

Company Registration No. SC470721 (Scotland)

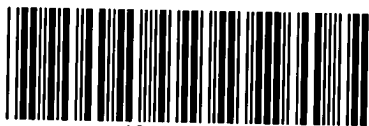
**GATEWAY PROPERTIES (SCOTLAND) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

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# GATEWAY PROPERTIES (SCOTLAND) LIMITED

## COMPANY INFORMATION

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|--------------------------|--------------------------------------------------------------------------------------------|
| <b>Directors</b>         | R F More<br>S More                                                                         |
| <b>Company number</b>    | SC470721                                                                                   |
| <b>Registered office</b> | Clava House<br>Cradlehall Business Park<br>INVERNESS<br>IV2 5GH                            |
| <b>Auditor</b>           | Johnston Carmichael LLP<br>Clava House<br>Cradlehall Business Park<br>INVERNESS<br>IV2 5GH |
| <b>Bankers</b>           | Santander Business Banking<br>Bridle Road<br>BOOTLE<br>L30 4GB                             |

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# GATEWAY PROPERTIES (SCOTLAND) LIMITED

## BALANCE SHEET

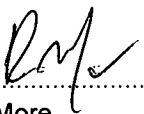
AS AT 30 JUNE 2016

|                                                                | Notes | 2016<br>£   | £ | 2015<br>£   | £ |
|----------------------------------------------------------------|-------|-------------|---|-------------|---|
| <b>Fixed assets</b>                                            |       |             |   |             |   |
| Investment properties                                          | 4     | 6,036,670   |   | 5,353,646   |   |
| <b>Current assets</b>                                          |       |             |   |             |   |
| Debtors                                                        | 5     | 12,532      |   | 6,790       |   |
| Cash at bank and in hand                                       |       | 3,391       |   | 3,957       |   |
|                                                                |       | 15,923      |   | 10,747      |   |
| <b>Creditors: amounts falling due within one year</b>          | 6     | (2,709,572) |   | (2,646,582) |   |
| <b>Net current liabilities</b>                                 |       | (2,693,649) |   | (2,635,835) |   |
| <b>Total assets less current liabilities</b>                   |       | 3,343,021   |   | 2,717,811   |   |
| <b>Creditors: amounts falling due after more than one year</b> | 7     | (2,656,250) |   | (2,731,250) |   |
| <b>Provisions for liabilities</b>                              |       | (67,301)    |   | (43,294)    |   |
| <b>Net assets/(liabilities)</b>                                |       | 619,470     |   | (56,733)    |   |
| <b>Capital and reserves</b>                                    |       |             |   |             |   |
| Called up share capital                                        | 11    | 100         |   | 100         |   |
| Revaluation reserve                                            |       | 504,199     |   | (43,294)    |   |
| Profit and loss reserves                                       |       | 115,171     |   | (13,539)    |   |
| <b>Total equity</b>                                            |       | 619,470     |   | (56,733)    |   |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 9 February 2017 and are signed on its behalf by:

  
.....  
R F More  
Director

Company Registration No. SC470721

# GATEWAY PROPERTIES (SCOTLAND) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

|                                                      | Notes | Share capital<br>£ | Revaluation reserve<br>£ | Profit and loss reserves<br>£ | Total<br>£ |
|------------------------------------------------------|-------|--------------------|--------------------------|-------------------------------|------------|
| <b>Balance at 24 February 2014</b>                   |       | -                  | -                        | -                             | -          |
| <b>Period ended 30 June 2015:</b>                    |       |                    |                          |                               |            |
| Loss and total comprehensive income for the period   |       | -                  | -                        | (56,833)                      | (56,833)   |
| Transfer arising from revaluation adjustments        |       | -                  | (43,294)                 | 43,294                        | -          |
| Issue of share capital                               | 11    | 100                | -                        | -                             | 100        |
| <b>Balance at 30 June 2015</b>                       |       | 100                | (43,294)                 | (13,539)                      | (56,733)   |
| <b>Period ended 30 June 2016:</b>                    |       |                    |                          |                               |            |
| Profit and total comprehensive income for the period |       | -                  | -                        | 676,203                       | 676,203    |
| Transfer arising from revaluation adjustments        |       | -                  | 547,493                  | (547,493)                     | -          |
| <b>Balance at 30 June 2016</b>                       |       | 100                | 504,199                  | 115,171                       | 619,470    |

# **GATEWAY PROPERTIES (SCOTLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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### **1 Accounting policies**

#### **Company information**

Gateway Properties (Scotland) Limited is a private company limited by shares incorporated in Scotland. The registered office is Clava House, Cradlehall Business Park, INVERNESS, IV2 5GH.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland, Section 1A applicable to Small Entities" ("FRS 102 Section 1A") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Gateway Properties (Scotland) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 24 February 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 16.

