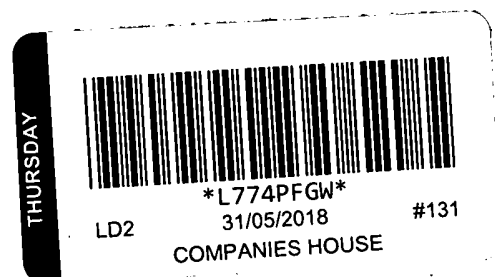


# REGISTRAR OF COMPANIES

Company Registration No. 03007373 (England and Wales)

**GOLDPALM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**



# **GOLDPALM LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	P. Goldberg S.J. Goldberg	(Appointed 8 February 2017)
<b>Company number</b>	03007373	
<b>Registered office</b>	P.O. Box 7010 2nd Floor 38 Warren Street London W1A 2EA	
<b>Auditor</b>	Harold Everett Wreford LLP 2nd Floor 38 Warren Street London W1T 6AE	
<b>Business address</b>	Sutherland House 70-78 West Hendon Broadway London NW9 7BT	
<b>Bankers</b>	Barclays Bank PLC	

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# **GOLDPALM LIMITED**

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# **GOLDPALM LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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The directors present the strategic report for the year ended 30 September 2017.

### **Fair review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect the group's performance and results to grow in the foreseeable future.

### **Principal risks and uncertainties**

The directors recognise the importance of identifying and actively monitoring the financial and non-financial risks facing the business. The principal risk facing the business is the level of bank lending capacity. This is mitigated by looking at new facilities and negotiating them at reasonable rates of interest. Tenant default is another risk facing the company. This is mitigated by an efficient portfolio diversification between industrial, office and retail properties with different profiles, building sizes and lease lengths.

### **Development and performance**

The position of the group at the balance sheet date can be summarised as follows:

Gross assets - £81.6 million (2016 - £75.9 million)

Shareholders' funds £54.5 million (2016 - £49.1 million).

### **Key performance indicators**

The group's key performance indicator is to monitor its gearing percentage which was 20.27% compared to 22.25% in the previous year. The director considers the overall gearing ratio to be reasonable.

On behalf of the board

  
.....  
P. Goldsberg

Director

16 MAY 2018

# **GOLDPALM LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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The directors present their annual report and financial statements for the year ended 30 September 2017.

#### **Principal activities**

The principal activity of the company continued to be that of a holding company. The principal activity of the main subsidiary continued to be property dealing and investment.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P. Goldberg

S.J. Goldberg

(Appointed 8 February 2017)

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £180,000. The directors do not recommend payment of a further dividend.

#### **Financial instruments**

##### ***Financial risk management objectives and policies***

The group's activities expose it to a variety of risks: liquidity risk, credit risk and market risk (including price risk and cash flow risk). The group's policies on financial risk management are to minimise the risk of adverse effect on performance and to ensure the ability of the group to continue as a going concern.

The financial risks relate to the following financial instruments; trade receivables, cash and cash equivalents, trade and other payables and borrowings.

##### ***Liquidity risk***

The group's liquidity position is monitored daily by the directors. The group ensures that it maintains sufficient cash for operational requirements at all times. The nature of the business is very cash generative from its gross rents and sales of trading properties.

In adverse trading conditions, new acquisitions can be minimised, and as a consequence will reduce the gearing level and improve the liquidity.

##### ***Credit risk***

Exposure to credit risk and interest risk arises in the normal course of the group's business.

The group has no significant concentration of credit risk. Credit risk arises from cash and cash equivalents as well as credit exposures with respect to rental customers, including outstanding receivables. The Directors are of the opinion that credit risk is minimal due to the low level of trade receivables relative to the Balance Sheet totals.

# **GOLDPALM LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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### **Market risk**

The group is exposed to market risk through interest rates and availability of credit.

### **Price risk**

The group is exposed to property price and property rental risk.

### **Cash flow and fair value interest rate risk**

As the group has no significant interest bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

### **Long term borrowings**

Borrowings issued at variable rates expose the group to cash flow interest rate risk. The group's cash flow and fair value interest rate risk is constantly monitored by the group's directors.

The board is confident that based on the historical performance of the group, the finance costs are sufficiently covered by profits from operations.

### **Future developments**

The group expects to expand by looking to purchase suitable investment and trading properties that will lead to increased rental income and profits. The present economic conditions will continue to provide opportunities for acquisitions which meet our criteria.

