

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 28th February 2015
for
GENERAL ENGINEERING
(TREATMENTS) LIMITED**

MONDAY



L4L9ZFYI

LD4

30/11/2015

#90

COMPANIES HOUSE

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Contents of the Financial Statements
for the year ended 28th February 2015**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	12
Trading and Profit and Loss Account	21

GENERAL ENGINEERING (TREATMENTS) LIMITED

Company Information for the year ended 28th February 2015

DIRECTORS:

Mr A P Boulton
Mr A D Varley

SECRETARY:

Mr A P Boulton

REGISTERED OFFICE:

Monometer House
Rectory Grove
Leigh on Sea
Essex
SS9 2HN

REGISTERED NUMBER:

03415558 (England and Wales)

AUDITORS:

Barrons
Chartered Accountants
& Statutory Auditors
Monometer House
Rectory Grove
Leigh on Sea
Essex
SS9 2HN

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Strategic Report
for the year ended 28th February 2015**

The directors present their strategic report for the year ended 28th February 2015.

The principal activity of the Company continued to be that of the treatment of metals during the year ended 28th February 2015.

During the year under review the Company's turnover has increased by 20% and combined with an improvement in gross margin, the Company has increased gross profit from normal activities by 40%. This has been achieved by a tight control of cost of sales and an increase in turnover, enhanced by a number of high value premium rate projects.

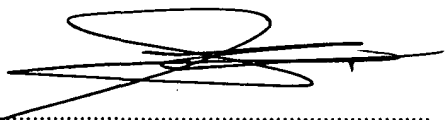
Overall pre-tax profit has increased by some 54% over 2014.

Senior management continue to effectively monitor key performance indicators via the production of accurate and timely monthly management accounts.

The Company continues to monitor market trends and will continue to seek new customers and opportunities within its sector.

The Company's operations are subject to the laws governing business in general including health and safety, labour and employment practices and other matters.

ON BEHALF OF THE BOARD:



.....
Mr A P Boulton - Director

Date: 26/11/15

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Report of the Directors
for the year ended 28th February 2015**

The directors present their report with the financial statements of the company for the year ended 28th February 2015.

DIVIDENDS

The total distribution of dividends for the year ended 28th February 2015 will be £397,255.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st March 2014 to the date of this report.

Mr A P Boulton

Mr A D Varley

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

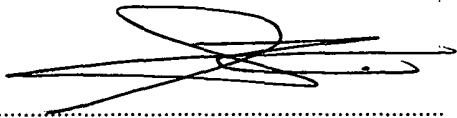
**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Report of the Directors
for the year ended 28th February 2015**

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
Mr A P Boulton - Director

Date:26/11/15.....

Report of the Independent Auditors to the Members of General Engineering (Treatments) Limited

We have audited the financial statements of General Engineering (Treatments) Limited for the year ended 28th February 2015 on pages seven to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Qualified opinion on financial statements arising from a Limitation of Scope

We draw your attention to the fact that the corresponding figures throughout the financial statements are unaudited.

Except for the financial effect of such adjustments, if any, as might have been determined necessary in respect of the above, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28th February 2015 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

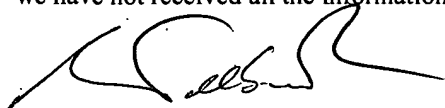
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of General Engineering (Treatments) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Russell Tillbrook FCCA (Senior Statutory Auditor)
for and on behalf of Barrons
Chartered Accountants
& Statutory Auditors
Monometer House
Rectory Grove
Leigh on Sea
Essex
SS9 2HN

Date:26.11.15.....

