

GRAINMARKET PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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GRAINMARKET PROPERTIES LIMITED

COMPANY INFORMATION

Directors	M J Crader E S Morriss
Company secretary	P J Hart
Registered number	03054080
Registered office	Bridewell Gate 9 Bridewell Place London EC4V 6AW
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

GRAINMARKET PROPERTIES LIMITED

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GRAINMARKET PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the group was that of property investment and the development of residential properties for sale.

Directors

The directors who served during the year were:

M J Crader
E S Morriss

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

GRAINMARKET PROPERTIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 2 October 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'E S Morriss', is written over a light blue horizontal line.

E S Morriss
Director

GRAINMARKET PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAINMARKET PROPERTIES LIMITED

We have audited the financial statements of Grainmarket Properties Limited for the year ended 31 March 2017, set out on pages 5 to 39. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 31 March 2017 and of the Group's 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.

GRAINMARKET PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAINMARKET PROPERTIES LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

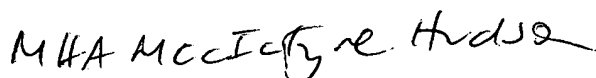
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.



John Coverdale BSc FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

2 October 2017

GRAINMARKET PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	7,097,202	8,329,398
Cost of sales		(1,709,841)	(3,177,499)
Gross profit		5,387,361	5,151,899
Administrative expenses		(2,381,665)	(2,001,291)
Profit on disposal of investment properties	6	78,929	-
Fair value movements	5	3,848,126	22,285,416
Operating profit	7	6,932,751	25,436,024
Income from associates	15	1,315,746	4,911,197
Interest receivable		2,128	488
Interest payable	10	(2,904,610)	(2,433,855)
Profit before taxation		5,346,015	27,913,854
Tax on profit	11	1,705,516	(5,351,958)
Profit for the financial year		7,051,531	22,561,896
Total comprehensive income for the year		7,051,531	22,561,896
Profit for the year attributable to:			
Non-controlling interests		852,126	1,784,318
Owners of the parent Company		6,199,405	20,777,578
		7,051,531	22,561,896
Total comprehensive income for the year attributable to:			
Non-controlling interest		852,126	1,784,318
Owners of the parent Company		6,199,405	20,777,578
		7,051,531	22,561,896

The notes on pages 15 to 39 form part of these financial statements.

GRAINMARKET PROPERTIES LIMITED
REGISTERED NUMBER:03054080

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	1,424,120	1,414,540
Investments	15	5,924,281	5,792,832
Investment properties	16	98,116,949	98,292,339
		<u>105,465,350</u>	<u>105,499,711</u>
Current assets			
Stocks	17	2,530,463	282,155
Debtors: amounts falling due after more than one year	18	521,492	577,293
Debtors: amounts falling due within one year	18	5,558,562	5,067,088
Cash at bank and in hand	19	1,692,718	987,978
		<u>10,303,235</u>	<u>6,914,514</u>
Creditors: amounts falling due within one year	20	(10,295,506)	(16,075,923)
Net current assets/(liabilities)		<u>7,729</u>	<u>(9,161,409)</u>
Total assets less current liabilities		<u>105,473,079</u>	<u>96,338,302</u>
Creditors: amounts falling due after more than one year	21	(57,363,970)	(52,587,690)
Provisions for liabilities			
Deferred taxation	24	(3,740,481)	(6,238,515)
		<u>(3,740,481)</u>	<u>(6,238,515)</u>
Net assets		<u><u>44,368,628</u></u>	<u><u>37,512,097</u></u>


GRAINMARKET PROPERTIES LIMITED
REGISTERED NUMBER:03054080

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	25	4,134	4,467
Share premium account		39,490	39,490
Capital redemption reserve		476	143
Profit and loss account		41,688,084	35,683,679
Equity attributable to owners of the parent Company		41,732,184	35,727,779
Non-controlling interests		2,636,444	1,784,318
		44,368,628	37,512,097

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 October 2017.



M J Crader
Director

The notes on pages 15 to 39 form part of these financial statements.

GRAINMARKET PROPERTIES LIMITED
REGISTERED NUMBER:03054080

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	1,115,314	1,179,373
Investments	15	7,756,019	7,569,948
Investment properties	16	314,476	314,476
		<u>9,185,809</u>	<u>9,063,797</u>
Current assets			
Debtors: amounts falling due within one year	18	25,172,329	24,537,348
Cash at bank and in hand	19	139,038	28,172
		<u>25,311,367</u>	<u>24,565,520</u>
Creditors: amounts falling due within one year	20	(11,675,098)	(12,137,541)
Net current assets		<u>13,636,269</u>	<u>12,427,979</u>
Total assets less current liabilities		<u>22,822,078</u>	<u>21,491,776</u>
Creditors: amounts falling due after more than one year	21	(1,931,126)	(1,907,395)
Net assets		<u><u>20,890,952</u></u>	<u><u>19,584,381</u></u>
Capital and reserves			
Called up share capital	25	4,134	4,467
Share premium account		39,490	39,490
Capital redemption reserve		476	143
Profit and loss account		<u>20,846,852</u>	<u>19,540,281</u>
		<u><u>20,890,952</u></u>	<u><u>19,584,381</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 October 2017.


