

DUNVALE INVESTMENTS LIMITED
UNAUDITED FINANCIAL STATEMENTS
31 JANUARY 2016

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DUNVALE INVESTMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2016

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DUNVALE INVESTMENTS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 JANUARY 2016

BUSINESS REVIEW

The group operates as a commercial property investment enterprise. During the year the group consolidated its position with strengthening rent rolls.

The director is pleased with the group's performance in respect of its increasing income profile and its position with respect to the key performance indicators identified below.

KEY PERFORMANCE INDICATORS

The group's activities are typically measured by reference to the ratio of rental income to interest costs and the ratio of property values to borrowings. Both of these have improved over the year under review.

PRINCIPAL RISKS AND UNCERTAINTIES

The director recognises that the group runs risk relating to the broader economic climate as its future income streams are dependent on the continued success of its tenants. The directors mitigate this risk by having a breadth of commercial property tenants which it secures on the most advantageous terms which can be negotiated.

The director also recognises that the group, financed as it is by bank borrowings, carries risk in respect of the changing credit market which the economy has seen over the last few years. The director has secured an amended funding package during the year in order to mitigate the group's exposure in this regard.

Signed by



D G G WHEATLEY

DIRECTOR

Approved by the director on 17 October 2016

DUNVALE INVESTMENTS LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31 JANUARY 2016

The director presents his report and the unaudited financial statements of the group for the year ended 31 January 2016.

DIRECTOR

The director who served the company during the year was as follows:

Mr D G G Wheatley

STRATEGIC REPORT

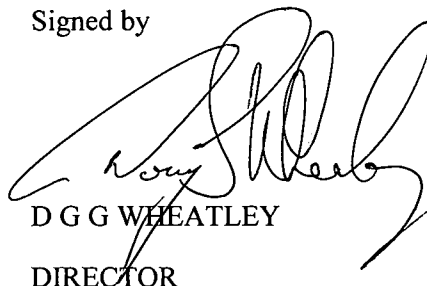
The director has prepared a strategic report in accordance with Groups (Accounts and Reports) Regulations 2008 as required for group accounts, The strategic report incorporates the business review and the principal risks and uncertainties of the group.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:
Capella Building (Tenth Floor)
60 York Street
Glasgow
G2 8JX

Signed by



D G G WHEATLEY
DIRECTOR

Approved by the director on 17 October 2016

DUNVALE INVESTMENTS LIMITED
CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS ON THE
UNAUDITED ACCOUNTS OF DUNVALE INVESTMENTS LIMITED
YEAR ENDED 31 JANUARY 2016

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared the financial statements of the company on pages 7 to 14 from the accounting records and information and explanations supplied to us.

This report is made to the Company's Members, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the financial statements on behalf of the Company's Members 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, for our work or for this report.

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of financial statements.

You have acknowledged on the group balance sheet and company balance sheet as at 31 January 2016 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



GILLILAND & COMPANY
Chartered Accountants

216 West George Street
Glasgow
G2 2PQ

17 October 2016

DUNVALE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 2016

	Note	2016 £	2015 £
GROUP TURNOVER		1,330,374	2,826,387
Administrative expenses		(2,408,287)	1,792,438
Other operating income		(682,582)	(779,674)
OPERATING PROFIT	2	4,421,243	1,813,623
Interest receivable	3	11,849	11
Interest payable and similar charges		(159,142)	(592,280)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,273,950	1,221,354
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL YEAR	4	4,273,950	1,221,354

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account.

The notes on pages 8 to 14 form part of these financial statements.

DUNVALE INVESTMENTS LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 JANUARY 2016

	2016 £	2015 £
Profit for the financial year attributable to the shareholders of the parent company	4,273,950	1,221,354
Unrealised loss on revaluation of certain fixed assets	—	(500,000)
Total gains and losses recognised since the last annual report	<u>4,273,950</u>	<u>721,354</u>

The notes on pages 8 to 14 form part of these financial statements.

DUNVALE INVESTMENTS LIMITED

GROUP BALANCE SHEET

31 JANUARY 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Intangible assets	6	—	—
Tangible assets	7	2,736,540	22,313,718
		<u>2,736,540</u>	<u>22,313,718</u>
CURRENT ASSETS			
Stocks		50,000	50,000
Debtors due within one year	9	4,908,937	2,554,810
Cash at bank and in hand		5,468,273	185,292
		<u>10,427,210</u>	<u>2,790,102</u>
CREDITORS: Amounts falling due within one year	10	<u>3,514,118</u>	<u>5,281,161</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>6,913,092</u>	<u>(2,491,059)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,649,632</u>	<u>19,822,659</u>
CREDITORS: Amounts falling due after more than one year	11	<u>49,900</u>	<u>9,096,874</u>
		<u>9,599,732</u>	<u>10,725,785</u>
CAPITAL AND RESERVES			
Called up equity share capital	15	2,358,080	2,358,080
Share premium account	16	5,703,902	34,293,902
Revaluation reserve	16	(14,162,536)	(22,752,890)
Profit and loss account	16	15,700,286	(3,173,307)
SHAREHOLDERS' FUNDS		<u>9,599,732</u>	<u>10,725,785</u>

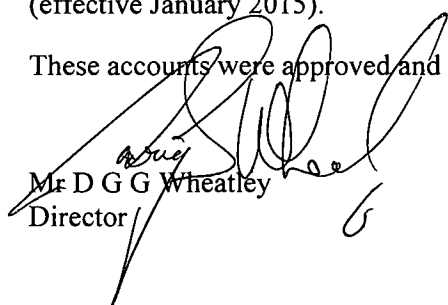
For the year ended 31 January 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These accounts were approved and signed by the director and authorised for issue on 17 October 2016.