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Profit and Loss Account
for the year ended 28th February 2015**

	Notes	2015 £	2014 £
TURNOVER	2	6,103,967	5,072,827
Cost of sales		3,386,145	3,135,196
GROSS PROFIT		2,717,822	1,937,631
Administrative expenses		1,350,264	1,147,426
		1,367,558	790,205
Other operating income		20,481	22,774
OPERATING PROFIT	4	1,388,039	812,979
Income from shares in group undertakings		-	250,000
Interest receivable and similar income		423	234
		423	250,234
		1,388,462	1,063,213
Interest payable and similar charges	5	21,682	15,179
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,366,780	1,048,034
Tax on profit on ordinary activities	6	295,657	181,155
PROFIT FOR THE FINANCIAL YEAR		1,071,123	866,879

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Balance Sheet
28th February 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	8	932,244	922,654
Investments	9	1,000	1,000
		<u>933,244</u>	<u>923,654</u>
CURRENT ASSETS			
Stocks	10	18,304	14,848
Debtors	11	2,073,136	1,783,631
Cash at bank and in hand		1,503,967	868,718
		<u>3,595,407</u>	<u>2,667,197</u>
CREDITORS			
Amounts falling due within one year	12	1,148,588	767,317
NET CURRENT ASSETS		<u>2,446,819</u>	<u>1,899,880</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,380,063</u>	<u>2,823,534</u>
CREDITORS			
Amounts falling due after more than one year	13	(224,784)	(330,222)
PROVISIONS FOR LIABILITIES	16	(81,229)	(93,130)
NET ASSETS		<u>3,074,050</u>	<u>2,400,182</u>
CAPITAL AND RESERVES			
Called up share capital	17	99	99
Profit and loss account	18	3,073,951	2,400,083
SHAREHOLDERS' FUNDS	20	<u>3,074,050</u>	<u>2,400,182</u>

The financial statements were approved by the Board of Directors on 26/11/15 and were signed on its behalf by:



Mr A P Boulton - Director

The notes form part of these financial statements

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Cash Flow Statement
for the year ended 28th February 2015**

	Notes	2015 £	2014 £
Net cash inflow from operating activities	1	1,537,174	764,049
Returns on investments and servicing of finance	2	(21,259)	235,055
Taxation		(142,390)	(219,815)
Capital expenditure	2	(242,184)	(449,244)
Equity dividends paid		(397,255)	(386,188)
		<u>734,086</u>	<u>(56,143)</u>
Financing	2	(98,837)	180,047
Increase in cash in the period		<u>635,249</u>	<u>123,904</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		635,249	123,904
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>98,837</u>	<u>(180,047)</u>
Change in net funds resulting from cash flows		<u>734,086</u>	<u>(56,143)</u>
Movement in net funds in the period		734,086	(56,143)
Net funds at 1st March		<u>439,660</u>	<u>495,803</u>
Net funds at 28th February		<u>1,173,746</u>	<u>439,660</u>

The notes form part of these financial statements

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Cash Flow Statement
for the year ended 28th February 2015**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating profit	1,388,039	812,979
Depreciation charges	180,135	151,448
Loss on disposal of fixed assets	52,459	1,759
(Increase)/decrease in stocks	(3,456)	1,887
Increase in debtors	(289,505)	(187,860)
Increase/(decrease) in creditors	209,502	(16,164)
Net cash inflow from operating activities	1,537,174	764,049

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	423	234
Interest element of hire purchase payments	(21,682)	(15,179)
Dividends received	-	250,000
Net cash (outflow)/inflow for returns on investments and servicing of finance	(21,259)	235,055
Capital expenditure		
Purchase of tangible fixed assets	(242,184)	(449,244)
Net cash outflow for capital expenditure	(242,184)	(449,244)
Financing		
Capital repayments in year	(98,837)	180,047
Net cash (outflow)/inflow from financing	(98,837)	180,047

The notes form part of these financial statements

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Cash Flow Statement
for the year ended 28th February 2015**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.14 £	Cash flow £	At 28.2.15 £
Net cash:			
Cash at bank and in hand	868,718	635,249	1,503,967
	<u>868,718</u>	<u>635,249</u>	<u>1,503,967</u>
Debt:			
Hire purchase	(429,058)	98,837	(330,221)
	<u>(429,058)</u>	<u>98,837</u>	<u>(330,221)</u>
Total	<u>439,660</u>	<u>734,086</u>	<u>1,173,746</u>

The notes form part of these financial statements

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements
for the year ended 28th February 2015**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net sales of goods and services for the year, excluding value added tax.

