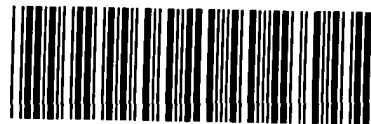


Gamit Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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Gamit Limited

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Gamit Limited

Company Information

Directors	Kadri Muhiddin Veronique Barat-Muhiddin Tarek Muhiddin Waleed Muhiddin Nadeem Muhiddin
Company secretary	Veronique Barat-Muhiddin
Registered office	Buildings 21 & 22 M11 Business Link, Parsonage Lane Stansted Essex CM24 8GF
Bankers	Lloyds Bank Plc Clifton Bristol Branch 163 Whiteladies Road Clifton Bristol BS8 2RW
Auditors	Bulley Davey Limited Registered Auditors 9/10 The Crescent Wisbech Cambs PE13 1EH

Gamit Limited
Strategic Report
for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of the company is continued to be that of the provision of consultancy and parts to the aircraft industry.

Fair review of the business

2018 was a strong year, turnover has increased which also shows in an increase in operating profit.

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

	Unit	2018	2017
Turnover	\$	18,351,033	13,248,683
Gross profit	%	23	24
Operating Profit	\$	1,868,478	1,144,274

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The business activities expose it primarily to the financial risks in foreign currency exchange risks. The business' principle financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

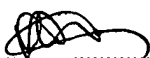
Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

The company will continue its policy of investment in research and development in order to retain a competitive position in the market and to expand its service offering.

Approved by the Board on ~~30/10/19~~..... and signed on its behalf by:


.....
Veronique Barat-Muhiddin
Company secretary

Gamit Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the company

The directors who held office during the year were as follows:

Kadri Muhiddin

Veronique Barat-Muhiddin

Tarek Muhiddin

Waleed Muhiddin

Nadeem Muhiddin

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on ~~30/10/19~~..... and signed on its behalf by:



.....
Veronique Barat-Muhiddin
Company secretary

Gamit Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Gamit Limited

Independent Auditor's Report to the Members of Gamit Limited

Opinion

We have audited the financial statements of Gamit Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Cash Flows, and 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).

The financial statements for the previous period were not audited. We have not audited the comparative figures.

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Gamit Limited

Independent Auditor's Report to the Members of Gamit Limited

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

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

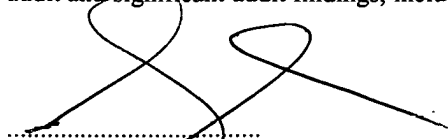
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Gamit Limited

Independent Auditor's Report to the Members of Gamit Limited

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mitchell Burden (Senior Statutory Auditor)

For and on behalf of Bulley Davey Limited, Statutory Auditor

9/10 The Crescent
Wisbech
Cambs
PE13 1EH

Date: 06/11/19

Gamit Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Turnover	3	18,351,033	13,248,683
Cost of sales		<u>(14,134,899)</u>	<u>(10,090,049)</u>
Gross profit		4,216,134	3,158,634
Distribution costs		(387,633)	(314,123)
Administrative expenses		(2,376,129)	(2,092,021)
Other operating income		<u>416,106</u>	<u>391,784</u>
Operating profit	4	<u>1,868,478</u>	<u>1,144,274</u>
Loss on financial assets at fair value through profit and loss account		(1,112,628)	-
Other interest receivable and similar income	5	<u>34,008</u>	<u>2,097</u>
		<u>(1,078,620)</u>	<u>2,097</u>
Profit before tax		789,858	1,146,371
Taxation	8	<u>(272,916)</u>	<u>(145,070)</u>
Profit for the financial year		516,942	1,001,301
Retained earnings brought forward		16,149,758	15,299,709
Dividends paid		<u>(13,978)</u>	<u>(151,252)</u>
Retained earnings carried forward		<u><u>16,652,722</u></u>	<u><u>16,149,758</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements.

