REGISTERED NUMBER: 09395933 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

FOR

GEMEC LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS:	V Thomas G Kafiris
REGISTERED OFFICE:	Unit 6 Devonshire Business Park Chester Road Borehamwood WD6 1NA
REGISTERED NUMBER:	09395933 (England and Wales)
INDEPENDENT AUDITORS:	AC Partners LLP Chartered Accountants & Statutory Auditors 869 High Road London N12 8QA

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are pleased to present the strategic report for the year ended 31 December 2023. This report highlights the company's achievements, ongoing strategics, and future prospects, continuing our journey as a leading EPC Contractor in the Renewable Energy industry.

REVIEW OF BUSINESS
The company is an Engineering, Procurement and Construction (EPC) Contractor in the Renewable Energy industry.

Building on our robust performance in the previous year, our company has further solidified its presence in the Renewable and Battery Storage sectors. As renewable energy projects grow in scale and complexity, we've successfully transitioned to higher voltage connections, focusing on numerous projects of 25 MW to 60MW. This progression aligns with our desire to execute more complex and higher-value projects, which complement our internal capabilities for detailed design and engineering.

Financially, we remain strong with a solid balance sheet, no external borrowings, and an increasing order book, empowering us to pursue these ambitious, high-value renewable energy projects.

FUTURE DEVELOPMENTS
Looking forward, Gemec Limited is poised for continued expansion into a broader spectrum of renewable energy projects, attempting to enter the field of battery storage EPC solutions. We are exploring opportunities for international expansion, with initial plans focusing on Italy and Greece. Concurrently, we are continuously developing our operation and maintenance division, which holds the potential for recurring revenue streams.

MARKET POSITION AND COMPETITIVE LANDSCAPE
This year has solidified our company's position on the market, creating new opportunities for us to expand our market share both locally and internationally.

Gemec's professional results and good practice standards led to ensuring a steady flow of new business coming from existing customers. After being awarded our biggest EPC contract this year, our teams once again proved their skills and capabilities by maintaining the strict schedule and quality requirements. With every project, Gemec Limited is only strengthening the clients' confidence that our company is a household name in the industry.

PRINCIPAL RISKS AND UNCERTAINTIES
The Company is exposed to credit risk, liquidity risk, and currency risk. The risk management policies employed by the Company to manage these risks are discussed below:

Credit risk
It is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimizing such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures.
The Company has a low concentration of credit risk.

Liquidity risk
The company aims to mitigate liquidity risk by managing cash generated by its operations, applying cash collection targets and monitoring cash flow on a contract by contract basis. The company has successfully maintained sufficient cash balances to meet their current liabilities and keep liquidity risks to a minimum.

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk for our company arises from the purchase of goods and services from the EU and Turkey. The Company is exposed to foreign exchange risk arising from currency exposure with respect to the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly. Also, the EPC prices are partially agreed in GBP and partially in EUR so that the cash flow is always balanced.

The other commercial risks faced by the company are controlled by suitable internal control procedures and frequent monitoring of management accounts.

KEY PERFORMANCE INDICATORS

	2023	2022
	£	£
Turnover	12,895,986	10,966,410
Gross Profit	2,941,080	2,981,058
Gross Margin	22.81%	27.18%
Profit before tax	1,528,911	2,075,899
Net Assets	4,658,219	3,935,664
Quick Asset Ratio	2.4	2.3
EBITDA Margin	11.98%	19.07%

CONCLUSION
The results for the period and the financial position at the period end were considered satisfactory by the director who expects controlled growth and profitability to continue in the foreseeable future.

The directors are confident that the company will be able to strengthen its financial position by building on its current portfolio of contracts and grow the business with both existing and new clients in the future.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

ON BEHALF OF THE BOARD:

V Thomas - Director

26 February 2025

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report with the financial statements of the company for the year ended 31 December 2023.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of an engineering, procurement and construction contractor in the renewable energy industry.

DIVIDENDS
An interim dividend of £4,380 per share was paid on 1 November 2023. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2023 will be £ 438,000 .

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

V Thomas
G Kafiris

POLITICAL DONATIONS AND EXPENDITURE
There were no political donations and expenditure made during the year.

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

AUDITORS
The auditors, AC Partners LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

V Thomas - Director

26 February 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GEMEC LIMITED

Opinion
We have audited the financial statements of Gemec Limited (the 'company') for the year ended 31 December 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2023 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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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, 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the 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.