### **Auditor**

The auditor, Harold Everett Wreford LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as the directors are aware:

(a) there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

.....  
P. Goldberg

Director

16 MAY 2018

# **GOLDPALM LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2017***

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The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **GOLDPALM LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDPALM LIMITED**

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### **Opinion**

We have audited the financial statements of Goldpalm Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2017 set out on pages 7 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

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



# **GOLDPALM LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF GOLDPALM LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

**D J Scott (Senior Statutory Auditor)**  
for and on behalf of Harold Everett Wreford LLP

**Chartered Accountants**  
**Statutory Auditor**

**21 MAY 2018**

2nd Floor  
38 Warren Street  
London  
W1T 6AE

# **GOLDPALM LIMITED**

## **GROUP INCOME STATEMENT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Notes	2017 £	2016 £
Revenue	3	7,651,029	12,322,735
Cost of sales		(4,333,089)	(7,740,126)
<b>Gross profit</b>		<b>3,317,940</b>	<b>4,582,609</b>
Administrative expenses		(1,652,912)	(1,710,994)
Profit on sale of investment properties	4	506,794	80,700
Loan write off	4	-	491,000
<b>Operating profit</b>	<b>5</b>	<b>2,171,822</b>	<b>3,443,315</b>
Investment income	8	3,377	376
Finance costs	9	(988,295)	(1,017,684)
Increase in fair value of investment properties		5,048,495	2,713,747
<b>Profit before taxation</b>		<b>6,235,399</b>	<b>5,139,754</b>
Taxation	10	(681,688)	(719,990)
<b>Profit for the financial year</b>		<b>5,553,711</b>	<b>4,419,764</b>

Profit for the financial year is all attributable to the owners of the parent company.

The income statement has been prepared on the basis that all operations are continuing operations.

# **GOLDPALM LIMITED**

## **GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	<b>5,553,711</b>	<b>4,419,764</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>5,553,711</b>	<b>4,419,764</b>

---

Total comprehensive income for the year is all attributable to the owners of the parent company.

# GOLDPALM LIMITED

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Property, plant and equipment	12		17,726		22,203
Investment properties	13		75,520,750		70,076,810
Investments	14		134,316		134,317
			<u>75,672,792</u>		<u>70,233,330</u>
<b>Current assets</b>					
Inventories	17	4,677,292		4,156,530	
Trade and other receivables	18	765,631		880,512	
Cash at bank and in hand		512,988		657,773	
		<u>5,955,911</u>		<u>5,694,815</u>	
<b>Current liabilities</b>	19	<u>(4,866,680)</u>		<u>(5,394,081)</u>	
<b>Net current assets</b>			<u>1,089,231</u>		<u>300,734</u>
<b>Total assets less current liabilities</b>			<u>76,762,023</u>		<u>70,534,064</u>
<b>Non-current liabilities</b>	20		(16,013,065)		(15,709,780)
<b>Provisions for liabilities</b>	23		(6,225,499)		(5,674,536)
<b>Net assets</b>			<u>54,523,459</u>		<u>49,149,748</u>
<b>Equity</b>					
Called up share capital	25		76,500		76,500
Share premium account			1,623,500		1,623,500
Retained earnings	26		52,823,459		47,449,748
<b>Total equity</b>			<u>54,523,459</u>		<u>49,149,748</u>

The financial statements were approved by the board of directors and authorised for issue on .....16 MAY 2018 and are signed on its behalf by:

P. Goldberg  
Director

S.J. Goldberg  
Director

# GOLDPALM LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	14		2,562,753		2,562,753
<b>Current assets</b>					
Cash at bank and in hand			17,028		12,006
<b>Current liabilities</b>	19	(21,702)		(16,237)	
<b>Net current liabilities</b>			(4,674)		(4,231)
<b>Total assets less current liabilities</b>			<u>2,558,079</u>		<u>2,558,522</u>
<b>Equity</b>					
Called up share capital	25		76,500		76,500
Share premium account			1,623,500		1,623,500
Retained earnings			858,079		858,522
<b>Total equity</b>			<u>2,558,079</u>		<u>2,558,522</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £179,557 (2016 - £179,634 profit).

