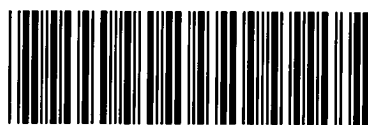


IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

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COMPANY INFORMATION

Directors	B W C McGhee S P King L Welsh S McQuade
Company Number	SC333345
Registered Office	Hamilton House 70 Hamilton Drive Glasgow G12 8DR
Auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
Bankers	Clydesdale Bank plc 30 St Vincent Place Glasgow G1 2HL
Solicitors	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

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IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their strategic report for the year ended 31 March 2016.

Principal activity

The principal activity of the company is the rental of properties.

Review of the Business

Sales were £229,908 (2015: £207,896) and the operating profit was £153,301 (2015: £133,315).

At the end of the year, net assets were £507,267 (2015: £377,288).

The directors continue to monitor all KPI's within the company and have noted above those that are key to the ongoing trade of the business.

The unlicensed estate is mainly made up of residential properties together with a small number of retail properties. The residential market has been steady over the last few years and we expect this to continue due to the majority of younger people still renting rather than purchasing.

Future Developments

The directors expect the company to generate positive cash flows on its own account for the foreseeable future. There are no intentions for the principal activity of the company to alter in the next financial year. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements.

Going Concern

The financial statements have been prepared on a going concern basis. The directors have not identified any material uncertainties which would affect the ability of the company to continue to trade for a period of at least 12 months from the date the financial statements are approved.

Principal Risks and Uncertainties

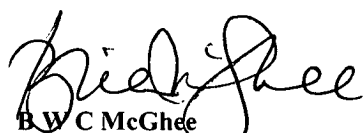
The business review and future developments contains certain forward looking statements that have been made by the directors in good faith based on the information available at the time of approval of the annual report. By their nature, such forward looking statements involve risks and uncertainties because they relate to future events and depend on circumstances that will or may occur in the future.

There are no specific significant risks or uncertainties which are foreseen by the directors at the balance sheet date which would seriously impact the ongoing trade of the business.

This report was approved by the board on

6/9/16

and signed on its behalf.


B W C McGhee
Director

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Results and dividend

The profit for the year, after taxation, amounted to £129,979 (2015: £75,972). The directors have not recommended a dividend (2015: £nil).

Directors

The directors who served during the year were:

S P King
B W C McGhee
L Welsh
S McQuade

Provision of information to auditor

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the board on

6/9/16

and signed on its behalf.


B W C McGhee
Director

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2016

The directors are responsible for preparing the strategic report, the directors' 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), including Financial Reporting Standards 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

We have audited the financial statements of Iona Pub Partnership (Unlicensed) Limited for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is 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'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA PUB PARTNERSHIP
(UNLICENSED) LIMITED**

Matters on which we are required to report by exception

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.

BDO WP

*Martin Gill (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow, UK*

Date 6/9/16

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
TURNOVER	1, 3	229,908	207,896
Selling and distribution expenses		(29,892)	(27,571)
Administrative expenses		(47,242)	(47,026)
Other operating income		<u>527</u>	<u>16</u>
OPERATING PROFIT	4	153,301	133,315
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		153,301	133,315
Interest payable	5	(17,114)	(20,184)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		136,187	113,131
Tax on profit on ordinary activities	6	(6,208)	(37,159)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>129,979</u>	<u>75,972</u>

All results shown above are in respect of continuing activities.

The notes on pages 9 to 15 form part of these financial statements.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016**

	Called-up Share capital £	Profit and loss account £	Total Equity £
At 1 April 2014	1	301,315	301,316
Profit and total Comprehensive income for the year	-	75,972	75,972
At 31 March 2015	1	377,287	377,288
Profit and total Comprehensive income for the year	-	129,979	129,979
At 31 March 2016	1	507,266	507,267

The notes on pages 9 to 15 form part of these financial statements.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