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.

Other matters which we are required to address
We draw attention to the fact that the financial statements for the year ended 31 December 2022 were not audited. Accordingly, the comparative figures presented in these financial statements are unaudited. Our opinion is not modified in respect of this matter.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GEMEC LIMITED

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgments made by management, and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Our audit procedures also focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misinterpretations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statement, the less likely we are to become aware of it.

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.

Dimitris Christoforou (Senior Statutory Auditor)
for and on behalf of AC Partners LLP
Chartered Accountants & Statutory Auditors
869 High Road
London
N12 8QA

26 February 2025

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 as restated (Unaudited) £
TURNOVER	3	12,895,986	10,966,410
Cost of sales		9,954,906	7,985,352
GROSS PROFIT		2,941,080	2,981,058
Administrative expenses		1,419,221	905,937
OPERATING PROFIT	5	1,521,859	2,075,121
Interest receivable and similar income		7,052	778
PROFIT BEFORE TAXATION		1,528,911	2,075,899
Tax on profit	6	368,356	397,089
PROFIT FOR THE FINANCIAL YEAR		1,160,555	1,678,810

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 as restated (Unaudited) £
PROFIT FOR THE YEAR		1,160,555	1,678,810
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,160,555	1,678,810
Prior year adjustment	Note 8	803,152	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		1,963,707	

GEMEC LIMITED (REGISTERED NUMBER: 09395933)

BALANCE SHEET
31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 as restated (Unaudited) £	2022 as restated (Unaudited) £
FIXED ASSETS					
Tangible assets	9		157,720		116,551
CURRENT ASSETS					
Debtors	10	4,094,192		2,047,287	
Cash at bank		3,581,350		4,660,218	
		7,675,542		6,707,505	
CREDITORS					
Amounts falling due within one year	11	3,168,876		2,888,392	
NET CURRENT ASSETS			4,506,666		3,819,113
TOTAL ASSETS LESS CURRENT LIABILITIES			4,664,386		3,935,664
PROVISIONS FOR LIABILITIES	13		6,167		-
NET ASSETS			4,658,219		3,935,664
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Retained earnings	15		4,658,119		3,935,564
SHAREHOLDERS' FUNDS			4,658,219		3,935,664

The financial statements were approved by the Board of Directors and authorised for issue on 26 February 2025 and were signed on its behalf by:

V Thomas - Director

G Kafiris - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2022	100	2,256,754	2,256,854
Changes in equity			
Total comprehensive income	-	875,658	875,658
Balance at 31 December 2022	100	3,132,412	3,132,512
Prior year adjustment	-	803,152	803,152
As restated	100	3,935,564	3,935,664
Changes in equity			
Dividends	-	(438,000)	(438,000)
Total comprehensive income	-	1,160,555	1,160,555
Balance at 31 December 2023	100	4,658,119	4,658,219

The notes form part of these financial statements

1. STATUTORY INFORMATION

Gemec 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.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS
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. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis as the directors are satisfied that the company will have adequate resources to meet its liabilities to third parties as they fall due.

The financial statements are presented in Pound Sterling (£), which is also the functional currency of the company.

FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

SIGNIFICANT JUDGEMENTS AND ESTIMATES
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factor that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future period where the revision affects both current and future periods.

The areas requiring a high degree of judgement or where assumptions and estimates are significant to the accounts are outlined below.

Construction contracts
Recognition of turnover and profit on construction contracts requires management judgement regarding the anticipated final outcome of individual contracts and of the proportion of works completed at the balance sheet date. Management undertakes internal reviews in order to exercise judgement over the outcome of each contract and the associated risks and opportunities.

The value of work completed at the balance sheet date is calculated by internal assessment and management review of the costs incurred compared with the total forecast costs of each contract.

The estimation of the final contract value includes assessment of the recovery of variations which have yet to be agreed with the customer, compensation events and claims that are probably to be agreed.

Procedures, internal finance standards and management tools are in place to ensure that estimates are applied and results determined on a consistent basis.

As at 31 December 2023 the company's contract assets and contract liabilities amounted to £1,025,298 and £1,515,352 (2022: £690,309 and £nil) respectively.

continued...

2. **ACCOUNTING POLICIES - continued**

TURNOVER
Turnover is the amount derived from the provision of goods and services and is stated after trade discounts, other sales taxes, and net of VAT. Turnover is reduced for customer rebates and other similar allowances.

