

REGISTERED NUMBER: 06931626 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
GEM PARTNERSHIP LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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GEM PARTNERSHIP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS:	R A Dunbar L J Rankin I Miller Mrs M L Miller
REGISTERED OFFICE:	Fernwood House Fernwood Road Jesmond Newcastle upon Tyne NE2 1TJ
REGISTERED NUMBER:	06931626 (England and Wales)
SENIOR STATUTORY AUDITOR:	Peter Charles BSc FCA
AUDITORS:	Robson Laidler Accountants Limited Statutory Auditor Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear NE2 1TJ
BANKERS:	National Westminster Bank Plc 87 Grey Street Newcastle upon Tyne NE99 1PY

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

As a recruitment business we have operated within the temporary and permanent sectors within our core markets since 2009. Our detailed results for the financial year to 31 December 2017 can be found in our income statement on page 7. The directors consider the top line results this year to be in line with general market and sector conditions.

The recruitment industry in general has experienced strong growth throughout all of 2017 in both temporary and permanent vacancies. The company's top line sales have continued to grow in 2017 with gross margins remaining stable. Administrative expenses have reduced from previous year resulting in an overall increase in operating profit. As such the directors consider these annual results satisfactory considering the market and regulatory conditions and are optimistic for future growth in operating profitability.

For reference the headline performance for the 2017 period is outlined below:-

	2017	2016
	£	£
Turnover	14,888,045	14,808,533
Cost of sales	12,754,813	12,578,902
Gross profit	2,133,232	2,229,631
Administrative expenses	1,505,711	1,692,277
Operating profit	627,521	537,354

The directors expect the business to be profitable in 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the business are potential changes to the UK employment legislation and generally external via competition and the general state of the UK and regional economy, in particular the state of the employment market.

ON BEHALF OF THE BOARD:

R A Dunbar - Director

14 June 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a recruitment business.

DIVIDENDS

Interim dividends per share were paid as follows:

£120.24	- 23 January 2017
£129.11	- 19 April 2017
£200.00	- 13 July 2017
<u>£200.00</u>	- 19 October 2017
<u>£649.35</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2017 will be £ 357,792 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

R A Dunbar
L J Rankin
I Miller
Mrs M L Miller

FINANCIAL INSTRUMENTS

The company has a bank loan which is interest bearing and which is secured via a debenture on the company's assets. The applicable loan interest rate is linked to movements in the bank base rates. Interest rate risk with regard to unfavourable interest rate movements is not considered to be material to the financial statements due to the arrangements in place.

The company also has an invoice discounting facility in place to mitigate the company's exposure to liquidity and cash flow risks.

EMPLOYEES

The company is an equal opportunities employer. It is the company's policy to develop and apply procedures and practices which are designed to ensure that equal opportunities are provided to employees, or those who seek employment.

All employees are treated fairly and equally. Selection for employment, promotion, training or other matters affecting their employment is on the basis of aptitude and ability.

It is the company's policy to give full and fair consideration to the employment needs of disabled persons (and persons who become disabled whilst employed by the company) and to comply with any current legislation with regard to disabled persons.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R A Dunbar - Director

14 June 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GEM PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of Gem Partnership Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 Financial Reporting Standard 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 31 December 2017 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.

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 Auditors' 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GEM PARTNERSHIP LIMITED

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 Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

Our 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 a Report of the Auditors 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 Report of the Auditors.

Use of our report

The 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.

Peter Charles BSc FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

14 June 2018

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
TURNOVER		14,888,045	14,808,533
Cost of sales		<u>12,754,813</u>	<u>12,578,902</u>
GROSS PROFIT		2,133,232	2,229,631
Administrative expenses		<u>1,505,711</u>	<u>1,692,277</u>
OPERATING PROFIT	5	627,521	537,354
Interest payable and similar expenses	6	<u>6,205</u>	<u>4,232</u>
PROFIT BEFORE TAXATION		621,316	533,122
Tax on profit	7	<u>125,339</u>	<u>113,831</u>
PROFIT FOR THE FINANCIAL YEAR		<u>495,977</u>	<u>419,291</u>

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		495,977	419,291
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>495,977</u>	<u>419,291</u>

BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	9		46,376		59,139
Investments	10		<u>100</u>		<u>-</u>
			46,476		59,139
CURRENT ASSETS					
Stocks	11	2,006		1,008	
Debtors	12	2,327,253		2,217,811	
Cash at bank and in hand		<u>663,481</u>		<u>559,627</u>	
		2,992,740		2,778,446	
CREDITORS					
Amounts falling due within one year	13	<u>2,450,272</u>		<u>2,335,323</u>	
NET CURRENT ASSETS			<u>542,468</u>		<u>443,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			588,944		502,262
CREDITORS					
Amounts falling due after more than one year	14		-		(48,580)
PROVISIONS FOR LIABILITIES	18		<u>(8,523)</u>		<u>(11,446)</u>
NET ASSETS			<u>580,421</u>		<u>442,236</u>
CAPITAL AND RESERVES					
Called up share capital	19		551		551
Capital redemption reserve	20		552		552
Retained earnings	20		<u>579,318</u>		<u>441,133</u>
SHAREHOLDERS' FUNDS			<u>580,421</u>		<u>442,236</u>