BALANCE SHEET AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible fixed assets	7		1,212,939		1,249,681
CURRENT ASSETS					
Debtors	8	56,088		8,378	
Cash at bank		<u>45,995</u>		<u>117,719</u>	
		102,083		126,097	
CREDITORS: amounts falling due within one year	9	<u>(84,631)</u>		<u>(118,528)</u>	
NET CURRENT ASSETS			17,452		7,569
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,230,391</u>		<u>1,257,250</u>
CREDITORS: amounts falling due after more than one year	10		(718,803)		(877,167)
PROVISION: deferred tax	11		(4,321)		(2,795)
NET ASSETS			<u>507,267</u>		<u>377,288</u>
CAPITAL AND RESERVES					
Called up share capital	12		1		1
Profit and loss account			<u>507,266</u>		<u>377,287</u>
SHAREHOLDERS' FUNDS			<u>507,267</u>		<u>377,288</u>

The financial statements were approved and authorised for issue by the board on 6/9/16 and were signed on its behalf by:



S P King
Director

Iona Pub Partnership (Unlicensed) Limited

Registered Number: SC333345

The notes on pages 9 to 15 form part of these financial statements

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1. Basis of preparation of financial statements

Iona Pub Partnership (Unlicensed) Limited is a company incorporated in Scotland under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 17.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

In preparing the financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the company;
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in the ultimate parent company's consolidated financial statements;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.
- No disclosure is given of transactions between wholly owned members of the group to which this company belongs.

The following principal accounting policies have been applied:

1.2. Turnover

Turnover represents the amount derived from the receipts associated with the continuing principal activity of rental of properties.

1.3. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% - 10% straight line
Furniture, fittings and equipment	-	10-20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'other operating income or losses' in the statement of comprehensive income.

1.4 Operating leases : Lessor

Operating lease rental income are credited to the profit and loss account on a straight line basis over the lease term.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1.5 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.

1.6 Deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.7 Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The following judgements and estimates have had the most significant effects on amounts recognised in the financial statements.

Taxation

Management establish provisions for taxation based on reasonable estimates, for possible consequences of taxation. The amount of provision is based on various factors. Management's estimation is required to determine the amount of deferred tax asset that can be recognised, based upon likely timing and level of future taxable profits.

Tangible fixed assets

Management have estimated the useful life and residual values of the company's tangible fixed assets. This is based on management's experience of the industry and similar assets held within the group.

Debtors and creditors

Short term debtors and creditors are measured at transaction price, less any impairment

3. TURNOVER

The total turnover of the company for the year has been derived from its principal activity. All turnover arose within the United Kingdom.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	<u>46,964</u>	<u>46,199</u>

The audit fee for the company is incurred by G1 Group plc, a fellow subsidiary company. The audit fee for this company is £2,500 (2015: £2,138).

The company, being a subsidiary, has taken exemption from disclosing non-audit remuneration payable as the required disclosure is made within the parent company statutory accounts.

The company has no employees other than the directors. Directors' remuneration is incurred by a fellow subsidiary company and it is not practical to allocate a portion of these fees to the company (2015: £nil).

5. INTEREST PAYABLE

	2016 £	2015 £
Other interest payable	327	-
Interest payable on intercompany loans	<u>16,787</u>	<u>20,184</u>
	<u>17,114</u>	<u>20,184</u>

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. TAXATION

- a) The tax charge is based on profit for the year and comprises:

	2016 £	2015 £
Current tax		
UK corporation tax charge on profits for the year	5,080	35,281
Adjustment in respect of prior years	(398)	
Deferred tax (see note 11)		
Origination and reversal of timing differences	1,526	1,878
Tax on profit on ordinary activities	<u>6,208</u>	<u>37,159</u>

- b) The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015:21%).