The financial statements were approved by the board of directors and authorised for issue on ..... **16 MAY 2018**  
and are signed on its behalf by:

  
P. Goldberg  
Director

  
S.J. Goldberg  
Director

Company Registration No. 03007373

# GOLDPALM LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
<b>Balance at 1 October 2015</b>		76,500	1,623,500	43,209,984	44,909,984
<b>Year ended 30 September 2016:</b>					
Profit and total comprehensive income for the year		-	-	4,419,764	4,419,764
Dividends	11	-	-	(180,000)	(180,000)
<b>Balance at 30 September 2016</b>		76,500	1,623,500	47,449,748	49,149,748
<b>Year ended 30 September 2017:</b>					
Profit and total comprehensive income for the year		-	-	5,553,711	5,553,711
Dividends	11	-	-	(180,000)	(180,000)
<b>Balance at 30 September 2017</b>		76,500	1,623,500	52,823,459	54,523,459

# GOLDPALM LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
<b>Balance at 1 October 2015</b>		76,500	1,623,500	858,888	2,558,888
<b>Year ended 30 September 2016:</b>					
Profit and total comprehensive income for the year		-	-	179,634	179,634
Dividends	11	-	-	(180,000)	(180,000)
<b>Balance at 30 September 2016</b>		76,500	1,623,500	858,522	2,558,522
<b>Year ended 30 September 2017:</b>					
Profit and total comprehensive income for the year		-	-	179,557	179,557
Dividends	11	-	-	(180,000)	(180,000)
<b>Balance at 30 September 2017</b>		76,500	1,623,500	858,079	2,558,079

# GOLDPALM LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	1,932,852		2,406,216	
Interest paid		(988,295)		(1,017,684)	
Income taxes paid		(253,609)		(715,801)	
<b>Net cash inflow from operating activities</b>		<b>690,948</b>		<b>672,731</b>	
<b>Investing activities</b>					
Purchase of investment property		(695,445)		(1,089,003)	
Proceeds on disposal of investment property		300,000		175,000	
Proceeds on disposal of subsidiaries		1		3	
Proceeds on disposal of associates		-		1	
Interest received		1,582		376	
Dividends received		1,795		-	
<b>Net cash used in investing activities</b>		<b>(392,067)</b>		<b>(913,623)</b>	
<b>Financing activities</b>					
Repayment of borrowings		(65,485)		(64,128)	
Repayment of bank loans		(198,181)		1,095,618	
Dividends paid to equity shareholders		(180,000)		(180,000)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(443,666)</b>		<b>851,490</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(144,785)</b>		<b>610,598</b>	
Cash and cash equivalents at beginning of year		657,773		47,175	
<b>Cash and cash equivalents at end of year</b>		<b>512,988</b>		<b>657,773</b>	



# **GOLDPALM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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### **1 Accounting policies**

#### **Company information**

Goldpalm Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is P.O. Box 7010, 2nd Floor, 38 Warren Street, London, W1A 2EA.

The group consists of Goldpalm Limited and all of its subsidiaries.

#### **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.

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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Goldpalm Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. Where subsidiaries and associated entities are considered immaterial these are not consolidated.

All financial statements are made up to 30 September 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

# **GOLDPALM LIMITED**

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

**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

---

### **1 Accounting policies**

**(Continued)**

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.4 Revenue**

Revenue includes proceeds of sales of properties, rents from properties, which are held as trading stock, investment and other sundry items of revenue before charging expenses.

Rental income is recognised over the rental period.

Sales of properties are recognised on legal completion as in the Directors' opinion this is the point at which the substantial risks and rewards of ownership have been transferred.

#### **1.5 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Land and buildings Leasehold	- over life of lease
Computer equipment	- 25% straight line basis
Fixtures, fittings & equipment	- 10% reducing balance basis
Motor vehicles	- 25% reducing balance basis

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 recognised in the income statement.

#### **1.6 Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is measured initially at its cost including related transactions costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices adjusted, if necessary, for any difference in the nature, location or condition of the specified asset. If this information is not available the company uses alternative methods such as recent prices or less active markets.

Subsequent expenditure is included in the carrying amount of the property when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Gains or losses arising from the changes in the fair value of the company's investment properties are included in the Income Statement of the period in which they arise.

# **GOLDPALM LIMITED**

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

**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

---

### **1 Accounting policies**

**(Continued)**

#### **1.7 Non-current investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### **1.8 Impairment of non-current assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Inventories

These comprise commercial and residential properties all of which are held for resale, and are shown in the financial statements at the lower of cost and net realisable value. Cost includes legal fees and commission charges incurred during acquisition together with improvement costs. Net realisable value is the net sale proceeds which the company expects on sale of a property in its current condition with vacant possession.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 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.