The financial statements were approved by the Board of Directors on 14 June 2018 and were signed on its behalf by:

R A Dunbar - Director

L J Rankin - Director

I Miller - Director

Mrs M L Miller - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	551	373,996	552	375,099
Changes in equity				
Dividends	-	(352,154)	-	(352,154)
Total comprehensive income	-	419,291	-	419,291
Balance at 31 December 2016	<u>551</u>	<u>441,133</u>	<u>552</u>	<u>442,236</u>
Changes in equity				
Dividends	-	(357,792)	-	(357,792)
Total comprehensive income	-	495,977	-	495,977
Balance at 31 December 2017	<u>551</u>	<u>579,318</u>	<u>552</u>	<u>580,421</u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	(47,863)	705,147
Interest paid		(6,205)	(4,232)
Tax paid		(111,640)	(88,625)
Net cash from operating activities		<u>(165,708)</u>	<u>612,290</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(5,557)</u>	<u>(29,633)</u>
Net cash from investing activities		<u>(5,557)</u>	<u>(29,633)</u>
Cash flows from financing activities			
New loans in year		58,000	-
Loan repayments in year		(131,149)	(341,046)
Movement in debt factoring liability		(512,205)	(83,334)
Movement in invoice discounting facility		1,218,265	-
Equity dividends paid		<u>(357,792)</u>	<u>(352,154)</u>
Net cash from financing activities		<u>275,119</u>	<u>(776,534)</u>
Increase/(decrease) in cash and cash equivalents		<u>103,854</u>	<u>(193,877)</u>
Cash and cash equivalents at beginning of year	2	559,627	753,504
Cash and cash equivalents at end of year	2	<u>663,481</u>	<u>559,627</u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	2017 £	2016 £
Profit before taxation	621,316	533,122
Depreciation charges	18,320	19,155
Finance costs	6,205	4,232
	<u>645,841</u>	<u>556,509</u>
(Increase)/decrease in stocks	(998)	2,296
Increase in trade and other debtors	(109,442)	(237,826)
(Decrease)/increase in trade and other creditors	<u>(583,264)</u>	<u>384,168</u>
Cash generated from operations	<u>(47,863)</u>	<u>705,147</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	<u>663,481</u>	<u>559,627</u>

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>559,627</u>	<u>753,504</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. STATUTORY INFORMATION

Gem Partnership Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The financial statements are rounded to the nearest £1.

The company's place of business is Generator Studios, Trafalgar Street, Newcastle upon Tyne, NE1 2LA.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Significant judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Estimated useful economic lives of tangible fixed assets

Turnover

Turnover is measured at fair value of the consideration receivable net of value added tax. The policies adopted for the recognition of turnover are as follows:

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from the provision of services is recognised by reference to the stage of completion at the balance sheet date.

The services provided are those of processing payroll, providing agency workers to various companies and recruitment fees

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Leasehold alterations	- Term of lease
Fixtures and fittings	- 33% on reducing balance and 15% on reducing balance

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable/payable within one year

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

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES - continued

Impairment of assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	9,094,381	9,108,270
Social security costs	545,715	588,921
Other pension costs	74,951	90,283
	<u>9,715,047</u>	<u>9,787,474</u>

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

	2017	2016
Directors	4	4
Head office	26	35
Commercial/industrial /professional	671	623
	<u>701</u>	<u>662</u>

	2017 £	2016 £
Directors' remuneration	40,403	40,715
Directors' pension contributions to money purchase schemes	<u>38,400</u>	<u>38,400</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
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5. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 £
Other operating leases	64,824	88,674
Depreciation - owned assets	18,320	19,155
Auditors' remuneration	<u>3,432</u>	<u>2,750</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank loan interest	<u>6,205</u>	<u>4,232</u>

7. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	128,262	111,640
Deferred tax	<u>(2,923)</u>	<u>2,191</u>
Tax on profit	<u>125,339</u>	<u>113,831</u>

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>621,316</u>	<u>533,122</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	124,263	106,624
Effects of:		
Expenses not deductible for tax purposes	6,467	7,112
Capital allowances in excess of depreciation	-	(2,096)
Depreciation in excess of capital allowances	2,553	-
Change in rate of taxation	<u>(5,021)</u>	<u>-</u>
Deferred tax charge	<u>(2,923)</u>	<u>2,191</u>
Total tax charge	<u>125,339</u>	<u>113,831</u>

8. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>357,792</u>	<u>352,154</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

9. TANGIBLE FIXED ASSETS

	Leasehold alterations £	Fixtures and fittings £	Totals £
COST			
At 1 January 2017	2,861	105,083	107,944
Additions	-	5,557	5,557
At 31 December 2017	<u>2,861</u>	<u>110,640</u>	<u>113,501</u>
DEPRECIATION			
At 1 January 2017	954	47,851	48,805
Charge for year	381	17,939	18,320
At 31 December 2017	<u>1,335</u>	<u>65,790</u>	<u>67,125</u>
NET BOOK VALUE			
At 31 December 2017	<u>1,526</u>	<u>44,850</u>	<u>46,376</u>
At 31 December 2016	<u>1,907</u>	<u>57,232</u>	<u>59,139</u>

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	100
At 31 December 2017	<u>100</u>
NET BOOK VALUE	
At 31 December 2017	<u>100</u>

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

Gem Training Limited

Registered office: England and Wales

Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2017 £
Aggregate capital and reserves	<u>100</u>

11. STOCKS

	2017 £	2016 £
Consumables	<u>2,006</u>	<u>1,008</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	2,242,683	2,131,093
Other debtors	19,773	19,517
Directors' current accounts	20,000	20,000
Corporation tax recoverable	5,000	5,000
Prepayments and accrued income	39,797	42,201
	<u>2,327,253</u>	<u>2,217,811</u>

Included within trade debtors are balances totalling £2,174,109 that are subject to an invoice discounting facility. The trade debtors balances have been transferred to the counterparty although the transaction does not qualify for de-recognition on the basis the credit risk is retained by the company. The associated liability recognised in creditors is £1,218,265.

Included within trade debtors last year were balances of £2,101,453 which were subject to a debt factoring arrangement. The associated liability was £512,534.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 15)	58,795	83,364
Other loans (see note 15)	1,218,594	512,534
Trade creditors	41,296	31,946
Amounts owed to group undertakings	100	-
Corporation tax	128,262	111,640
Social security and other taxes	686,681	1,217,315
Other creditors	132,836	6,455
Accruals and deferred income	183,708	372,069
	<u>2,450,272</u>	<u>2,335,323</u>

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

	2017 £	2016 £
Bank loans (see note 15)	<u>-</u>	<u>48,580</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year or on demand:		
Bank loans	58,795	83,364
Debt factoring facility	329	512,534
Invoice discounting facility	1,218,265	-
	<u>1,277,389</u>	<u>595,898</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>48,580</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. LOANS - continued

The expiry date of the bank loan is 12 months following the first drawdown of the facility. This is deemed to be December 2018.

The invoice discounting facility does not have an expiry date as the facility operates on a debtor by debtor basis, with each customer having their own credit limit and payment terms. The balance is deemed to be repayable on demand and therefore the loan is disclosed as due within one year.

16. LEASING AGREEMENTS

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

	2017	2016
	£	£
Within one year	57,798	57,798
Between one and five years	176,000	176,000
In more than five years	95,333	139,333
	<u>329,131</u>	<u>373,131</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank loans	58,795	131,944
Debt factoring facility	329	512,534
Invoice discounting facility	1,218,265	-
	<u>1,277,389</u>	<u>644,478</u>

The bank loan and the invoice discounting facility are secured by a debenture over all of the assets of the company.

18. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax		
Accelerated capital allowances	<u>8,523</u>	<u>11,446</u>

	Deferred tax
	£
Balance at 1 January 2017	11,446
Credit to Income Statement during year	<u>(2,923)</u>
Balance at 31 December 2017	<u>8,523</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2017 £	2016 £
551	Ordinary		<u>551</u>	<u>551</u>

20. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2017	441,133	552	441,685
Profit for the year	495,977	-	495,977
Dividends	(357,792)	-	(357,792)
At 31 December 2017	<u>579,318</u>	<u>552</u>	<u>579,870</u>

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2017 and 31 December 2016:

	2017 £	2016 £
Mrs M L Miller		
Balance outstanding at start of year	5,000	5,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,000</u>	<u>5,000</u>
I Miller		
Balance outstanding at start of year	5,000	5,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,000</u>	<u>5,000</u>
L J Rankin		
Balance outstanding at start of year	5,000	5,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,000</u>	<u>5,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

R A Dunbar

Balance outstanding at start of year	5,000	5,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,000</u>	<u>5,000</u>

No interest is charged on the above loans.

22. RELATED PARTY DISCLOSURES

Key management personnel of the entity or its parent (in the aggregate)

	2017	2016
	£	£
Dividends paid	<u>222,727</u>	<u>219,216</u>

Other related parties

	2017	2016
	£	£
Dividends paid	<u>135,065</u>	<u>132,938</u>

23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.