty on both goods imported into the UK from the EU and other countries and goods exported from the UK this is not a significant part of our business and we do not anticipate significant risks or operational challenges to arise. As such we are not making specific preparations for either a no-deal or otherwise Brexit, but are continuing to monitor the situation as it develops.

Gordano Support Group Limited

Strategic Report *(continued)*

Year ended 30 September 2018

This report was approved by the board of directors on 24.06.2019 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

Directors' Report

Year ended 30 September 2018

The directors present their report and the financial statements of the company for the year ended 30 September 2018.

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 2018

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 24.06.2019 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

Independent Auditor's Report to the Members of Gordano Support Group Limited

Year ended 30 September 2018

Opinion

We have audited the financial statements of Gordano Support Group Limited (the 'company') for the year ended 30 September 2018 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy. We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

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 2018

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 2018

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. This description forms part of our auditor's report.

Use of our report

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.



Jonathan Marchant (Senior Statutory Auditor)

For and on behalf of
Mazars LLP
Chartered accountants & statutory auditor
90 Victoria Street
Bristol
BS1 6DP

28/6/19

Gordano Support Group Limited

Statement of Comprehensive Income

Year ended 30 September 2018

	Note	2018 £	2017 £
Turnover	4	9,640,562	8,529,300
Cost of sales		<u>6,232,356</u>	<u>5,411,467</u>
Gross profit		3,408,206	3,117,833
Distribution costs		350,806	324,316
Administrative expenses		<u>2,821,204</u>	<u>2,596,278</u>
Operating profit	5	236,196	197,239
Other interest receivable and similar income	8	–	44
Interest payable and similar expenses	9	<u>46,627</u>	<u>40,349</u>
Profit before taxation		189,569	156,934
Tax on profit	10	<u>(21,526)</u>	<u>46,090</u>
Profit for the financial year		<u>211,095</u>	<u>110,844</u>
Tax relating to components of other comprehensive income		6,200	15,455
Total comprehensive income for the year		<u>217,295</u>	<u>126,299</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 25 form part of these financial statements.


Gordano Support Group Limited

Statement of Financial Position

30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	3,124,010	3,152,392
Investments	13	250	250
		<u>3,124,260</u>	<u>3,152,642</u>
Current assets			
Stocks	14	778,348	684,770
Debtors	15	2,665,662	2,267,602
Cash at bank and in hand		9,472	7,985
		<u>3,453,482</u>	<u>2,960,357</u>
Creditors: amounts falling due within one year	17	<u>2,965,367</u>	<u>2,538,770</u>
Net current assets		<u>488,115</u>	<u>421,587</u>
Total assets less current liabilities		<u>3,612,375</u>	<u>3,574,229</u>
Creditors: amounts falling due after more than one year	18	767,762	890,805
Provisions			
Taxation including deferred tax	20	<u>107,029</u>	<u>103,135</u>
Net assets		<u>2,737,584</u>	<u>2,580,289</u>
Capital and reserves			
Called up share capital	24	16,045	16,045
Revaluation reserve	25	1,075,975	1,085,430
Capital redemption reserve	25	3,955	3,955
Profit and loss account	25	<u>1,641,609</u>	<u>1,474,859</u>
Shareholders funds		<u>2,737,584</u>	<u>2,580,289</u>

These financial statements were approved by the board of directors and authorised for issue on 24.06.2019 and are signed on behalf of the board by:


M J Bull
Director

Company registration number: 02637971

The notes on pages 13 to 25 form part of these financial statements.

Gordano Support Group Limited

Statement of Changes in Equity

Year ended 30 September 2018

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2016	16,045	1,085,641	3,955	1,429,349	2,534,990
Profit for the year				110,844	110,844
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	10	15,455	–	–	15,455
Total comprehensive income for the year	–	(211)	–	126,510	126,299
Dividends paid and payable	11	–	–	(81,000)	(81,000)
Total investments by and distributions to owners	–	–	–	(81,000)	(81,000)
At 30 September 2017	16,045	1,085,430	3,955	1,474,859	2,580,289
Profit for the year				211,095	211,095
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	(15,655)	–	15,655	–
Tax relating to components of other comprehensive income	10	6,200	–	–	6,200
Total comprehensive income for the year	–	(9,455)	–	226,750	217,295
Dividends paid and payable	11	–	–	(60,000)	(60,000)
Total investments by and distributions to owners	–	–	–	(60,000)	(60,000)
At 30 September 2018	<u>16,045</u>	<u>1,075,975</u>	<u>3,955</u>	<u>1,641,609</u>	<u>2,737,584</u>

The notes on pages 13 to 25 form part of these financial statements.