Mr D G G Wheatley
Director

The notes on pages 8 to 14 form part of these financial statements.

DUNVALE INVESTMENTS LIMITED

BALANCE SHEET

31 JANUARY 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	8	<u>50,001</u>	<u>50,001</u>
CURRENT ASSETS			
Debtors due within one year	9	19,182,362	9,538,346
CREDITORS: Amounts falling due within one year	10	<u>8,046,241</u>	<u>2,780,695</u>
NET CURRENT ASSETS		<u>11,136,121</u>	<u>6,757,651</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,186,122</u>	<u>6,807,652</u>
CREDITORS: Amounts falling due after more than one year	11	<u>49,900</u>	<u>49,900</u>
		<u>11,136,222</u>	<u>6,757,752</u>
CAPITAL AND RESERVES			
Called up equity share capital	15	2,358,080	2,358,080
Share premium account	16	5,703,902	34,293,902
Profit and loss account	16	3,074,240	(29,894,230)
SHAREHOLDERS' FUNDS		<u>11,136,222</u>	<u>6,757,752</u>

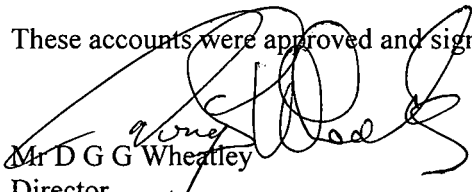
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These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These accounts were approved and signed by the director and authorised for issue on 17 October 2016.


Mr D G G Wheatley
Director

Company Registration Number: SC271982

The notes on pages 8 to 14 form part of these financial statements.

DUNVALE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Negative Goodwill	-	10 years straight line
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Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	-	25% on cost
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An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

DUNVALE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2016

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2016 £	2015 £
Amortisation of intangible assets	–	(202,607)
Depreciation of owned fixed assets	285	–
Profit on disposal of fixed assets	<u>(6,134,562)</u>	<u>–</u>

3. INTEREST RECEIVABLE

	2016 £	2015 £
Bank interest receivable	<u>11,849</u>	<u>11</u>

4. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £9,778,473 (2015 - £1,516,281).

5. DIVIDENDS

Equity dividends

	2016 £	2015 £
Paid during the year:		
Dividends on equity shares	<u>(5,400,003)</u>	<u>–</u>

DUNVALE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2016

6. INTANGIBLE ASSETS

Group	Negative Goodwill £
COST	
At 1 February 2015 and 31 January 2016	<u>(2,210,242)</u>
AMORTISATION	
At 1 February 2015 and 31 January 2016	<u>(2,210,242)</u>
NET BOOK VALUE	
At 31 January 2016	<u>—</u>
At 31 January 2015	<u>—</u>

7. TANGIBLE ASSETS

Group	Freehold /Long Leasehold Property £	Motor Vehicles £	Total £
COST OR VALUATION			
At 1 February 2015	22,313,718	—	22,313,718
Additions	29,968	6,825	36,793
Disposals	(19,613,686)	—	(19,613,686)
At 31 January 2016	<u>2,730,000</u>	<u>6,825</u>	<u>2,736,825</u>
DEPRECIATION			
Charge for the year	—	285	285
At 31 January 2016	<u>—</u>	<u>285</u>	<u>285</u>
NET BOOK VALUE			
At 31 January 2016	<u>2,730,000</u>	<u>6,540</u>	<u>2,736,540</u>
At 31 January 2015	<u>22,313,718</u>	<u>—</u>	<u>22,313,718</u>

The company's subsidiary companies hold investment properties which were valued during the year at £2.73m by the directors after taking appropriate advice from Independent Property advisers. In accordance with Financial Reporting Standard for Smaller Entities (effective January 2015), investment properties are revalued annually on this basis, any surplus or deficit being transferred to revaluation reserve. (2015: £22.314m).

Accordingly, such assets are not depreciated as this would conflict in the Directors' opinion, with the requirement to give a true and fair view, (see note 1). It is not possible to quantify the depreciation which would otherwise have been charged. The total value of investment properties held by the group amount to £22.314m. Had these not been revalued they would have been stated at a cost and net book value of £6,517,027 (2015: £34,691,099).

