

REGISTERED NUMBER: 09831015 (England and Wales)

G S A R HOLDINGS LIMITED

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 30 September 2018



G S A R HOLDINGS LIMITED

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G S A R HOLDINGS LIMITED

**Company Information
for the year ended 30 September 2018**

DIRECTORS:

A G Riley
G J Sheridan
N M Waterfield

REGISTERED OFFICE:

152-154 London Road
Greenhithe
Dartford
Kent
DA9 9JW

REGISTERED NUMBER:

09831015 (England and Wales)

AUDITORS:

Tudor John Limited
Chartered Accountants and Statutory Auditors
Nightingale House
46-48 East Street
Epsom
Surrey
KT17 1HQ

G S A R HOLDINGS LIMITED

Group Strategic Report for the year ended 30 September 2018

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

REVIEW OF BUSINESS

The company's principle activities continued to be that of the supply and installation of fire prevention systems.

The key financial and other performance indicators during the year were as follows:

	2018	2017	Change
	£'000	£'000	%
Turnover	12,857	13,385	-3.9
Operating profit	2,504	2,809	-10.8
Profit after tax	2,022	2,230	-9.3
Equity shareholders' funds	5,597	5,067	-10.5
Average number of employees	59	56	+5.4

The accounts show a modest reduction of turnover from the period ending 2017 to the period ending 2018. The directors are comfortable with this trend in the financial period as the company is going through a period of transition as it moves forward to position itself as one of the mid-sized players in the fire safety sector. It is essential that the company stays ahead of legislative changes to ensure we can maintain our position as the market leader in our field. Therefore, key members of staff who would otherwise have had time to continue to develop the business performance were required to spend an element of their time updating company procedures and staff development. We have also placed an increased emphasis on key staff recruitment to meet the ongoing demands of the business and to ensure our ability to adequately service our clients' needs and demands. One such key area of recruitment is the appointment of a new sales director to continue to drive the company forward.

PRINCIPAL RISKS AND UNCERTAINTIES

Liquidity risks

The directors consider the liquidity risk for the company to be low. With sufficient cash in bank and in hand at the year end the company would be able to meet obligations associated with financial liabilities.

Market risk

The directors consider market risk to be low for a business operating in a specialist sector.

Credit risk

The company's principle financial assets are cash and trade debtors. The credit risk associated with the cash is minimal. The principle credit risk therefore arises from trade debtors.

Trade debtors require approved credit in advance which is supported by credit reports, reference checks and payment is required within the credit terms set and hence credit risk is minimised.

ON BEHALF OF THE BOARD:



N M Waterfield - Director

Date: 24/6/19

G S A R HOLDINGS LIMITED

Report of the Directors for the year ended 30 September 2018

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

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2018 will be £1,491,542 (2017 - £2,631,656).

DIRECTORS

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

A G Riley
G J Sheridan

Other changes in directors holding office are as follows:

N M Waterfield was appointed as a director after 30 September 2018 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
N M Waterfield - Director

Date: 24/6/19

**Report of the Independent Auditors to the Members of
G S A R Holdings Limited**

Opinion

We have audited the financial statements of G S A R Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 30 September 2018 and of the group's 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 group 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 group'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 Group 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, 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 Group 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 Group 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
G S A R Holdings Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 three, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

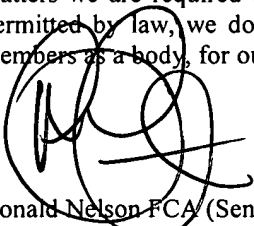
Auditors' responsibilities for the audit of the financial statements

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

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.