Gordano Support Group Limited

Statement of Cash Flows

Year ended 30 September 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the financial year		211,095	110,844
<i>Adjustments for:</i>			
Depreciation of tangible assets		178,657	172,815
Other interest receivable and similar income		–	(44)
Interest payable and similar expenses		46,627	40,349
(Gains)/loss on disposal of tangible assets		(190)	801
Tax on profit		(21,526)	46,090
Accrued income		(6,991)	(40,960)
<i>Changes in:</i>			
Stocks		(93,578)	(74,293)
Trade and other debtors		(398,060)	(114,754)
Trade and other creditors		243,534	46,907
Cash generated from operations		159,568	187,755
Interest paid		(46,627)	(40,349)
Interest received		–	44
Tax received/(paid)		5,635	(51,389)
Net cash from operating activities		<u>118,576</u>	<u>96,061</u>
Cash flows from investing activities			
Purchase of tangible assets		(166,585)	(290,373)
Proceeds from sale of tangible assets		16,500	18,200
Acquisition of subsidiaries		–	(50)
Net cash used in investing activities		<u>(150,085)</u>	<u>(272,223)</u>
Cash flows from financing activities			
Proceeds from borrowings		(124,017)	(88,091)
Payments of finance lease liabilities		19,971	103,064
Dividends paid		(60,000)	(81,000)
Net cash used in financing activities		<u>(164,046)</u>	<u>(66,027)</u>
Net decrease in cash and cash equivalents		<u>(195,555)</u>	<u>(242,189)</u>
Cash and cash equivalents at beginning of year		<u>(527,548)</u>	<u>(285,359)</u>
Cash and cash equivalents at end of year	16	<u>(723,103)</u>	<u>(527,548)</u>

The notes on pages 13 to 25 form part of these financial statements.

Gordano Support Group Limited

Notes to the Financial Statements

Year ended 30 September 2018

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 2018

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 2018

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 2018

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:

	2018 £	2017 £
Sale of goods	<u>9,640,562</u>	<u>8,529,300</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:

	2018 £	2017 £
United Kingdom	9,432,864	8,321,589
Overseas	<u>207,698</u>	<u>207,711</u>
	<u>9,640,562</u>	<u>8,529,300</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018 £	2017 £
Depreciation of tangible assets	178,657	172,815
(Gains)/loss on disposal of tangible assets	(190)	801
Impairment of trade debtors	(1,138)	992
Fees payable for the audit of the financial statements	<u>12,150</u>	<u>11,000</u>

6. Staff costs

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

	2018 No.	2017 No.
Production staff	95	91
Administrative staff	24	25
Management staff	<u>6</u>	<u>6</u>
	<u>125</u>	<u>122</u>

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

6. Staff costs *(continued)*

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

	2018	2017
	£	£
Wages and salaries	3,068,439	2,860,777
Social security costs	220,673	283,238
Other pension costs	34,856	28,883
	<u>3,323,968</u>	<u>3,172,898</u>

7. Directors' remuneration

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

	2018	2017
	£	£
Remuneration	365,193	358,774
Company contributions to defined contribution pension plans	13,196	8,539
	<u>378,389</u>	<u>367,313</u>

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

	2018	2017
	No.	No.
Defined contribution plans	<u>4</u>	<u>2</u>

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

	2018	2017
	£	£
Aggregate remuneration	<u>102,700</u>	<u>101,905</u>

8. Other interest receivable and similar income

	2018	2017
	£	£
Interest on cash and cash equivalents	<u>—</u>	<u>44</u>

9. Interest payable and similar expenses

	2018	2017
	£	£
Interest on banks loans and overdrafts	18,940	12,651
Interest on obligations under finance leases and hire purchase contracts	8,097	7,052
Other interest payable and similar charges	<u>19,590</u>	<u>20,646</u>
	<u>46,627</u>	<u>40,349</u>

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

10. Tax on profit

Major components of tax (income)/expense

	2018 £	2017 £
Current tax:		
UK current tax expense	41,784	25,985
Adjustments in respect of prior periods	(73,404)	–
Total current tax	<u>(31,620)</u>	<u>25,985</u>
Deferred tax:		
Origination and reversal of timing differences	10,094	20,105
Tax on profit	<u>(21,526)</u>	<u>46,090</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 £(6,200) (2017: £(15,455)).

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.52%).

	2018 £	2017 £
Profit on ordinary activities before taxation	189,569	156,934
Profit on ordinary activities by rate of tax	36,018	30,634
Adjustment to tax charge in respect of prior periods	(73,404)	–
Effect of expenses not deductible for tax purposes	7,276	8,498
Effect of capital allowances and depreciation	(1,510)	9,967
Rounding on tax charge	–	(2,980)
Deferred tax	10,094	(29)
Tax on profit	<u>(21,526)</u>	<u>46,090</u>