#### 1.11 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other receivables 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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# **GOLDPALM LIMITED**

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

### **FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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#### **1 Accounting policies**

**(Continued)**

##### ***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.

##### ***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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 1 Accounting policies

(Continued)

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

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

#### **1.12 Equity instruments**

Equity instruments issued by the group 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 group.

#### **1.13 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 income statement 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 group'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 income statement, 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 if, and only if, there is 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.

#### **1.14 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 non-current 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.

#### **1.15 Retirement benefits**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 1 Accounting policies

(Continued)

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

### 3 Revenue

An analysis of the group's revenue is as follows:

	2017 £	2016 £
<b>Turnover</b>		
Rents receivable	4,293,779	4,584,959
Sales of trading property	3,260,000	7,626,800
Service charge income	11,862	28,788
Insurance commission income	83,663	79,600
Management fees receivable	1,725	2,588
	<u>7,651,029</u>	<u>12,322,735</u>

#### Other significant revenue

Interest income	1,582	376
Dividends received	1,795	-
	<u>3,377</u>	<u>376</u>

#### Revenue analysed by geographical market

	2017 £	2016 £
UK	<u>7,651,029</u>	<u>12,322,735</u>

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

<b>4</b>	<b>Exceptional costs/(income)</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Loan write off	-	(491,000)
		<u>          </u>	<u>          </u>
	Profit on sale of investment properties	(506,794)	(80,700)
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Operating profit</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Operating profit for the year is stated after charging/(crediting):		
	Depreciation of owned property, plant and equipment	4,476	5,808
	Operating lease charges	18,000	18,000
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Auditor's remuneration</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	32,000	29,500
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Employees</b>		
	The average monthly number of persons (including directors) employed by the group and company during the year was:		
		<b>Group</b>	<b>Company</b>
		<b>2017</b>	<b>2016</b>
		<b>Number</b>	<b>Number</b>
	Management and administration	14	15
		<u>          </u>	<u>          </u>
	Their aggregate remuneration comprised:		
		<b>Group</b>	<b>Company</b>
		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	497,811	535,653
	Social security costs	50,313	70,947
	Pension costs	160,879	9,312
		<u>          </u>	<u>          </u>
		709,003	615,912
		<u>          </u>	<u>          </u>



# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 8 Investment income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	8	16
Other interest income	1,574	360
Total interest revenue	1,582	376
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	1,795	-
Total income	3,377	376

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	8	16
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### 9 Finance costs

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	930,231	952,162
Other interest on financial liabilities	5,247	7,157
	935,478	959,319
<b>Other finance costs:</b>		
Other interest	52,817	58,365
Total finance costs	988,295	1,017,684

### 10 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	130,227	497,385
Adjustments in respect of prior periods	498	28,396
Total current tax	130,725	525,781

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 10 Taxation

(Continued)

#### Deferred tax

Origination and reversal of timing differences

- (250,952)

Other adjustments

550,963 445,161

Total deferred tax

550,963 194,209

Total tax charge

681,688 719,990

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	6,235,399	5,139,754
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	1,184,726	1,027,951
Tax effect of expenses that are not deductible in determining taxable profit	10,598	43,470
Gains not taxable	(96,291)	(16,140)
Unutilised tax losses carried forward	84	73
Adjustments in respect of prior years	-	28,396
Effect of change in corporation tax rate	3,330	-
Permanent capital allowances in excess of depreciation	(12,665)	(15,220)
Other non-reversing timing differences	-	(250,952)
Under/(over) provided in prior years	498	-
Dividend income	(341)	-
Fair value adjustments - investment properties	(959,214)	(542,749)
Deferred tax	550,963	445,161
Taxation charge for the year	681,688	719,990

The deferred tax adjustment relates to the change in fair value of investment properties.

