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Company Registration No. SC470721 (Scotland)

**GATEWAY PROPERTIES (SCOTLAND)
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

PAGES FOR FILING WITH REGISTRAR



GATEWAY PROPERTIES (SCOTLAND) LIMITED

COMPANY INFORMATION

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

GATEWAY PROPERTIES (SCOTLAND) LIMITED

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GATEWAY PROPERTIES (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	4		5,489		370
Investment properties	5		6,184,171		6,184,171
			<u>6,189,660</u>		<u>6,184,541</u>
Current assets					
Debtors	6	10,984		21,205	
Cash at bank and in hand		39,927		7,125	
		<u>50,911</u>		<u>28,330</u>	
Creditors: amounts falling due within one year	7	(2,548,981)		(2,849,911)	
Net current liabilities			<u>(2,498,070)</u>		<u>(2,821,581)</u>
Total assets less current liabilities			3,691,590		3,362,960
Creditors: amounts falling due after more than one year	8		(2,747,272)		(2,489,250)
Provisions for liabilities					
Deferred tax liability	9	47,824		50,661	
		<u>47,824</u>		<u>50,661</u>	
Net assets			<u>896,494</u>		<u>823,049</u>
Capital and reserves					
Called up share capital	10		100		100
Revaluation reserve			596,600		592,893
Profit and loss reserves			299,794		230,056
Total equity			<u>896,494</u>		<u>823,049</u>

GATEWAY PROPERTIES (SCOTLAND) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2018

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 27 March 2019 and are signed on its behalf by:

.....
R F More
Director

27.3.19

Company Registration No. SC470721

GATEWAY PROPERTIES (SCOTLAND) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2016	100	504,199	115,171	619,470
Year ended 30 June 2017:				
Profit and total comprehensive income for the year	-	-	203,579	203,579
Transfers arising from revaluation adjustments	-	88,694	(88,694)	-
Balance at 30 June 2017	100	592,893	230,056	823,049
Year ended 30 June 2018:				
Profit and total comprehensive income for the year	-	-	73,445	73,445
Transfers arising from revaluation adjustments	-	3,707	(3,707)	-
Balance at 30 June 2018	100	596,600	299,794	896,494

Transfers arising from revaluation adjustments are net of the related deferred tax movements.

GATEWAY PROPERTIES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 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 interest rate derivatives at fair value. The principal accounting policies adopted are set out below.

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 but has also reported net current liabilities of £2,498,070. The directors have produced financial projections to 30 June 2020 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. The group companies have confirmed they will not seek repayment of the loans totalling £2,333,485 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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% reducing balance
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is charged or credited to profit or loss.

GATEWAY PROPERTIES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.5 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 at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Impairment losses are recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities classified as payable within one year are not amortised.

1.9 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.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

GATEWAY PROPERTIES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.11 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.

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.

1.12 Employee benefits

Employees' benefits are recognised as an expenses and a liability in the period in which the employee services are delivered.

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

1.13 Retirement benefits

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

1.14 Revaluation reserve

The revaluation reserve comprises the gains in the valuation in fair value of the investment properties, less any provision for deferred tax recognised in relation to those gains.

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.

GATEWAY PROPERTIES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

Interest Rate Derivatives

The fair value of the interest rate derivative is assessed at each year end, with the present value of the liability being calculated.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2017 - 1).

4 Tangible fixed assets

Plant and machinery etc
£

Cost

At 1 July 2017

430

Additions

6,304

At 30 June 2018

6,734

Depreciation and impairment

At 1 July 2017

60

Depreciation charged in the year

1,185

At 30 June 2018

1,245

Carrying amount

At 30 June 2018

5,489

At 30 June 2017

370

5 Investment property

2018
£

Fair value

At 1 July 2017 and 30 June 2018

6,184,171

GATEWAY PROPERTIES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

5 Investment property

(Continued)

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.

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,959	9,833
Other debtors	9,025	11,372
	<u>10,984</u>	<u>21,205</u>

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	137,500	191,068
Trade creditors	22,506	16,681
Amounts due to group undertakings	2,333,485	2,560,526
Corporation tax	10,637	21,437
Other creditors	44,853	60,199
	<u>2,548,981</u>	<u>2,849,911</u>

8 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	2,730,000	2,489,250
Derivative financial instruments	17,272	-
	<u>2,747,272</u>	<u>2,489,250</u>

The bank loans and overdraft are secured by a bond and floating charge over all the assets of the company.

GATEWAY PROPERTIES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

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 2018 £	Liabilities 2017 £
Balances:		
Investment property	47,824	50,661
Movements in the year:		2018 £
Liability at 1 July 2017		50,661
Credit to profit or loss		(2,837)
Liability at 30 June 2018		47,824

10 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
100 Ordinary shares of £1 each	100	100

11 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.

12 Events after the reporting date

Subsequent to the year end, events have resulted in an estimated diminution in the value of the investment properties in the region of £300,000.

13 Related party transactions

No guarantees have been given or received.

GATEWAY PROPERTIES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

14 Directors' transactions

Included within creditors at the year end is a balance of £8,576 (2017 - £10,684) due to a director. 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.