Gateway Properties (Scotland) Limited is a wholly owned subsidiary of R F More Limited and the results of Gateway Properties (Scotland) Limited are included in the consolidated financial statements of R F More Limited which are available from Clava House, Cradlehall Business Park, Inverness, IV2 5GH.

#### **1.2 Going concern**

The financial statements have been prepared on the going concern basis. The company has reported a profit for the financial period. The directors have produced financial projections to 30 June 2018 which they believe are prudent and achievable. Current trading and future projections indicate profits will be achieved in future periods, and debt levels will continue to fall.

The company is supported by funding from group companies who will continue to support the company for the foreseeable future, as well as bank financial support which is anticipated to continue. Notwithstanding the fact that the group loans are repayable on demand, the group companies have confirmed they will not seek repayment of the loans to the detriment of this company.

After considering all current matters and circumstances, the directors consider the going concern basis to be appropriate.

#### **1.3 Turnover**

Turnover represents amounts receivable for rental income.

Revenue from the provision of services is recognised as the service is provided.

# GATEWAY PROPERTIES (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

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### 1 Accounting policies

(Continued)

#### 1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.6 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

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

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# **GATEWAY PROPERTIES (SCOTLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2016**

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### **1 Accounting policies**

**(Continued)**

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### **1.7 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### **1.8 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# **GATEWAY PROPERTIES (SCOTLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2016**

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### **1 Accounting policies**

**(Continued)**

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.9 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.10 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### **2 Judgements and key sources of estimation uncertainty**

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

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

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows;

#### ***Investment property valuation***

Investment properties are included on the balance sheet at fair value. Calculation of this fair value requires estimation taking into account the condition of the property and the current property market. The directors utilise experienced third party professional valuers to assist in arriving at these valuations.

# GATEWAY PROPERTIES (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2015 - 1).

### 4 Investment property

|                   | 2016<br>£   |
|-------------------|-------------|
| <b>Fair value</b> |             |
| At 1 July 2015    | 5,353,646   |
| Additions         | 111,524     |
| Revaluations      | 571,500     |
|                   | <hr/>       |
| At 30 June 2016   | 6,036,670   |
|                   | <hr/> <hr/> |

Investment property comprises land and buildings. The fair value of the investment properties has been arrived at taking into consideration valuations undertaken by qualified surveyors, who are registered with the RICS and are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

### 5 Debtors

|                                             | 2016<br>£   | 2015<br>£   |
|---------------------------------------------|-------------|-------------|
| <b>Amounts falling due within one year:</b> |             |             |
| Trade debtors                               | 1,958       | 2,623       |
| Other debtors                               | 10,574      | 4,167       |
|                                             | <hr/>       | <hr/>       |
|                                             | 12,532      | 6,790       |
|                                             | <hr/> <hr/> | <hr/> <hr/> |

### 6 Creditors: amounts falling due within one year

|                                   | 2016<br>£   | 2015<br>£   |
|-----------------------------------|-------------|-------------|
| Bank loans and overdrafts         | 135,000     | 135,000     |
| Trade creditors                   | 11,619      | 12,164      |
| Amounts due to group undertakings | 2,504,841   | 2,464,558   |
| Other creditors                   | 58,112      | 34,860      |
|                                   | <hr/>       | <hr/>       |
|                                   | 2,709,572   | 2,646,582   |
|                                   | <hr/> <hr/> | <hr/> <hr/> |

The bank loan is secured.

### 7 Creditors: amounts falling due after more than one year

|                           | 2016<br>£   | 2015<br>£   |
|---------------------------|-------------|-------------|
| Bank loans and overdrafts | 2,656,250   | 2,731,250   |
|                           | <hr/> <hr/> | <hr/> <hr/> |

The bank loan is secured.

