

Unaudited Financial Statements Glamis Investments Limited

For the Year Ended 31 July 2017

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COMPANIES HOUSE

Registered number: SC034509

Company Information

Director	Mr R J W Smith
Registered number	SC034509
Registered office	Delta House Gemini Crescent Dundee DD2 1SW
Accountants	Grant Thornton UK LLP Chartered Accountants 110 Queen Street Level 8 Glasgow G1 3BX
Bankers	The Royal Bank of Scotland 3 High Street Dundee DD1 9YL
Solicitors	Thorntons Lindsays MacRoberts

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Director's Report

For the Year Ended 31 July 2017

The director presents his report and the financial statements for the year ended 31 July 2017.

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Director

The director who served during the year was:

Mr R J W Smith

Small Companies

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr R J W Smith
Director

Date: 15/01/2018

Report to the director on the preparation of the unaudited statutory financial statements of Glamis Investments Limited for the year ended 31 July 2017

We have compiled the accompanying financial statements of Glamis Investments Limited based on the information you have provided. These financial statements comprise the Statement of Financial Position of Glamis Investments Limited and Statement of Changes in Equity as at 31 July 2017, Statement of Comprehensive Income for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the director of Glamis Investments Limited in accordance with the terms of our engagement letter dated 4th January 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Glamis Investments Limited and state those matters that we have agreed to state to the director of Glamis Investments Limited in this report in accordance with our engagement letter dated 4th January 2018. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Glamis Investments Limited and its director for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.



Grant Thornton UK LLP

Chartered Accountants

Glasgow

Date: 15 January 2018

Statement of Comprehensive Income

For the Year Ended 31 July 2017

	Note	2017 £	2016 £
Turnover		784,758	812,159
Cost of sales		(109,654)	(81,145)
Gross profit		675,104	731,014
Administrative expenses		(233,297)	(284,943)
Gain on revaluation of investment properties		59,346	-
Operating profit	3	501,153	446,071
Interest receivable and similar income		1,526	92
Interest payable and expenses	5	(182,602)	(208,069)
Gain/(loss) on sale of investment property		6,794	(49,887)
Profit before tax		326,871	188,207
Tax on profit	6	(55,057)	(51,657)
Profit for the financial year		271,814	136,550

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 8 to 16 form part of these financial statements.

Statement of Financial Position

As at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	9,680,801	9,845,786
Investments	9	-	2
		<u>9,680,801</u>	<u>9,845,788</u>
Current assets			
Development properties	10	700,000	700,000
Debtors: amounts falling due within one year	11	340,178	610,074
Cash at bank and in hand		110,735	12,282
		<u>1,150,913</u>	<u>1,322,356</u>
Creditors: amounts falling due within one year	12	(5,081,623)	(5,594,215)
Net current liabilities		<u>(3,930,710)</u>	<u>(4,271,859)</u>
Total assets less current liabilities		<u>5,750,091</u>	<u>5,573,929</u>
Net assets		<u><u>5,750,091</u></u>	<u><u>5,573,929</u></u>

Statement of Financial Position (continued)

As at 31 July 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	13	30,426	30,426
Share premium account		63,000	63,000
Revaluation reserve		2,377,630	2,276,918
Capital redemption reserve		37,824	37,824
Profit and loss account		3,241,211	3,165,761
		<u>5,750,091</u>	<u>5,573,929</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr R J W Smith
 Director



Date: 15/01/2018

The notes on pages 8 to 16 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 July 2017

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 August 2016	30,426	63,000	37,824	2,276,918	3,165,761	5,573,929
Comprehensive income for the year						
Profit for the year	-	-	-	-	271,814	271,814
Dividends: Equity capital	-	-	-	-	(95,652)	(95,652)
Fair value adjustment	-	-	-	59,346	(59,346)	-
Transfer for realised gains and losses	-	-	-	41,366	(41,366)	-
At 31 July 2017	30,426	63,000	37,824	2,377,630	3,241,211	5,750,091

Statement of Changes in Equity

For the Year Ended 31 July 2016

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 August 2015	30,426	63,000	37,824	2,313,984	3,052,846	5,498,080
Comprehensive income for the year						
Profit for the year	-	-	-	-	136,550	136,550
Dividends: Equity capital	-	-	-	-	(77,543)	(77,543)
Revaluation	-	-	-	16,842	-	16,842
Transfer to/from profit and loss account	-	-	-	(53,908)	53,908	-
At 31 July 2016	30,426	63,000	37,824	2,276,918	3,165,761	5,573,929

The notes on pages 8 to 16 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 July 2017

1. General information

The principal activity of the company during the period was that of property investment and development.

2. Accounting policies

2.1 Basis of preparation of financial statements

The accounts have been prepared in accordance with the provisions of FRS102 Section 1A small entities. There were no material departures from that standard.

The entity is private company limited by shares. The registered office is Delta House, Gemini Crescent, Dundee, DD2 1SW.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

2.2 Going concern

Following the recent valuation and re-negotiation of bank facilities, on more favourable terms, the director is of the opinion that the Company has adequate resources to be able to meet its ongoing obligations for the foreseeable future. As a result, the Company continues to adopt the going concern basis of accounting in preparing the financial statements which presumes the realisation of assets and liabilities in the normal course of business.