Turnover from construction contracts is measured at the fair value of consideration receivable and ascertained in a manner appropriate to the stage of completion of the contract.

Turnover from operation and maintenance contracts is measured at the fair value of consideration receivable and recognised evenly over the period of the contract.

Turnover from the supply of operation and maintenance services represents the value of services provided under contracts to the extent that there is a right to consideration and is measured at the fair value of consideration received or receivable.

Construction contracts
Turnover on construction contracts is ascertained in a manner appropriate to the stage if completion of the contract. The company uses an input method to measure progress for construction contracts where turnover is recognised over time. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to estimated total contract costs.

Profit on contracts is only recognised when the company is satisfied that the risks on a contract have been mitigated to a suitable level so that the outcome of work under the contract can be assessed with reasonable certainty. When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately and an associated liability recorded.

Variations and claims are recognised once there is sufficient certainty over the probability that they will be received, and the amount can be measured reliably.

Amounts recoverable on contracts represents the excess of the value of work completed over amounts invoiced or certified at the balance sheet date. Where amounts invoiced or certified at the balance sheet date exceed the amount of work completed, the excess is included within payments received on account.

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

Fixtures and fittings	- 12% on reducing balance
Motor vehicles	- 15% on reducing balance

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of the asset less their residual values over their useful lives on the above bases. The gain or loss on the disposal of an asset is determines as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss.

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 TAX
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.

continued...

2. ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. TURNOVER

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

An analysis of turnover by class of business is given below:

	2023	2022 as restated (Unaudited)
	£	£
Construction contracts	9,465,785	7,751,377
Operation and maintenance	3,430,201	3,215,033
	12,895,986	10,966,410

An analysis of turnover by geographical market is given below:

	2023	2022 as restated (Unaudited)
	£	£
United Kingdom	12,895,986	10,481,102
Europe	-	485,308
	12,895,986	10,966,410

continued...

4. EMPLOYEES AND DIRECTORS

	2023	2022 as restated (Unaudited)
	£	£
Wages and salaries	1,222,488	966,194
Social security costs	113,430	86,696
Other pension costs	11,167	9,382
	1,347,085	1,062,272

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

	2023	2022 as restated (Unaudited)
Directors	2	2
Administrative	5	5
Operations	30	27
	37	34

	2023	2022 as restated (Unaudited)
	£	£
Directors' remuneration	58,206	68,776

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022 as restated (Unaudited)
	£	£
Hire of plant and machinery	215,109	74,891
Other operating leases	348,478	270,391
Depreciation - owned assets	23,409	16,093
Loss on disposal of fixed assets	14,898	6,061
Auditors' remuneration	20,000	-
Foreign exchange differences	4,497	(43,813)

6. TAXATION

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

	2023	2022 as restated (Unaudited)
	£	£
Current tax:		
UK corporation tax	362,189	397,089
Deferred tax	6,167	-
Tax on profit	368,356	397,089

continued...

6. **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:

	2023	2022 as restated (Unaudited)
	£	£
Profit before tax	1,528,911	2,075,899
Profit multiplied by the standard rate of corporation tax in the UK of 23.520% (2022 - 19%)	359,600	394,421
Effects of:		
Expenses not deductible for tax purposes	4,527	1,238
Capital allowances in excess of depreciation	(1,938)	-
Depreciation in excess of capital allowances	-	1,430
Unrecognised deferred tax	6,167	-
Total tax charge	368,356	397,089

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2023, the current weighted averaged tax rate was 23.52%.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

7. **DIVIDENDS**

	2023	2022 as restated (Unaudited)
	£	£
Ordinary shares of £1 each		
Interim	438,000	-

8. **PRIOR YEAR ADJUSTMENT**

The comparative figures have been restated due to a previous change in accounting policy and the correction of other prior year errors. Revenue is now recognised in line with FRS 102 using the project completion method based on inputs, which more accurately reflects financial performance. Additionally, prepayments and accruals were previously understated and have been corrected. Furthermore, debit and credit balances have been reclassified within the balance sheet with no effect on net assets. Lastly, cash at bank had been misstated due to a FX translation error on the foreign currency bank balance. These adjustments have been applied retrospectively, with changes reflected in both the statement of financial position and the statement of comprehensive income.