The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>136,187</u>	<u>113,131</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015:21%)	27,237	23,758
<i>Effects of:</i>		
Depreciation in excess of capital allowances	-	6,437
Fixed asset differences	8,873	
Expenses not deductible for tax purposes	716	96
Adjustments to brought forward values	(4,752)	-
Group relief claimed	(25,618)	-
Adjustments in respect of prior years	(398)	-
Timing differences not recognised in the computation	(1,149)	4,990
Adjust closing deferred tax to average rate	(227)	-
Deferred taxation	<u>1,526</u>	<u>1,878</u>
Total tax charge for the year	<u>6,208</u>	<u>37,159</u>

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7. TANGIBLE FIXED ASSETS

Cost	Freehold property £	Furniture, fittings and equipment £	Total £
At 1 April 2015	1,479,115	578,644	2,057,759
Additions	-	10,222	10,222
At 31 March 2016	<u>1,479,115</u>	<u>588,866</u>	<u>2,067,981</u>
Depreciation			
At 1 April 2015	295,952	512,126	808,078
Charge for the year	39,137	7,827	46,964
At 31 March 2016	<u>335,089</u>	<u>519,953</u>	<u>855,042</u>
Net book value			
At 31 March 2016	<u>1,144,026</u>	<u>68,913</u>	<u>1,212,939</u>
At 31 March 2015	<u>1,183,163</u>	<u>66,518</u>	<u>1,249,681</u>

8. DEBTORS

	2016 £	2015 £
Trade debtors	19,580	7,985
Prepaid expenses and accrued income	17,752	393
Amounts owed by group undertakings	2,911	-
Corporation tax	13,920	-
Other Debtors	<u>1,925</u>	<u>-</u>
	<u>56,088</u>	<u>8,378</u>

9. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	-	1,976
Tax and social security	-	5,124
Accruals and deferred income	80,331	81,347
Corporation tax	-	25,781
Other creditors	<u>4,300</u>	<u>4,300</u>
	<u>84,631</u>	<u>118,528</u>

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

	2016 £	2015 £
Amounts owed to group undertakings	<u>718,803</u>	<u>877,167</u>

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. DEFERRED TAXATION

	2016	2015
	£	£
At 1 April 2015	2,795	917
Charged for the year	1,526	1,878
At 31 March 2016	<u>4,321</u>	<u>2,795</u>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	<u>4,321</u>	<u>2,795</u>

12. SHARE CAPITAL

	2016	2015
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

13. RELATED PARTY TRANSACTIONS

Sales and purchases between related parties are made at normal market prices. Outstanding balances with related entities due less than one year are interest free. Balances due greater than one year are charged interest at a rate of 1.75% plus LIBOR. The closing balances are disclosed in note 8, 9 and 10. The company has taken advantage of exemption, under the terms of 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose transactions between wholly owned subsidiaries within the group.

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking and the largest and smallest group for which consolidated accounts are prepared is G1 Group (Holdings) PLC, a company registered in Scotland. Consolidated accounts are available from the company's registered office which is the same as that shown on the contents page. In the opinion of the directors, this is the ultimate parent company. The ultimate controlling party is S.P. King.

15. FINANCIAL INSTRUMENTS

Lessee credit exposure

The company offers credit terms to its lessees. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date.

16. OPERATING LEASES

The group leases out properties under cancellable operating leases for the following future minimum lease payments. At the end of the financial year there was no contractual commitment.

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. TRANSITION TO FRS 102

The company has transitioned to FRS 102 from former UK GAAP as at 1 April 2014. The impact from the transition to FRS 102 is as follows:

		Shareholders' Funds at 1 April 2014 £	Profit for the year ended 31 March 2015 £	Shareholders' funds as at 31 March 2015
As previously stated under former UK GAAP		330,301	99,735	430,036
Transitional adjustments				
Depreciation adjustment	1	(3,661)	(3,579)	(7,240)
Interest Payable	2	(25,324)	(20,184)	(45,508)
As restated in accordance with FRS 102		<u>301,316</u>	<u>75,972</u>	<u>377,288</u>

Changes for FRS 102 adoption

1. Depreciation

As a result of componentisation of fixtures, fittings and equipment and inclusion of residual values as required by FRS 102 there has been an adjustment to previously stated depreciation charges.

2. Interest payable on Financial Instruments

Interest has been charged on intercompany loans > 1 year at the market rate of 1.75% plus LIBOR.