2.3 Revenue

Revenue shown in the profit and loss account represents rent and associated charges receivable by the company. Rent is recognised on a straight line basis over the lease term. Revenue also includes income relating to lease cancellation charges received from tenants exiting the lease. This relates wholly to scenarios whereby there is no on-going relationship with the previous tenant.

Revenue recognised on sale of development properties is recognised when property is sold.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the Year Ended 31 July 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Equipment	- 25% reducing balance
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Investment property

Investment property is carried at fair value determined annually by the director and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Development property

Development properties are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase.

At each reporting date, the properties are assessed for impairment. If they 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.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of

Notes to the Financial Statements

For the Year Ended 31 July 2017

2. Accounting policies (continued)

2.10 Financial instruments (continued)

financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

Notes to the Financial Statements

For the Year Ended 31 July 2017

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Pensions

The pension costs charged against profits represent the amount of the contributions payable to the personal pension plans in respect of the accounting period. This pension plan is accounted for as a defined contribution scheme.

2.15 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.17 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Notes to the Financial Statements

For the Year Ended 31 July 2017

3. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	1,765	2,754
Defined contribution pension cost	2,488	6,907
	<u>4,253</u>	<u>9,661</u>

4. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 - 7).

5. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	168,299	183,078
Other loan interest payable	14,303	24,991
	<u>182,602</u>	<u>208,069</u>

6. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	55,057	51,954
Adjustments in respect of previous periods	-	(297)
	<u>55,057</u>	<u>51,657</u>
Total current tax	<u>55,057</u>	<u>51,657</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>55,057</u>	<u>51,657</u>

Notes to the Financial Statements

For the Year Ended 31 July 2017

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	326,871	188,207
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20%)	64,282	37,641
Effects of:		
Fixed asset differences	(1,336)	9,977
Expenses not deductible for tax purposes	3,545	3,848
Income not taxable for tax purposes	(11,671)	-
Adjustments to tax charge in respect of prior periods	-	(297)
Deferred tax not recognised	237	488
Total tax charge for the year	55,057	51,657

7. Dividends

	2017 £	2016 £
Dividends	95,652	77,543
Total dividends	95,652	77,543

Notes to the Financial Statements

For the Year Ended 31 July 2017

8. Tangible fixed assets

	Investment property £	Office & Computer Equipment £	Total £
Cost or valuation			
At 1 August 2016	9,844,047	47,849	9,891,896
Additions	-	317	317
Disposals	(222,883)	-	(222,883)
Revaluations	59,346	-	59,346
At 31 July 2017	<u>9,680,510</u>	<u>48,166</u>	<u>9,728,676</u>
Depreciation			
At 1 August 2016	-	46,110	46,110
Charge for the year on owned assets	-	1,765	1,765
At 31 July 2017	<u>-</u>	<u>47,875</u>	<u>47,875</u>
Net book value			
At 31 July 2017	<u>9,680,510</u>	<u>291</u>	<u>9,680,801</u>
At 31 July 2016	<u>9,844,047</u>	<u>1,739</u>	<u>9,845,786</u>

The historical cost of the investment property is £7,303,880 (2016: £7,567,129).

9. Fixed asset investments

	Investments in subsidiary companies £
At 1 August 2016	2
Amounts written off	(2)
At 31 July 2017	<u>-</u>
At 31 July 2016	<u>2</u>

Notes to the Financial Statements

For the Year Ended 31 July 2017

10. Development property

	2017 £	2016 £
Development properties	700,000	700,000
	<u>700,000</u>	<u>700,000</u>

11. Debtors

	2017 £	2016 £
Trade debtors	24,257	15,576
Amounts due from related parties	210,938	328,313
Other debtors	76,981	26,490
Loans receivable	28,002	226,520
Amounts due from group undertakings	-	13,175
	<u>340,178</u>	<u>610,074</u>

12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	4,805,915	5,165,053
Amounts owed to group undertakings	-	32,715
Corporation tax	55,057	111,668
Other taxation and social security	8,687	52,864
Other creditors	189,679	173,110
Accruals and deferred income	22,285	58,805
	<u>5,081,623</u>	<u>5,594,215</u>

All bank loans are secured on specific properties belonging to the company, and by a bond and floating charge over all of the assets of the company.

On 9 October 2017, the Company refinanced the bank loans with a £5,000,000 facility at 3.1% over Base Rate. The facility is repayable over 48 months, with a final repayment on 9 October 2021.

Notes to the Financial Statements

For the Year Ended 31 July 2017

13. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
30,426 Ordinary shares of £1 each	30,426	30,426

14. Pension commitments

The company makes contributions to personal pension plans. The contributions are on behalf of those members of staff who have elected to join the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

15. Related party transactions

An amount of £145,065 (2016: £140,637) was due to the company from Albert Square Investments LLP, an LLP of which Mr R J W Smith is a member, at the balance sheet date. No interest is charged on this loan and it is treated as repayable on demand.

An amount of £65,873 (2016: £190,027) was due to the company from Tocco LP, an LP of which Mr R J W Smith is a member, at the balance sheet date. No interest is charged on this loan and it is treated as repayable on demand.

During the year Mr R J W Smith, a director of the company, received dividends of £13,386 (2016: £45,522) due to his shareholding and beneficial interest in the entity.