### 11 Dividends

	2017 £	2016 £
Interim paid	180,000	180,000

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2017

#### 12 Property, plant and equipment

Group	Land and buildings Leasehold £	Computer equipment £	Fixtures, Motor vehicles, fittings & equipment £	£	Total £
<b>Cost</b>					
At 1 October 2016 and 30 September 2017	25,649	6,167	47,972	57,150	136,938
<b>Depreciation and impairment</b>					
At 1 October 2016	25,649	6,167	40,806	42,114	114,736
Depreciation charged in the year	-	-	717	3,759	4,476
At 30 September 2017	25,649	6,167	41,523	45,873	119,212
<b>Carrying amount</b>					
At 30 September 2017	-	-	6,449	11,277	17,726
At 30 September 2016	-	-	7,166	15,037	22,203

The company had no property, plant and equipment assets at 30 September 2017 or 30 September 2016.

#### 13 Investment property

	Group 2017 £	Company 2017 £
<b>Fair value</b>		
At 1 October 2016	70,076,810	-
Additions through external acquisition	695,445	-
Disposals	(300,000)	-
Net gains or losses through fair value adjustments	5,048,495	-
At 30 September 2017	75,520,750	-

Investment properties are shown at fair value carried out by the directors. The directors are of the opinion that the fair value equates to the market value. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

A revaluation surplus of £5,048,495 (2016 - £2,713,747) has arisen on valuation of investment properties to fair value at the balance sheet date and this has been taken to the Income Statement.

The historical cost of the investment properties is £32,026,461 (2016 - £32,730,074).

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 14 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	15	13,415	13,416	2,562,753	2,562,753
Investments in associates		120,001	120,001	-	-
Listed investments		900	900	-	-
		<u>134,316</u>	<u>134,317</u>	<u>2,562,753</u>	<u>2,562,753</u>

Listed investments carrying amount		<u>900</u>	<u>900</u>	<u>-</u>	<u>-</u>
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#### Movements in non-current investments Group

	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
<b>Cost or valuation</b>			
At 1 October 2016	133,417	900	134,317
Disposals	(1)	-	(1)
At 30 September 2017	<u>133,416</u>	<u>900</u>	<u>134,316</u>
<b>Carrying amount</b>			
At 30 September 2017	<u>133,416</u>	<u>900</u>	<u>134,316</u>
At 30 September 2016	<u>133,417</u>	<u>900</u>	<u>134,317</u>

#### Movements in non-current investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 October 2016 and 30 September 2017	<u>2,562,753</u>
<b>Carrying amount</b>	
At 30 September 2017	<u>2,562,753</u>
At 30 September 2016	<u>2,562,753</u>

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 15 Subsidiaries

Details of the company's subsidiaries at 30 September 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Aceboun Properties Ltd	England & Wales	Dormant	Ordinary	100.00	
Barnville Properties Ltd	England & Wales	Dormant	Ordinary	100.00	
Fieldview Properties Ltd	England & Wales	Dormant	Ordinary	100.00	
Filston Properties Ltd	England & Wales	Dormant	Ordinary	100.00	
Lakeheath Properties Ltd	England & Wales	Dormant	Ordinary	100.00	
Landsouth Properties Ltd	England & Wales	Dormant	Ordinary	100.00	
Marshfield Properties Ltd	England & Wales	Dormant	Ordinary	100.00	
N & M Stevenage Ltd	England & Wales	Dormant	Ordinary	100.00	
Northern and Midland Holdings Ltd	England & Wales	Property trading & investment	Ordinary	100.00	
Storecrown Ltd	England & Wales	Dormant	Ordinary	100.00	

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Aceboun Properties Ltd		1
Barnville Properties Ltd		2
Fieldview Properties Ltd		2
Filston Properties Ltd		2
Lakeheath Properties Ltd		2
Landsouth Properties Ltd		2
Marshfield Properties Ltd		2
N & M Stevenage Ltd		1
Northern and Midland Holdings Ltd	5,554,154	54,528,133
Storecrown Ltd		1

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 16 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	756,692	842,501	-	-
Equity instruments measured at cost less impairment	900	900	-	-
	<u>757,592</u>	<u>843,401</u>	<u>-</u>	<u>-</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	20,630,214	20,815,081	21,702	16,237
	<u>20,630,214</u>	<u>20,815,081</u>	<u>21,702</u>	<u>16,237</u>

### 17 Inventories

	Group 2017 £	2016 £	Company 2017 £	2016 £
Commercial and residential properties	4,677,292	4,156,530	-	-
	<u>4,677,292</u>	<u>4,156,530</u>	<u>-</u>	<u>-</u>