Donald Nelson FCA (Senior Statutory Auditor)
for and on behalf of Tudor John Limited
Chartered Accountants and Statutory Auditors
Nightingale House
46-48 East Street
Epsom
Surrey
KT17 1HQ

Date: 26-6-19

G S A R HOLDINGS LIMITED

**Consolidated Statement of Comprehensive Income
for the year ended 30 September 2018**

	Notes	2018 £	2017 £
TURNOVER	4	12,856,966	13,385,498
Cost of sales		7,735,805	7,972,485
GROSS PROFIT		5,121,161	5,413,013
Administrative expenses		2,616,864	2,603,680
OPERATING PROFIT	6	2,504,297	2,809,333
Interest receivable and similar income		2,580	140
		2,506,877	2,809,473
Interest payable and similar expenses	7	-	1,185
PROFIT BEFORE TAXATION		2,506,877	2,808,288
Tax on profit	8	485,281	578,640
PROFIT FOR THE FINANCIAL YEAR		2,021,596	2,229,648
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,021,596	2,229,648
Profit attributable to: Owners of the parent		2,021,596	2,229,648
Total comprehensive income attributable to: Owners of the parent		2,021,596	2,229,648

The notes form part of these financial statements

G S A R HOLDINGS LIMITED (REGISTERED NUMBER: 09831015)

**Consolidated Balance Sheet
30 September 2018**

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		182,171		120,985
Investments	12		-		-
			<u>182,171</u>		<u>120,985</u>
CURRENT ASSETS					
Stocks	13	173,619		208,671	
Debtors	14	6,002,159		5,112,097	
Cash at bank and in hand		1,809,127		2,000,208	
		<u>7,984,905</u>		<u>7,320,976</u>	
CREDITORS					
Amounts falling due within one year	15	2,544,720		2,360,322	
NET CURRENT ASSETS			<u>5,440,185</u>		<u>4,960,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,622,356</u>		<u>5,081,639</u>
PROVISIONS FOR LIABILITIES	17		<u>25,046</u>		<u>14,383</u>
NET ASSETS			<u><u>5,597,310</u></u>		<u><u>5,067,256</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		10,500		10,500
Share premium	19		21,366		21,366
Retained earnings	19		5,565,444		5,035,390
SHAREHOLDERS' FUNDS			<u><u>5,597,310</u></u>		<u><u>5,067,256</u></u>

The financial statements were approved by the Board of Directors on 24/6/19 and were signed on its behalf by:


.....
N M Waterfield - Director

The notes form part of these financial statements

G S A R HOLDINGS LIMITED (REGISTERED NUMBER: 09831015)

**Company Balance Sheet
30 September 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	11	-	-
Investments	12	10,100	10,100
		<u>10,100</u>	<u>10,100</u>
CURRENT ASSETS			
Debtors	14	402,185	567,745
Cash at bank		75	-
		<u>402,260</u>	<u>567,745</u>
CREDITORS			
Amounts falling due within one year	15	325,255	306,575
		<u></u>	<u></u>
NET CURRENT ASSETS		<u>77,005</u>	<u>261,170</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>87,105</u>	<u>271,270</u>
CAPITAL AND RESERVES			
Called up share capital	18	10,500	10,500
Share premium	19	21,366	21,366
Retained earnings	19	55,239	239,404
		<u></u>	<u></u>
SHAREHOLDERS' FUNDS		<u>87,105</u>	<u>271,270</u>
 Company's profit for the financial year		 <u>1,307,377</u>	 <u>2,771,710</u>

The financial statements were approved by the Board of Directors on24/6/19..... and were signed on its behalf by:



N M Waterfield - Director

The notes form part of these financial statements

G S A R HOLDINGS LIMITED

**Consolidated Statement of Changes in Equity
for the year ended 30 September 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2016	10,302	5,437,398	21,366	5,469,066
Changes in equity				
Issue of share capital	198	-	-	198
Dividends	-	(2,631,656)	-	(2,631,656)
Total comprehensive income	-	2,229,648	-	2,229,648
Balance at 30 September 2017	<u>10,500</u>	<u>5,035,390</u>	<u>21,366</u>	<u>5,067,256</u>
Changes in equity				
Dividends	-	(1,491,542)	-	(1,491,542)
Total comprehensive income	-	2,021,596	-	2,021,596
Balance at 30 September 2018	<u>10,500</u>	<u>5,565,444</u>	<u>21,366</u>	<u>5,597,310</u>

