Registered Number: SC333345

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

FRIDAY
S6LSI2RS
SCT 22/12/2017 #298
COMPANIES HOUSE

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

CONTENTS

	Page
Strategic report	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report	4-5
Profit and loss account	6
Statement of changes in equity	7
Balance sheet	8
Notes to the financial statements	9-14

IONA PUB PARTNERSHIP (UNLICENSED) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their strategic report for the year ended 31 March 2017.

Principal activity

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

Review of the Business

Sales were £157,409 (2016: £229,908) and the operating profit was £76,776 (2016: £153,301).

At the end of the year, net assets were £564,610 (2016: £507,267).

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 company has net current liabilities of £381,242 (2016: assets £17,452). The company is reliant on the continuing support of its ultimate parent company, G1 Group Holdings PLC, which has provided the company with a letter of support confirming this is in place for a period of 12 months from the date of signing of the financial statements. Accordingly the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

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 5 September 2017 and signed on its behalf.

S McQuade
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Results and dividend

The profit for the year, after taxation, amounted to £25,865 (2016: £129,979). The directors have not recommended a dividend (2016: £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 5 September 2017 and signed on its behalf.

S McQuade
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the strategic report, 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). 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;
- 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.

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 2017 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).

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 2017 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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

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 directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Martin Gill (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow, UK
Date 5 September 2017

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
TURNOVER	1, 3	**157,409**	229,908
Selling and distribution expenses		**(36,320)**	(29,892)
Administrative expenses		**(45,790)**	(47,242)
Other operating income		**1,477**	527
OPERATING PROFIT	4	**76,776**	153,301
Exceptional items	5	**(811)**	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		**75,965**	153,301
Interest payable	6	**(5,171)**	(17,114)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**70,794**	136,187
Tax on profit on ordinary activities	7	**(44,929)**	(6,208)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**25,865**	129,979

All results shown above are in respect of continuing activities.

The notes on pages 9 to 14 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Called-up Share capital £	Profit and loss account £	Total Equity £
At 1 April 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
Profit and total Comprehensive income for the year	-	25,865	25,865
Capital Contribution		31,478	31,478
At 31 March 2017	1	564,609	564,610

The notes on pages 9 to 14 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible fixed assets	8		**1,181,875**		1,212,939
CURRENT ASSETS					
Debtors	9	**42,391**		56,088	
Cash at bank		**6,326**		45,995	
		48,717		102,083	
CREDITORS: amounts falling due within one year	10	**(429,959)**		(84,631)	
NET CURRENT (LIABILITIES) / ASSETS			**(381,242)**		17,452
TOTAL ASSETS LESS CURRENT LIABILITIES			**800,633**		1,230,391
CREDITORS: amounts falling due after more than one year	11		**(232,406)**		(718,803)
PROVISION: deferred tax	12		**(3,617)**		(4,321)
NET ASSETS			**564,610**		507,267
CAPITAL AND RESERVES					
Called up share capital	13		**1**		1
Profit and loss account			**564,609**		507,266
SHAREHOLDERS' FUNDS			**564,610**		507,267

The financial statements were approved and authorised for issue by the board on 5 September 2017 and were signed on its behalf by:

S McQuade
Director

Iona Pub Partnership (Unlicensed) Limited **Registered Number: SC333345**

The notes on pages 9 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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.

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. Going concern

The company has net current liabilities of £381,242 (2016: assets £17,452). The company is reliant on the continuing support of its ultimate parent company, G1 Group Holdings PLC, which has provided the company with a letter of support confirming this is in place for a period of 12 months from the date of signing of the financial statements. Accordingly the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

1.4. 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.

1.5 Operating leases : Lessor

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

1.6 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.

1.7 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.

1.8 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.

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:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	**44,934**	46,964

The audit fee for the company is incurred by G1 Group plc, a fellow subsidiary company. The audit fee for this company is £2,600 (2016: £2,500).

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 (2016: £nil).

5. EXCEPTIONAL ITEMS

	2017	2016
	£	£
Intercompany loan forgiveness	**811**	-

6. INTEREST PAYABLE

	2017	2016
	£	£
Other interest payable	-	327
Interest payable on intercompany loans	5,171	16,787
	5,171	17,114

7. TAXATION

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

	2017	2016
	£	£
Current tax		
UK corporation tax charge on profits for the year	21,713	5,080
Adjustment in respect of prior years	23,920	(398)
	45,633	4,682
Deferred tax (see note 12)		
Origination and reversal of timing differences	(704)	1,526
Tax on profit on ordinary activities	44,929	6,208

b) The tax assessed for the year differs from 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 taxation	70,794	136,187
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016:20%)	14,159	27,237
Effects of:		
Fixed asset differences	8,549	8,873
Expenses not deductible for tax purposes	162	716
Adjustments to brought forward values	-	(4,752)
Group relief claimed	-	(25,618)
Adjustments in respect of prior years	23,920	(398)
Timing differences not recognised in the computation	(1,378)	(1,149)
Adjust closing deferred tax to average rate	(483)	(227)
Deferred taxation	-	1,526
Total tax charge for the year	44,929	6,208

Changes to the UK corporation tax were enacted in October 2015 reducing the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. As these changes were substantially enacted before balance sheet date, their effects have been included within the financial statements. Any further changes enacted after balance sheet date have not been incorporated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

8. TANGIBLE FIXED ASSETS

Cost	Freehold property £	Furniture, fittings and equipment £	Total £
At 1 April 2016	**1,479,115**	**588,866**	**2,067,981**
Additions	**10,496**	**3,374**	**13,870**
At 31 March 2017	**1,489,611**	**592,240**	**2,081,851**
Depreciation			
At 1 April 2016	**335,089**	**519,953**	**855,042**
Charge for the year	**39,072**	**5,862**	**44,934**
At 31 March 2017	**374,161**	**525,815**	**899,976**
Net book value			
At 31 March 2017	**1,115,450**	**66,425**	**1,181,875**
At 31 March 2016	1,144,026	68,913	1,212,939

9. DEBTORS

	2017 £	2016 £
Trade debtors	**22,539**	19,580
Prepaid expenses and accrued income	**17,881**	17,752
Amounts owed by group undertakings	**-**	2,911
Corporation tax	**-**	13,920
Other Debtors	**1,971**	1,925
	42,391	56,088

10. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	**379,727**	-
Tax and social security	**1,227**	-
Corporation Tax	**13,463**	-
Accruals and deferred income	**31,011**	80,331
Other creditors	**4,531**	4,300
	429,959	84,631

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

	2017 £	2016 £
Amounts owed to group undertakings	**232,406**	718,803

12. DEFERRED TAXATION

	2017	2016
	£	£
At 1 April 2016	4,321	2,795
Charged for the year	(704)	1,526
At 31 March 2017	3,617	4,321

The provision for deferred taxation is made up as follows:

	2017	2016
	£	£
Accelerated capital allowances	3,617	4,321

13. SHARE CAPITAL

	2017	2016
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 ordinary share of £1 each	1	1

14. 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 notes 9, 10 and 11. 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.

15. 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.

16. 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.

17. 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.