Tangible fixed assets

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

Plant and machinery	- 10% on cost
Fixtures and fittings	- 33% on cost, 25% on cost and 5% on cost
Motor vehicles	- 25% on cost

Stocks

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

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

Hire purchase and leasing commitments

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

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

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

Pension costs and other post-retirement benefits

The company operates a money purchase pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate to.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements - continued
for the year ended 28th February 2015**

2. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	5,237,552	4,251,729
Rest of the World	866,415	821,098
	<u>6,103,967</u>	<u>5,072,827</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	1,885,794	1,874,616
Social security costs	179,113	185,387
Other pension costs	4,900	1,200
	<u>2,069,807</u>	<u>2,061,203</u>

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

	2015	2014
Production	65	61
Administration	8	8
	<u>73</u>	<u>69</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Hire of plant and machinery	16,234	19,062
Depreciation - owned assets	112,182	98,755
Depreciation - assets on hire purchase contracts	67,952	52,691
Loss on disposal of fixed assets	52,459	1,759
Auditors' remuneration	7,500	-
Foreign exchange differences	29,314	15,054
	<u></u>	<u></u>
Directors' remuneration	89,994	90,506
Directors' pension contributions to money purchase schemes	4,900	1,200
	<u></u>	<u></u>

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements - continued
for the year ended 28th February 2015**

4. OPERATING PROFIT - continued

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

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Hire purchase interest	<u>21,682</u>	<u>15,179</u>

6. TAXATION

Analysis of the tax charge

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

	2015	2014
	£	£
Current tax:		
UK corporation tax	307,558	142,348
Deferred tax	(11,901)	38,807
Tax on profit on ordinary activities	<u>295,657</u>	<u>181,155</u>

Factors affecting the tax charge

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

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>1,366,780</u>	<u>1,048,034</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	287,024	241,048
Effects of:		
Expenses not deductible for tax purposes	16,145	5,670
Capital allowances in excess of depreciation	-	(40,784)
Depreciation in excess of capital allowances	2,056	-
Difference due to rate change during year	2,333	-
Marginal relief	-	(6,086)
Income not taxable	-	(57,500)
Current tax charge	<u>307,558</u>	<u>142,348</u>

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements - continued
for the year ended 28th February 2015**

7. DIVIDENDS

	2015 £	2014 £
Ordinary shares of £1 each		
Interim	137,255	136,188
Redeemable preference shares of £1 each		
Preference dividend	260,000	250,000
	<u>397,255</u>	<u>386,188</u>

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st March 2014	220,313	1,230,940	117,707	138,549	1,707,509
Additions	136,467	91,780	7,435	6,500	242,182
Disposals	-	(431,076)	(62,144)	(6,750)	(499,970)
At 28th February 2015	<u>356,780</u>	<u>891,644</u>	<u>62,998</u>	<u>138,299</u>	<u>1,449,721</u>
DEPRECIATION					
At 1st March 2014	66,398	547,594	101,815	69,048	784,855
Charge for year	23,766	118,692	9,845	27,831	180,134
Eliminated on disposal	-	(382,916)	(57,846)	(6,750)	(447,512)
At 28th February 2015	<u>90,164</u>	<u>283,370</u>	<u>53,814</u>	<u>90,129</u>	<u>517,477</u>
NET BOOK VALUE					
At 28th February 2015	<u>266,616</u>	<u>608,274</u>	<u>9,184</u>	<u>48,170</u>	<u>932,244</u>
At 28th February 2014	<u>153,915</u>	<u>683,346</u>	<u>15,892</u>	<u>69,501</u>	<u>922,654</u>

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements - continued
for the year ended 28th February 2015**

8. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1st March 2014	420,269	124,716	544,985
Transfer to ownership	-	(21,016)	(21,016)
At 28th February 2015	420,269	103,700	523,969
DEPRECIATION			
At 1st March 2014	41,887	60,858	102,745
Charge for year	42,027	25,925	67,952
Transfer to ownership	-	(21,016)	(21,016)
At 28th February 2015	83,914	65,767	149,681
NET BOOK VALUE			
At 28th February 2015	336,355	37,933	374,288
At 28th February 2014	378,382	63,858	442,240

9. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
At 1st March 2014 and 28th February 2015	1,000
NET BOOK VALUE	
At 28th February 2015	1,000
At 28th February 2014	1,000

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements - continued
for the year ended 28th February 2015**