The notes form part of these financial statements

G S A R HOLDINGS LIMITED

**Company Statement of Changes in Equity
for the year ended 30 September 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2016	10,302	99,350	21,366	131,018
Changes in equity				
Issue of share capital	198	-	-	198
Dividends	-	(2,631,656)	-	(2,631,656)
Total comprehensive income	-	2,771,710	-	2,771,710
Balance at 30 September 2017	<u>10,500</u>	<u>239,404</u>	<u>21,366</u>	<u>271,270</u>
Changes in equity				
Dividends	-	(1,491,542)	-	(1,491,542)
Total comprehensive income	-	1,307,377	-	1,307,377
Balance at 30 September 2018	<u>10,500</u>	<u>55,239</u>	<u>21,366</u>	<u>87,105</u>

The notes form part of these financial statements

G S A R HOLDINGS LIMITED

**Consolidated Cash Flow Statement
for the year ended 30 September 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	1,769,155	3,413,814
Interest paid		-	(1,185)
Tax paid		(444,591)	(797,680)
Net cash from operating activities		<u>1,324,564</u>	<u>2,614,949</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(119,038)	(82,116)
Sale of tangible fixed assets		283	3,480
Interest received		2,580	140
Net cash from investing activities		<u>(116,175)</u>	<u>(78,496)</u>
Cash flows from financing activities			
Amount introduced by directors		92,072	49,028
Amount withdrawn by directors		-	(157,040)
Share issue		-	198
Equity dividends paid		(1,491,542)	(2,631,656)
Net cash from financing activities		<u>(1,399,470)</u>	<u>(2,739,470)</u>
Decrease in cash and cash equivalents		<u>(191,081)</u>	<u>(203,017)</u>
Cash and cash equivalents at beginning of year	2	2,000,208	2,203,225
Cash and cash equivalents at end of year	2	<u><u>1,809,127</u></u>	<u><u>2,000,208</u></u>

The notes form part of these financial statements

G S A R HOLDINGS LIMITED

**Notes to the Consolidated Cash Flow Statement
for the year ended 30 September 2018**

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

	2018	2017
	£	£
Profit before taxation	2,506,877	2,808,288
Depreciation charges	49,279	30,795
Loss on disposal of fixed assets	8,291	10,049
Finance costs	-	1,185
Finance income	(2,580)	(140)
	<u>2,561,867</u>	<u>2,850,177</u>
Decrease/(increase) in stocks	35,052	(78,246)
(Increase)/decrease in trade and other debtors	(1,044,343)	1,272,894
Increase/(decrease) in trade and other creditors	216,579	(631,011)
	<u>1,769,155</u>	<u>3,413,814</u>
Cash generated from operations	<u><u>1,769,155</u></u>	<u><u>3,413,814</u></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 30 September 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	<u>1,809,127</u>	<u>2,000,208</u>

Year ended 30 September 2017

	30.9.17	1.10.16
	£	£
Cash and cash equivalents	<u>2,000,208</u>	<u>2,203,225</u>

The notes form part of these financial statements

G S A R HOLDINGS LIMITED

Notes to the Consolidated Financial Statements for the year ended 30 September 2018

1. STATUTORY INFORMATION

G S A R Holdings Limited and its subsidiaries are private companies limited by shares and incorporated and domiciled in England and Wales. The address of its registered office and the trading address is 152-154 London Road, Greenhithe, Dartford, Kent, DA9 9JW.

The principal activity of the group is that of the design, supply and installation of fire prevention systems.

The financial statements are presented in Sterling.

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.

TURNOVER

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied and services provided net of discounts allowed by the company and value added taxes.

TANGIBLE FIXED ASSETS

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

Plant and machinery	- 25% on reducing balance and 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

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 Consolidated Statement of Comprehensive Income, 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.

G S A R HOLDINGS LIMITED

Notes to the Consolidated Financial Statements - continued for the year ended 30 September 2018

3. ACCOUNTING POLICIES - continued

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.