11. Dividends

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

	2018 £	2017 £
Dividends on equity shares	<u>60,000</u>	<u>81,000</u>

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

12. Tangible assets

	Leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Commercial vehicles £	Total £
Cost						
At 1 Oct 2017	2,559,083	990,909	740,467	175,306	139,391	4,605,156
Additions	10,481	41,584	73,525	–	40,995	166,585
Disposals	–	(9,200)	–	(38,445)	–	(47,645)
At 30 Sep 2018	2,569,564	1,023,293	813,992	136,861	180,386	4,724,096
Depreciation						
At 1 Oct 2017	102,933	564,476	641,345	63,787	80,223	1,452,764
Charge for the year	51,240	55,381	36,592	26,296	9,148	178,657
Disposals	–	(8,699)	–	(22,636)	–	(31,335)
At 30 Sep 2018	154,173	611,158	677,937	67,447	89,371	1,600,086
Carrying amount						
At 30 Sep 2018	2,415,391	412,135	136,055	69,414	91,015	3,124,010
At 30 Sep 2017	2,456,150	426,433	99,122	111,519	59,168	3,152,392

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 £	Fixtures, fittings and equipment £	Motor vehicles £	Commercial vehicles £	Total £
At 30 September 2018	161,726	40,906	55,038	73,010	330,680
At 30 September 2017	167,650	–	94,479	40,555	302,684

13. Investments

	Shares in group undertaking s £
Cost	
At 1 October 2017 and 30 September 2018	250
Impairment	
At 1 October 2017 and 30 September 2018	–

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

13. Investments *(continued)*

	Shares in group undertakings £
Carrying amount	
At 30 September 2018	250
At 30 September 2017	250

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

	Percentage of sharehold- ing	Number of shares held	2018 £
Gordano Packaging Limited (Dormant)	100	100	100
Gordano Support Limited (Dormant)	100	100	100
Safe2Ship Limited (Dormant)	50	50	50
Total		250	250

The capital and reserves and retained profits for the financial year ended 30 September 2018 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 are registered in England & Wales, hold registered addresses of Barns Ground, Kenn, Clevedon, BS21 6ST and have remained dormant throughout the period.

14. Stocks

	2018 £	2017 £
Raw materials and consumables	778,348	684,770

15. Debtors

	2018 £	2017 £
Trade debtors	2,345,625	2,173,333
Prepayments and accrued income	288,417	94,269
Corporation tax repayable	31,620	—
	2,665,662	2,267,602

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2018	2017
	£	£
Cash at bank and in hand	9,472	7,985
Bank overdrafts	(732,575)	(535,533)
	<u>(723,103)</u>	<u>(527,548)</u>

17. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	862,753	653,961
Trade creditors	1,444,689	1,214,924
Accruals and deferred income	292,669	299,660
Corporation tax	–	25,985
Social security and other taxes	282,263	268,494
Obligations under finance leases and hire purchase contracts	82,993	75,746
	<u>2,965,367</u>	<u>2,538,770</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

	2018	2017
	£	£
Bank loans and overdrafts	623,870	759,637
Obligations under finance leases and hire purchase contracts	143,892	131,168
	<u>767,762</u>	<u>890,805</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.

Included within creditors: amounts falling due after more than one year is an amount of £87,737 (2017: £228,746) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

19. Finance leases and hire purchase contracts

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

	2018 £	2017 £
Not later than 1 year	98,464	75,746
Later than 1 year and not later than 5 years	128,421	131,168
	<u>226,885</u>	<u>206,914</u>

20. Provisions

	Deferred tax (note 21) £
At 1 October 2017	103,135
Additions	3,894
At 30 September 2018	<u>107,029</u>

21. Deferred tax

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

	2018 £	2017 £
Included in provisions (note 20)	<u>107,029</u>	<u>103,135</u>

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

	2018 £	2017 £
Accelerated capital allowances	96,845	86,751
Revaluation of tangible assets	10,184	16,384
	<u>107,029</u>	<u>103,135</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £34,856 (2017: £28,883).

At the year-end date the company had outstanding pension commitments of £4,118 (2017 - £2,782).

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

23. Financial instruments

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

	2018 £	2017 £
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	<u>9,472</u>	<u>7,985</u>
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>2,345,625</u>	<u>2,173,333</u>
Financial liabilities measured at fair value through profit or loss		
Financial liabilities measured at fair value through profit or loss	<u>732,575</u>	<u>535,533</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>2,691,656</u>	<u>2,567,400</u>

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

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000.00</u>	<u>100,000</u>	<u>100,000.00</u>

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>16,045</u>	<u>16,045.00</u>	<u>16,045</u>	<u>16,045.00</u>

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

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:

	2018	2017
	£	£
Not later than 1 year	176,811	164,025
Later than 1 year and not later than 5 years	284,566	402,933
Later than 5 years	611,477	658,000
	<u>1,072,854</u>	<u>1,224,958</u>

27. Directors' advances, credits and guarantees

During the year the company advanced the director, Mr J E Bull £7,500, this amount remained outstanding at the year end date.

Gordano Support Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

28. 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 £50,075 (2017 - £67,602).

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 £30,746 (2017 - £36,735).

At the year end date the company owed Roberts & Co (Bristol) Limited a balance of £6,936 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 £846,000 (£47,000 per annum for 18 years) is disclosed within note 26 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.

29. 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.