9. FIXED ASSET INVESTMENTS - continued

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

Associated company

GEB Surface Treatments Limited

Nature of business: Treatment of metals

Class of shares:	% holding	2015	2014
ordinary	50.00	£	£
Aggregate capital and reserves		993,550	504,938
Profit for the year		488,612	723,163

10. STOCKS

	2015	2014
	£	£
Raw materials	18,304	14,848

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	2,039,033	1,499,273
Other debtors	9,000	10,538
Dividends receivable	-	250,000
Prepayments and accrued income	25,103	23,820
	2,073,136	1,783,631

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Hire purchase contracts (see note 14)	105,437	98,836
Trade creditors	522,551	346,364
Corporation tax	307,558	142,390
Social security and other taxes	46,898	44,022
VAT	128,072	104,130
Other creditors	32,037	28,240
Accruals and deferred income	6,035	3,335
	1,148,588	767,317

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements - continued
for the year ended 28th February 2015**

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

	2015	2014
	£	£
Hire purchase contracts (see note 14)	<u>224,784</u>	<u>330,222</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts 2015	2014
	£	£
Net obligations repayable:		
Within one year	105,437	98,836
Between one and five years	<u>224,784</u>	<u>330,222</u>
	<u>330,221</u>	<u>429,058</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings 2015	2014
	£	£
Expiring:		
In more than five years	<u>96,850</u>	<u>96,850</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2015	2014
	£	£
Hire purchase contracts	<u>330,221</u>	<u>429,058</u>

Hire purchase debts are secured against the assets to which the debts relate.

16. PROVISIONS FOR LIABILITIES

	2015	2014
	£	£
Deferred tax	<u>81,229</u>	<u>93,130</u>

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements - continued
for the year ended 28th February 2015**

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1st March 2014	93,130
Deferred tax	<u>(11,901)</u>
Balance at 28th February 2015	<u><u>81,229</u></u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2015	2014
Number:	Class:	Nominal value:	£	£
97	Ordinary	£1	97	97
2	Redeemable preference	£1	<u>2</u>	<u>2</u>
			<u><u>99</u></u>	<u><u>99</u></u>

The preference shares can be redeemed at the option of the company and attract no premium on redemption. As at 28th February 2015, all outstanding shares will be redeemed at par value.

18. RESERVES

	Profit and loss account £
At 1st March 2014	2,400,083
Profit for the year	1,071,123
Dividends	<u>(397,255)</u>
At 28th February 2015	<u><u>3,073,951</u></u>

**GENERAL ENGINEERING
(TREATMENTS) LIMITED (REGISTERED NUMBER: 03415558)**

**Notes to the Financial Statements - continued
for the year ended 28th February 2015**

19. RELATED PARTY DISCLOSURES

During the year the company paid dividends to Mr A P Boulton, a director of the company, in the sum of £148,395 (2014: £143,252). The company also made rental payments to Mr A P Boulton of £33,125 (2014: £33,125).

During the year the company paid dividends to Mr A D Varley, a director of the company, in the sum of £141,320 (2014: £136,232). The company also made rental payments to Mr A D Varley of £33,125 (2014: £33,125).

GEB Surface Treatments Limited:

Relationship:

GEB Surface Treatments Limited is an associated company and has directors in common with the company.

Transactions and balances:

During the year the company sold goods to GEB Surface Treatments Limited, under normal trading terms, totalling £10,350 (2014: £10,350).

During the year the company recharged expenses to GEB Surface Treatments Limited, under normal trading terms, totalling £21,101 (2014: £28,405).

During the year the company charged GEB Surface Treatments Limited for bookkeeping services, under normal trading terms, totalling £8,400 (2014: £8,400).

During the year GEB Surface Treatments Limited declared dividends payable to the company totalling £Nil (2014: £250,000).

As at the balance sheet date the company was owed by GEB Surface Treatments Limited £8,560 (2014: £Nil) as disclosed within trade debtors.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	1,071,123	866,879
Dividends	(397,255)	(386,188)
Net addition to shareholders' funds	673,868	480,691
Opening shareholders' funds	2,400,182	1,919,491
Closing shareholders' funds	3,074,050	2,400,182