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.

OPERATING LEASED ASSETS

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments 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 group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

G S A R HOLDINGS LIMITED

Notes to the Consolidated Financial Statements - continued for the year ended 30 September 2018

3. ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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 liabilities.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial Liabilities

Basic financial liabilities, including trade and other payables, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

4. TURNOVER

Turnover is entirely attributable to the UK market.

5. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	2,487,378	2,388,215
Social security costs	292,528	278,823
Other pension costs	20,915	13,042
	<u>2,800,821</u>	<u>2,680,080</u>

G S A R HOLDINGS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2018**

5. EMPLOYEES AND DIRECTORS - continued

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

	2018	2017
Staff	<u>59</u>	<u>56</u>
Directors' remuneration	<u>£</u> <u>4,672</u>	<u>£</u> <u>3,889</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
Hire of plant and machinery	£ 8,971	£ 1,200
Other operating leases	116,272	116,502
Depreciation - owned assets	49,278	30,796
Loss on disposal of fixed assets	8,291	10,049
Auditors' remuneration	23,750	19,550
Foreign exchange differences	<u>1,722</u>	<u>829</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
Other interest	£ -	£ 1,185

8. TAXATION

Analysis of the tax charge

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

	2018	2017
Current tax:	£	£
UK corporation tax	474,618	557,802
Prior year under/over provision	-	23,094
Total current tax	474,618	580,896
Deferred tax	<u>10,663</u>	<u>(2,256)</u>
Tax on profit	<u>485,281</u>	<u>578,640</u>

G S A R HOLDINGS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2018**

8. TAXATION - continued

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:

	2018 £	2017 £
Profit before tax	<u>2,506,877</u>	<u>2,808,288</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	476,307	533,575
Effects of:		
Expenses not deductible for tax purposes	11,661	9,137
Capital allowances in excess of depreciation	(14,617)	-
Depreciation in excess of capital allowances	-	825
Utilisation of tax losses	1,267	-
Adjustments to tax charge in respect of previous periods adjustment	-	23,094
Deferred tax provision	10,663	(2,256)
Change in tax rate	-	14,265
Total tax charge	<u>485,281</u>	<u>578,640</u>

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	2018 £	2017 £
Ordinary shares of 1 each		
Interim	<u>1,491,542</u>	<u>2,631,656</u>

G S A R HOLDINGS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2018**

11. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 October 2017	31,714	166,978	87,269	285,961
Additions	-	57,694	61,344	119,038
Disposals	-	-	(17,415)	(17,415)
At 30 September 2018	31,714	224,672	131,198	387,584
DEPRECIATION				
At 1 October 2017	30,886	100,138	33,952	164,976
Charge for year	207	29,199	19,872	49,278
Eliminated on disposal	-	-	(8,841)	(8,841)
At 30 September 2018	31,093	129,337	44,983	205,413
NET BOOK VALUE				
At 30 September 2018	621	95,335	86,215	182,171
At 30 September 2017	828	66,840	53,317	120,985

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 October 2017 and 30 September 2018	10,100
NET BOOK VALUE	
At 30 September 2018	10,100
At 30 September 2017	10,100

13. STOCKS

	Group	
	2018 £	2017 £
Stocks	173,619	208,671

G S A R HOLDINGS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2018**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	2,175,534	1,714,851	-	-
Amounts owed by group undertakings	-	-	336,662	344,722
Amounts recoverable on contract	3,263,335	2,790,067	-	-
Other debtors	937	44,589	-	-
Loans to related companies	316,452	221,950	65,523	65,523
Directors' current accounts	-	154,281	-	157,500
Tax	47,377	47,377	-	-
VAT	96,565	71,627	-	-
Prepayments and accrued income	101,959	67,355	-	-
	<u>6,002,159</u>	<u>5,112,097</u>	<u>402,185</u>	<u>567,745</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	1,501,061	1,394,404	-	-
Amounts owed to group undertakings	-	-	299,276	299,276
Tax	207,377	177,350	-	-
Social security and other taxes	101,636	99,570	-	-
Other creditors	16,972	12,063	-	-
Loans from related companies	3,480	10,800	3,480	4,800
Directors' current accounts	29,947	92,155	20,000	-
Accruals and deferred income	681,746	571,478	-	-
Accrued expenses	2,501	2,502	2,499	2,499
	<u>2,544,720</u>	<u>2,360,322</u>	<u>325,255</u>	<u>306,575</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	40,872	25,103
Between one and five years	31,271	37,131
	<u>72,143</u>	<u>62,234</u>