Gamit Limited

(Registration number: 02567171)
Balance Sheet as at 31 December 2018

	Note	2018 \$	2017 \$
Fixed assets			
Intangible assets	9	8,390	8,884
Tangible assets	10	1,964,497	2,131,466
Investment property	11	5,606,572	6,719,200
Investments	12	<u>11</u>	<u>11</u>
		<u>7,579,470</u>	<u>8,859,561</u>
Current assets			
Stocks	13	2,031,277	1,807,513
Debtors	14	7,905,619	5,485,058
Cash at bank and in hand		<u>2,517,052</u>	<u>2,942,609</u>
		12,453,948	10,235,180
Creditors: Amounts falling due within one year	16	<u>(3,293,940)</u>	<u>(2,840,977)</u>
Net current assets		<u>9,160,008</u>	<u>7,394,203</u>
Total assets less current liabilities		16,739,478	16,253,764
Provisions for liabilities	17	<u>(84,772)</u>	<u>(102,022)</u>
Net assets		<u>16,654,706</u>	<u>16,151,742</u>
Capital and reserves			
Called up share capital	19	1,984	1,984
Profit and loss account	20	<u>16,652,722</u>	<u>16,149,758</u>
Total equity		<u>16,654,706</u>	<u>16,151,742</u>

Approved and authorised by the Board on 30/10/19 and signed on its behalf by:



.....
Nadeem Muhiddin
 Director

Gamit Limited

Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Profit for the year		516,942	1,001,301
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	155,400	184,477
Changes in fair value of investment property	11	1,112,628	-
Profit on disposal of tangible assets		(7,862)	-
Finance income	5	(34,008)	(2,097)
Income tax expense	8	272,916	145,070
		<u>2,016,016</u>	<u>1,328,751</u>
Working capital adjustments			
(Increase)/decrease in stocks	13	(223,764)	186,687
(Increase)/decrease in debtors	14	(2,420,561)	1,941,930
Increase/(decrease) in creditors	16	340,315	(105,093)
Decrease in deferred income, including government grants		<u>(2,406)</u>	<u>(29,334)</u>
Cash generated from operations		(290,400)	3,322,941
Income taxes paid	8	<u>(175,113)</u>	<u>(360,055)</u>
Net cash flow from operating activities		<u>(465,513)</u>	<u>2,962,886</u>
Cash flows from investing activities			
Interest received	5	34,008	2,097
Acquisitions of tangible assets		(2,433)	(16,267)
Proceeds from sale of tangible assets		<u>22,359</u>	<u>-</u>
Net cash flows from investing activities		53,934	(14,170)
Cash flows from financing activities			
Dividends paid		<u>(13,978)</u>	<u>(151,252)</u>
Net (decrease)/increase in cash and cash equivalents		(425,557)	2,797,464
Cash and cash equivalents at 1 January		<u>2,942,609</u>	<u>145,145</u>
Cash and cash equivalents at 31 December		<u><u>2,517,052</u></u>	<u><u>2,942,609</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements.

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Buildings 21 & 22

M11 Business Link, Parsonage Lane

Stansted

Essex

CM24 8GF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Investment properties are valued at open market value.

Stock is considered obsolete in line with the company policy. Stock is reviewed individually for recoverability and individual items may be written down or retained at cost depending on their individual nature.

Deferred tax assets and liabilities are included when the directors expect any asset or provision to be recovered in the future with reasonable certainty.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Freehold property	2% straight line
Leasehold property	6.67% straight line

Investment property

Certain assets of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with FRS 102, as follows:

No depreciation is provided in respect of investment properties and they are valued annually at fair value. The surplus or deficit on valuation is transferred to the profit and loss reserve.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Cherished number plate	5% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 \$	2017 \$
Sale of goods	17,301,033	12,366,183
Rendering of services	1,050,000	882,500
	<u>18,351,033</u>	<u>13,248,683</u>

4 Operating profit

Arrived at after charging/(crediting)

	2018 \$	2017 \$
Depreciation expense	154,906	183,983
Amortisation expense	494	494
Research and development cost	369,521	293,842
Profit on disposal of property, plant and equipment	<u>(7,862)</u>	<u>-</u>