DUNVALE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2016

8. INVESTMENTS

Company	Group companies £
COST	
At 1 February 2015 and 31 January 2016	<u>50,001</u>
NET BOOK VALUE	
At 31 January 2016 and 31 January 2015	<u>50,001</u>

SUBSIDIARY	REGISTERED	HOLDING	NATURE OF BUSINESS
Grandyard Investments Limited	Scotland	100%	Holding Company

In turn Grandyard Investments Limited holds 100% of the issued share capital of the following:

SUBSIDIARY	REGISTERED	HOLDING	NATURE OF BUSINESS
Grandyard Limited	England	100%	Holding Company

In turn Grandyard Limited holds 100% of the issued share capital of the following:

SUBSIDIARY	REGISTERED	HOLDING	NATURE OF BUSINESS
Elandome Limited	England	100%	Property Investment

SUBSIDIARY	REGISTERED	HOLDING	NATURE OF BUSINESS
Osborne Street Estates Limited	England	100%	Property Development

50% of the above company is held by Dunvale Investments Limited and the remaining 50% is held by Grandyard Limited.

9. DEBTORS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	287,877	413,867	–	–
Amounts owed by group undertakings	–	–	15,692,581	9,538,346
VAT recoverable	139,160	–	–	–
Other debtors	4,354,523	688,195	3,489,781	–
Directors current accounts	–	543,038	–	–
Prepayments and accrued income	127,377	909,710	–	–
	<u>4,908,937</u>	<u>2,554,810</u>	<u>19,182,362</u>	<u>9,538,346</u>

DUNVALE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2016

10. CREDITORS: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans	–	4,175,526	–	–
Trade creditors	33,610	346,843	–	130,457
Amounts owed to group undertakings	–	–	5,122,227	2,649,238
Other creditors including taxation:				
Corporation tax	–	61,371	–	–
VAT	–	67,953	–	–
Other creditors	23,325	10,000	–	–
Other creditors	2,923,014	–	2,923,014	–
Accruals and deferred income	534,169	619,468	1,000	1,000
	<u>3,514,118</u>	<u>5,281,161</u>	<u>8,046,241</u>	<u>2,780,695</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans	<u>–</u>	<u>4,175,526</u>	<u>–</u>	<u>4,175,526</u>

11. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	<u>49,900</u>	<u>9,096,874</u>	<u>49,900</u>	<u>49,900</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	<u>–</u>	<u>9,096,874</u>	<u>–</u>	<u>9,096,874</u>

12. DEFERRED TAXATION

No provision has been made for deferred taxation in respect of the group's revalued investment properties since it is not the Directors intention to dispose of these in the foreseeable future. If the properties were intended to be sold, the full deferred taxation asset provision required would have been £nil (2014: £nil).

13. TRANSACTIONS WITH THE DIRECTOR

The company issued loan notes of £49,900 to Mr D G G Wheatley, director. During the year the company issued a dividend to Mr Wheatley of £5,400,003. At the year end the company owed Mr Wheatley £2,923,014.

DUNVALE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2016

14. RELATED PARTY TRANSACTIONS

The company was under the control of Mr D G G Wheatley throughout the current period. Mr Wheatley is the managing director and majority shareholder.

At the year end the company was owed £9,836,052 from Grandyard Investments Limited. (2015: £5,349,993). This loan is interest free and has no fixed date for repayment.

At the year end the company owed £5,122,227 to Grandyard Limited (2015: £2,649,238). This loan is interest free and has no fixed date for repayment.

During the year the company recharged interest totalling £1,667,999 paid on its loan finance to Elandome Limited, the subsidiary of Grandyard Limited. At the year end £5,854,529 was outstanding. (2015: £4,188,412)

15. SHARE CAPITAL

Authorised share capital:

	2016 £	2015 £
2,358,079 Ordinary A shares of £1 each	2,358,079	2,358,079
1 Ordinary B share of £1 each	1	1
	<u>2,358,080</u>	<u>2,358,080</u>

Allotted, called up and fully paid:

	2016		2015	
	No.	£	No.	£
Ordinary A shares of £1 each	2,358,079	2,358,079	2,358,079	2,358,079
Ordinary B shares of £1 each	1	1	1	1
	<u>2,358,080</u>	<u>2,358,080</u>	<u>2,358,080</u>	<u>2,358,080</u>

16. RESERVES

Group	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance brought forward	34,293,902	(22,752,890)	(3,173,307)
Profit for the year	—	—	4,273,950
Equity dividends	—	—	(5,400,003)
Other movements			
New equity share capital subscribed	(28,590,000)	—	—
- transfer to/from revaluation reserve	—	8,590,354	(8,590,354)
Title @934 Use heading			
RsvNoteCapitalisation	—	—	28,590,000
Balance carried forward	<u>5,703,902</u>	<u>(14,162,536)</u>	<u>15,700,286</u>

DUNVALE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2016

16. RESERVES *(continued)*

Company	Share premium account £	Profit and loss account £
Balance brought forward	34,293,902	(29,894,230)
Profit for the year	—	9,778,473
Equity dividends	—	(5,400,003)
Other movements		
New equity share capital subscribed	(28,590,000)	—
Title @934 Use heading RsvNoteCapitalisation	—	28,590,000
Balance carried forward	<u>5,703,902</u>	<u>3,074,240</u>