17. PROVISIONS FOR LIABILITIES

	Group	
	2018	2017
	£	£
Deferred tax	<u>25,046</u>	<u>14,383</u>

G S A R HOLDINGS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2018**

17. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 October 2017	14,383
Provided during year	10,663
	<u>25,046</u>
Balance at 30 September 2018	<u>25,046</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
10,302	Ordinary	1	<u>10,500</u>	<u>10,500</u>

19. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 1 October 2017	5,035,390	21,366	5,056,756
Profit for the year	2,021,596		2,021,596
Dividends	(1,491,542)		(1,491,542)
	<u>5,565,444</u>	<u>21,366</u>	<u>5,586,810</u>
At 30 September 2018	<u>5,565,444</u>	<u>21,366</u>	<u>5,586,810</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 October 2017	239,404	21,366	260,770
Profit for the year	1,307,377		1,307,377
Dividends	(1,491,542)		(1,491,542)
	<u>55,239</u>	<u>21,366</u>	<u>76,605</u>
At 30 September 2018	<u>55,239</u>	<u>21,366</u>	<u>76,605</u>

20. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £21,512 (2017 - £13,042). Contributions totalling £5,625 (2017 - £2,156) were payable to the fund at the balance sheet date and are included in other creditors.

G S A R HOLDINGS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2018**

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 September 2018 and 30 September 2017:

	2018 £	2017 £
A G Riley		
Balance outstanding at start of year	(92,153)	(624)
Amounts advanced	381,329	31,763
Amounts repaid	(299,000)	(123,292)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(9,824)</u>	<u>(92,153)</u>
 G J Sheridan		
Balance outstanding at start of year	154,280	(45,262)
Amounts advanced	282,099	648,321
Amounts repaid	(456,500)	(448,779)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(20,121)</u>	<u>154,280</u>

Directors loans are interest free and repayable on demand.

G S A R HOLDINGS LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2018**

22. RELATED PARTY DISCLOSURES

During the year the group entered into the following transactions with related parties:

	Purchases from related party		Sales to related party	
	2018	2017	2018	2017
Be Safe Direct Limited	4,923	19,853	69,428	62,942
GSAR Limited	84,000	78,000	749	-
Daisy Mayland Solutions Limited	-	-	14,010	19,015
	<u>88,923</u>	<u>97,853</u>	<u>84,187</u>	<u>81,957</u>
	Amounts owed to related party		Amounts owed by related party	
	2018	2017	2018	2017
Be Safe Direct Limited	-	-	244,291	198,416
GSAR Limited	-	6,000	1,923	-
AR Developers Limited	-	-	2,439	-
Daisy Mayland Solutions Limited	-	-	2,576	23,534
	<u>-</u>	<u>6,000</u>	<u>251,229</u>	<u>221,950</u>

Be Safe Direct Limited and GSAR Limited are both companies in which the directors of G S A R Holdings Limited are also directors and shareholders.

Daisy Mayland Solutions Limited is a company in which the director, G Sheridan is also a director and shareholder.

AR Developers Limited is a company in which the director, A Riley is also a director and shareholder.

All loans are interest free and payable on demand.

During the year £Nil (2017: £220,000) was paid to AR St Lucia Ltd for consultancy services, a company which A Riley is a director of.

Dividends of £1,375,500 were paid to the directors who are also shareholders in the company during the year.