5 Other interest receivable and similar income

	2018 \$	2017 \$
Interest income on bank deposits	<u>34,008</u>	<u>2,097</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 \$	2017 \$
Wages and salaries	641,593	623,692
Social security costs	57,249	61,412
Pension costs, defined contribution scheme	5,034	4,228
Other employee expense	<u>2,568</u>	<u>5,770</u>
	<u>706,444</u>	<u>695,102</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Administration and support	<u>17</u>	<u>14</u>

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 \$	2017 \$
Remuneration	<u>176,921</u>	<u>168,112</u>

8 Taxation

Tax charged/(credited) in the income statement

	2018 \$	2017 \$
Current taxation		
UK corporation tax	290,167	175,114
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(17,251)</u>	<u>(30,044)</u>
Tax expense in the income statement	<u>272,916</u>	<u>145,070</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 \$	2017 \$
Profit before tax	<u>789,858</u>	<u>1,146,371</u>
Corporation tax at standard rate	150,073	220,676
Effect of expense not deductible in determining taxable profit (tax loss)	228,053	14,220
Tax decrease from effect of adjustment in research and development tax credit	(90,309)	(90,736)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(14,901)</u>	<u>910</u>
Total tax charge	<u>272,916</u>	<u>145,070</u>

Deferred tax

Deferred tax assets and liabilities

	Liability \$
2018	
Accelerated capital allowances	<u>84,772</u>
2017	
Accelerated capital allowances	<u>102,023</u>

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

9 Intangible assets

	Trademarks, patents and licenses \$	Total \$
Cost or valuation		
At 1 January 2018	9,872	9,872
At 31 December 2018	9,872	9,872
Amortisation		
At 1 January 2018	988	988
Amortisation charge	494	494
At 31 December 2018	1,482	1,482
Carrying amount		
At 31 December 2018	8,390	8,390
At 31 December 2017	8,884	8,884

The aggregate amount of research and development expenditure recognised as an expense during the period is \$369,521 (2017 - \$293,842).

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

10 Tangible assets

	Land and buildings \$	Furniture, fittings and equipment \$	Motor vehicles \$	Properties under construction \$	Total \$
Cost or valuation					
At 1 January 2018	1,782,567	1,660,678	534,526	30,064	4,007,835
Additions	-	2,433	-	-	2,433
Disposals	-	-	(46,140)	-	(46,140)
At 31 December 2018	<u>1,782,567</u>	<u>1,663,111</u>	<u>488,386</u>	<u>30,064</u>	<u>3,964,128</u>
Depreciation					
At 1 January 2018	320,469	1,213,293	330,576	12,031	1,876,369
Charge for the year	35,651	67,377	49,872	2,005	154,905
Eliminated on disposal	-	-	(31,643)	-	(31,643)
At 31 December 2018	<u>356,120</u>	<u>1,280,670</u>	<u>348,805</u>	<u>14,036</u>	<u>1,999,631</u>
Carrying amount					
At 31 December 2018	<u>1,426,447</u>	<u>382,441</u>	<u>139,581</u>	<u>16,028</u>	<u>1,964,497</u>
At 31 December 2017	<u>1,462,098</u>	<u>447,385</u>	<u>203,950</u>	<u>18,033</u>	<u>2,131,466</u>

Included within the net book value of land and buildings above is \$1,426,447 (2017 - \$1,462,098) in respect of freehold land and buildings.

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

11 Investment properties

	2018 \$
At 1 January 2018 & 31 December 2018	6,719,200
Fair value adjustments	<u>(1,112,628)</u>
At 31 December	<u>5,606,572</u>

Revaluation

The fair value of the company's Investment Properties was revalued on 31 December 2014. An independent valuer was not involved. In the opinion of the directors, the open market value of investment properties at 31 December 2014 was \$6,719,201. This market value was adopted as deemed cost under transition to FRS 102 as in the opinion of the directors the value of the asset would not have been significantly different at the date of transition. Had this class of asset been measured on a historical cost basis, the carrying amount would have been \$6,719,200 (2017 - \$6,719,200).

The investment properties have been pledged as security over the companies overdraft facility with the bank.