# GATEWAY PROPERTIES (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 8 Provisions for liabilities

|                          |   | 2016<br>£     | 2015<br>£     |
|--------------------------|---|---------------|---------------|
| Deferred tax liabilities | 9 | 67,301        | 43,294        |
|                          |   | <u>67,301</u> | <u>43,294</u> |

### 9 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                               | Liabilities<br>2016<br>£ | Liabilities<br>2015<br>£ |
|-------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>              |                          |                          |
| Investment property           | 67,301                   | 43,294                   |
|                               | <u>67,301</u>            | <u>43,294</u>            |
| <b>Movements in the year:</b> |                          | 2016<br>£                |
| Liability at 1 July 2015      |                          | 43,294                   |
| Charge to profit or loss      |                          | 24,007                   |
|                               |                          | <u>67,301</u>            |
| Liability at 30 June 2016     |                          | <u>67,301</u>            |

### 10 Deferred income

|                       | 2016<br>£     | 2015<br>£     |
|-----------------------|---------------|---------------|
| Other deferred income | 15,382        | 14,692        |
|                       | <u>15,382</u> | <u>14,692</u> |

### 11 Called up share capital

|                                                                                   | 2016<br>£  | 2015<br>£  |
|-----------------------------------------------------------------------------------|------------|------------|
| Ordinary share capital<br>Issued and fully paid<br>100 Ordinary shares of £1 each | 100        | 100        |
|                                                                                   | <u>100</u> | <u>100</u> |

# GATEWAY PROPERTIES (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.  
The senior statutory auditor was Scott Jeffrey.  
The auditor was Johnston Carmichael LLP.

### 13 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the Section 33.1A exemption available in FRS 102 from the requirement to disclose related party transactions with wholly owned group companies.

### 14 Directors' transactions

Included within creditors at the year end is a balance of £14,781 (2015 - £8,189) due to the director, R F More. This loan is unsecured, interest-free and has no fixed terms of repayment.

### 15 Parent company

The company's immediate and ultimate parent company is R F More Limited, a company registered in Scotland.

### 16 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

#### Reconciliation of equity

|                       | Notes | At 30 June 2015          |                              |               |
|-----------------------|-------|--------------------------|------------------------------|---------------|
|                       |       | Previous UK<br>GAAP<br>£ | Effect of<br>transition<br>£ | FRS 102<br>£  |
| <b>Fixed assets</b>   |       |                          |                              |               |
| Investment properties |       | 5,353,646                | -                            | 5,353,646     |
| <b>Current assets</b> |       |                          |                              |               |
| Debtors               |       | 6,790                    | -                            | 6,790         |
| Bank and cash         |       | 3,957                    | -                            | 3,957         |
|                       |       | <u>10,747</u>            | <u>-</u>                     | <u>10,747</u> |

# GATEWAY PROPERTIES (SCOTLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 16 Reconciliations on adoption of FRS 102

(Continued)

|                                       | Notes | At 30 June 2015          |                              | FRS 102<br>£       |
|---------------------------------------|-------|--------------------------|------------------------------|--------------------|
|                                       |       | Previous UK<br>GAAP<br>£ | Effect of<br>transition<br>£ |                    |
| <b>Creditors due within one year</b>  |       |                          |                              |                    |
| Loans and overdrafts                  |       | (143,189)                | -                            | (143,189)          |
| Other creditors                       |       | (2,488,701)              | -                            | (2,488,701)        |
| Deferred income                       |       | (14,692)                 | -                            | (14,692)           |
|                                       |       | <u>(2,646,582)</u>       | <u>-</u>                     | <u>(2,646,582)</u> |
| Net current liabilities               |       | <u>(2,635,835)</u>       | <u>-</u>                     | <u>(2,635,835)</u> |
| Total assets less current liabilities |       | <u>2,717,811</u>         | <u>-</u>                     | <u>2,717,811</u>   |
| <b>Creditors due after one year</b>   |       |                          |                              |                    |
| Loans and overdrafts                  |       | <u>(2,731,250)</u>       | <u>-</u>                     | <u>(2,731,250)</u> |
| <b>Provisions for liabilities</b>     |       |                          |                              |                    |
| Deferred tax                          | 1     | -                        | (43,294)                     | (43,294)           |
| Net assets                            |       | <u>(13,439)</u>          | <u>(43,294)</u>              | <u>(56,733)</u>    |
| <b>Capital and reserves</b>           |       |                          |                              |                    |
| Share capital                         |       | 100                      | -                            | 100                |
| Revaluation reserve                   |       | -                        | (43,294)                     | (43,294)           |
| Profit and loss                       |       | <u>(13,539)</u>          | <u>-</u>                     | <u>(13,539)</u>    |
| Total equity                          |       | <u>(13,439)</u>          | <u>(43,294)</u>              | <u>(56,733)</u>    |

### Notes to reconciliations on adoption of FRS 102

#### Deferred tax

Upon transition to FRS 102 the company is obliged to recognise the deferred tax liability arising from the revaluation of investment properties.