	Prior year adjustment
	£
Cash at bank	16,714
Amounts recoverable on contracts	690,309
Other debtors	171,728
Directors' current accounts	29,960
Accrued income	347,103
Prepayments	137,407
Trade creditors	(199,125)
Tax	(192,193)
Other creditors	(2,563)
Accrued expenses	(196,188)
	803,152

9. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2023	7,495	165,902	173,397
Additions	-	80,176	80,176
Disposals	-	(21,810)	(21,810)
At 31 December 2023	7,495	224,268	231,763
DEPRECIATION			
At 1 January 2023	2,501	54,345	56,846
Charge for year	749	22,660	23,409
Eliminated on disposal	-	(6,212)	(6,212)
At 31 December 2023	3,250	70,793	74,043
NET BOOK VALUE			
At 31 December 2023	4,245	153,475	157,720
At 31 December 2022	4,994	111,557	116,551

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 as restated (Unaudited) £
Trade debtors	1,976,751	567,749
Amounts owed by group undertakings	103,031	103,031
Amounts recoverable on contract	1,025,298	690,309
Other debtors	167,177	-
Payments on account	555,244	171,728
Directors' current accounts	19,719	29,960
Accrued income	102,614	347,103
Prepayments	144,358	137,407
	4,094,192	2,047,287

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 as restated (Unaudited) £
Payments received on account	1,515,352	-
Trade creditors	509,493	1,214,686
Amounts owed to group undertakings	64,526	-
Tax	554,383	397,089
Social security and other taxes	26,573	67,128
VAT	230,997	898,004
Other creditors	4,934	5,148
Net wages	73,132	105,649
Directors' current accounts	114	-
Accrued expenses	189,372	200,688
	3,168,876	2,888,392

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12. **LEASING AGREEMENTS**

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

	2023	2022 as restated (Unaudited)
	£	£
Within one year	179,353	253,409
Between one and five years	220,000	243,838
In more than five years	79,863	134,863
	479,216	632,110

13. **PROVISIONS FOR LIABILITIES**

	2023	2022 as restated (Unaudited)
	£	£
Deferred tax	6,167	-

	Deferred tax
	£
Provided during year	6,167
Balance at 31 December 2023	6,167

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
100	Ordinary	£1	100	100

15. **RESERVES**

	Retained earnings £
At 1 January 2023	3,132,412
Prior year adjustment	803,152
	3,935,564
Profit for the year	1,160,555
Dividends	(438,000)
At 31 December 2023	4,658,119

16. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme, The Collegia Personal Pension Scheme, for the employees of the company. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date, unpaid contributions of £4,934 (2022: £2,585) were due to the fund and were included within other creditors.

17. **ULTIMATE PARENT COMPANY**

Electromec Design Construction and Commercial Company S.A. (incorporated in Greece) is regarded by the directors as being the company's ultimate parent company.

The registered office address of the parent company is 12 Galini Street, Kropias, Greece.

Electromec Design Construction and Commercial Company S.A. includes the company results in their consolidated financial statements which are publicly available on their website.

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18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2023 and 31 December 2022:

	2023	2022 as restated (Unaudited)
	£	£
V Thomas		
Balance outstanding at start of year	29,960	10,069
Amounts advanced	33,119	43,570
Amounts repaid	(43,360)	(23,679)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	19,719	29,960
G Kafiris		
Balance outstanding at start of year	-	-
Amounts advanced	32,086	4,666
Amounts repaid	(32,200)	(4,666)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	(114)	-

The directors' current accounts are interest-free, unsecured, and repayable on demand. No guarantees have been given or received in respect of these balances.

19. RELATED PARTY DISCLOSURES

There is no ultimate controlling party of Gemec Limited.

Sales of £nil (2022: £103,031) and purchases of £220,576 (2022: £nil) were made during the year by Gemec Limited with the parent entity Electromec Design Construction and Commercial Company S.A. A minority shareholder of the parent entity is also a director of Gemec Limited. All transactions were conducted on an arm's length basis on normal trading terms. At 31 December 2023, receivables of £103,031 (2022: £103,031) was owed to Gemec Limited, and payables of £64,526 (2022: £nil) was owed to the parent.

The following transactions took place between the company and the parent's joint venture during the year:
Sales of £nil (2022: £326,387) were made on normal trading terms to Ergotem S.A. who is a joint venture of Electromec Design Construction and Commercial Company S.A.