12 Investments in subsidiaries, joint ventures and associates

	2018 \$	2017 \$
Other investments	<u>11</u>	<u>11</u>
Unlisted investments		\$
Cost		
At 1 January 2018		<u>11</u>
Carrying amount		
At 31 December 2018		<u>11</u>
At 31 December 2017		<u>11</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Associates

Site A M11 Business Link Management Company Limited	Ordinary shares	44%	44%
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The principal activity of Site A M11 Business Link Management Company Limited is property management. Site A M11 Business Link Management Company Limited was incorporated in England & Wales.

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

13 Stocks

	2018 \$	2017 \$
Other inventories	<u>2,031,277</u>	<u>1,807,513</u>

The cost of stocks recognised as an expense in the year amounted to \$14,134,898 (2017 - \$9,228,173).

Impairment of stocks

The amount of impairment loss included in profit or loss is \$288,219 (2017 - \$416,094). The impairment loss is included in cost of sales.

14 Debtors

	2018 \$	2017 \$
Trade debtors	6,538,771	4,078,186
Other debtors	1,241,010	1,282,463
Prepayments	<u>125,838</u>	<u>124,409</u>
	<u>7,905,619</u>	<u>5,485,058</u>

15 Cash and cash equivalents

	2018 \$	2017 \$
Cash on hand	1,189	1,673
Cash at bank	<u>2,515,863</u>	<u>2,940,936</u>
	<u>2,517,052</u>	<u>2,942,609</u>

16 Creditors

	Note	2018 \$	2017 \$
Due within one year			
Trade creditors		1,932,065	1,054,807
Amounts due to related parties	21	266,853	770,963
Social security and other taxes		31,206	25,035
Other payables		96,096	7,015
Accruals		203,604	331,689
Income tax liability	8	290,168	175,114
Deferred income		<u>473,948</u>	<u>476,354</u>
		<u>3,293,940</u>	<u>2,840,977</u>

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

17 Deferred tax and other provisions

	Deferred tax \$	Total \$
At 1 January 2018	102,022	102,022
Increase (decrease) in existing provisions	(17,250)	(17,250)
At 31 December 2018	<u>84,772</u>	<u>84,772</u>

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to \$5,034 (2017 - \$4,228).

19 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	\$	No.	\$
Ordinary \$1.98 shares of \$1.98 each	<u>1,000</u>	<u>1,984.30</u>	<u>1,000</u>	<u>1,984.30</u>

20 Reserves

Share Capital

Represents the nominal value of shares that have been issued.

Profit and loss account

Includes all current and prior period retained profits and losses, inclusive of cumulative unrealised gains and losses for assets shown at fair value at the balance sheet date.

Gamit Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

21 Related party transactions

Transactions with directors

The directors and key management are the same personnel. At the balance sheet date the amount outstanding to key management was \$266,852 (2017 - \$770,963).

Summary of transactions with entities with joint control or significant interest

During the year the company made sales to entities with joint control or significant interest of \$17,269,891 (2017: \$12,569,722). The entities with joint control or significant interest made sales to the company of \$483,702 (2017: \$491,650).

At the year end debtors included \$6,378,638 (2017: \$3,954,186) and creditors included \$8,244 (2017: \$nil) in respect of entities with joint control or significant interest.

All business with entities with joint control or significant interest is transacted on commercial terms.

22 Financial instruments

Categorisation of financial instruments

	2018 \$	2017 \$
Financial assets that are debt instruments measured at amortised cost	10,296,830	8,303,257
	<u>10,296,830</u>	<u>8,303,257</u>
Financial liabilities measured at amortised cost	(2,823,483)	(1,738,325)
Loan commitments measured at cost less impairment	(47,034)	(565,123)
	<u>(2,870,517)</u>	<u>(2,303,448)</u>

Financial assets measured at fair value

Investment properties

Investment properties have been valued by the director on open market value

It is assumed that there is no material movement in valuation since the prior year end.

The fair value is \$5,606,572 (2017 - \$6,719,201) and the change in value included in profit or loss is \$(1,112,628) (2017 - \$Nil).

23 Parent and ultimate parent undertaking

The ultimate controlling party is Kadri Muhiddin.