### 18 Trade and other receivables

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade receivables	535,842	369,554	-	-
Amounts due from group undertakings	-	2,887	-	-
Other receivables	220,850	499,132	-	-
Prepayments and accrued income	8,939	8,939	-	-
	<u>765,631</u>	<u>880,512</u>	<u>-</u>	<u>-</u>

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 19 Current liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	21	172,745	741,711	-	-
Other borrowings	21	67,615	65,600	-	-
Trade payables		578,358	492,646	-	-
Amounts due to group undertakings		-	-	4,122	1,622
Amounts due to undertakings in which the group has a participating interest		930,000	1,019,211	-	-
Corporation tax payable		130,227	253,111	-	-
Other taxation and social security		119,304	35,669	-	-
Other payables		1,205,135	1,051,068	17,580	14,615
Accruals and deferred income		1,663,296	1,735,065	-	-
		<u>4,866,680</u>	<u>5,394,081</u>	<u>21,702</u>	<u>16,237</u>

### 20 Non-current liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	21	15,803,855	15,433,070	-	-
Other borrowings	21	209,210	276,710	-	-
		<u>16,013,065</u>	<u>15,709,780</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	532,994	472,348	-	-
Payable other than by instalments	15,000,000	14,500,000	-	-
	<u>15,532,994</u>	<u>14,972,348</u>	<u>-</u>	<u>-</u>

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 21 Borrowings

	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans	15,976,600	16,174,781	-	-
Other loans	276,825	342,310	-	-
	<u>16,253,425</u>	<u>16,517,091</u>	<u>-</u>	<u>-</u>
Payable within one year	240,360	807,311	-	-
Payable after one year	<u>16,013,065</u>	<u>15,709,780</u>	<u>-</u>	<u>-</u>
Amounts included above which fall due after five years:				
Payable by instalments	532,994	472,348	-	-
Payable other than by instalments	<u>15,000,000</u>	<u>14,500,000</u>	<u>-</u>	<u>-</u>
	<u>15,532,994</u>	<u>14,972,348</u>	<u>-</u>	<u>-</u>

Security has been given in respect of the above borrowings. These are secured by fixed charges on the relevant investment and trading properties.

The rate of interest on the company's main bank loan is 2.15%. One bank loan is subject to a fixed rate of 4.5%. The rate of interest on other bank loans vary from 2.5% to LIBOR plus a margin from 1.25% to 2.75%.

Other creditors comprise a non-bank loan which carry's a rate of interest of LIBOR plus 1.3%.

Borrowings are subject to varying repayment terms.

### 22 Provisions for liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Deferred tax liabilities	23	<u>6,225,499</u>	<u>5,674,536</u>	<u>-</u>	<u>-</u>



# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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 2017 £	Liabilities 2016 £
<b>Group</b>		
Investment property	6,225,499	5,674,536
	<u>6,225,499</u>	<u>5,674,536</u>
	<b>Group 2017 £</b>	<b>Company 2017 £</b>
<b>Movements in the year:</b>		
Liability at 1 October 2016	5,674,536	-
Charge to profit or loss	550,963	-
	<u>6,225,499</u>	<u>-</u>
Liability at 30 September 2017	6,225,499	-

The deferred tax liability relates to the revaluation of investment properties at fair value.

### 24 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	160,879	9,312
	<u>160,879</u>	<u>9,312</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 25 Share capital

	Group and company 2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
76,500 Ordinary shares of £1 each	76,500	76,500
	<u>76,500</u>	<u>76,500</u>

### 26 Reserves

#### Retained earnings

Included in retained earnings is £37,268,789 (2016 - £31,672,200) of profits which are not available for distribution as they are unrealised.

# GOLDPALM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 27 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Between two and five years	54,000	72,000	-	-
	<u>54,000</u>	<u>72,000</u>	<u>-</u>	<u>-</u>

### 28 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	5,553,711	4,419,764
Adjustments for:		
Taxation charged	681,688	719,990
Finance costs	988,295	1,017,684
Investment income	(3,377)	(376)
Depreciation and impairment of property, plant and equipment	4,476	5,808
Other gains and losses	(5,048,495)	(2,713,747)
Movements in working capital:		
(Increase) in inventories	(520,762)	(796,474)
Decrease/(increase) in trade and other receivables	85,810	(366,618)
Increase in trade and other payables	191,506	120,185
<b>Cash generated from operations</b>	<u>1,932,852</u>	<u>2,406,216</u>