M J Crader

Director

The notes on pages 15 to 39 form part of these financial statements.

GRAINMARKET PROPERTIES LIMITED

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

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2016	4,467	39,490	143	35,683,679	35,727,779	1,784,318	37,512,097
Comprehensive income for the year							
Profit for the year	-	-	-	6,199,405	6,199,405	852,126	7,051,531
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	6,199,405	6,199,405	852,126	7,051,531
Dividends: Equity capital	-	-	-	(20,000)	(20,000)	-	(20,000)
Purchase of own shares	-	-	333	(175,000)	(174,667)	-	(174,667)
Shares redeemed during the year	(333)	-	-	-	(333)	-	(333)
Total transactions with owners	(333)	-	333	(195,000)	(195,000)	-	(195,000)
At 31 March 2017	4,134	39,490	476	41,688,084	41,732,184	2,636,444	44,368,628

GRAINMARKET PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2015	4,467	39,490	143	14,916,101	14,960,201	-	14,960,201
Comprehensive income for the year							
Profit for the year	-	-	-	20,777,578	20,777,578	1,784,318	22,561,896
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	20,777,578	20,777,578	1,784,318	22,561,896
Dividends: Equity capital	-	-	-	(10,000)	(10,000)	-	(10,000)
Total transactions with owners	-	-	-	(10,000)	(10,000)	-	(10,000)
At 31 March 2016	4,467	39,490	143	35,683,679	35,727,779	1,784,318	37,512,097

The notes on pages 15 to 39 form part of these financial statements.

GRAINMARKET PROPERTIES LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2016	4,467	39,490	143	19,540,281	19,584,381
Comprehensive income for the year					
Profit for the year	-	-	-	1,315,514	1,315,514
Fair value gain on investment in associate	-	-	-	214,345	214,345
Fair value loss on investment in subsidiary	-	-	-	(28,288)	(28,288)
Other comprehensive income for the year	-	-	-	186,057	186,057
Total comprehensive income for the year	-	-	-	1,501,571	1,501,571
Dividends: Equity capital	-	-	-	(20,000)	(20,000)
Purchase of own shares	-	-	333	(175,000)	(174,667)
Shares redeemed during the year	(333)	-	-	-	(333)
Total transactions with owners	(333)	-	333	(195,000)	(195,000)
At 31 March 2017	4,134	39,490	476	20,846,852	20,890,952

GRAINMARKET PROPERTIES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2015	4,467	39,490	143	16,038,698	16,082,798
Comprehensive income for the year					
Loss for the year	-	-	-	(1,766,189)	(1,766,189)
Fair value gain on investment in associate	-	-	-	5,277,772	5,277,772
Other comprehensive income for the year	-	-	-	5,277,772	5,277,772
Total comprehensive income for the year	-	-	-	3,511,583	3,511,583
Dividends: Equity capital	-	-	-	(10,000)	(10,000)
Total transactions with owners	-	-	-	(10,000)	(10,000)
At 31 March 2016	4,467	39,490	143	19,540,281	19,584,381

The notes on pages 15 to 39 form part of these financial statements.

GRAINMARKET PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	7,051,531	22,561,896
Adjustments for:		
Depreciation of tangible fixed assets	125,576	148,618
Profit on disposal of tangible fixed assets	-	(7,883)
Interest payable	2,904,610	2,433,855
Interest receivable	(2,128)	(488)
Tax charge	(1,705,516)	5,351,958
(Increase)/decrease in stocks	(2,248,308)	1,108,302
Increase in debtors	(435,672)	(1,940,446)
Increase/(decrease) in creditors	(957,651)	50,229,104
Fair value gain on revaluation of investment properties	(4,079,188)	(23,316,388)
Share of profits of associates	(1,315,744)	(4,911,197)
Tax paid	(243,008)	(8,166)
Fair value loss on derivative financial instrument	231,062	1,197,435
Profit on disposal of investment properties	(78,929)	-
Net cash (used in)/generated from operating activities	(753,365)	52,846,600
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(135,157)	(311,766)
Proceeds from disposal of tangible fixed assets	-	112,208
Payments to acquire investment properties	(5,482,922)	(47,610,857)
Proceeds from disposal of investment properties	9,816,429	117,300
Payments to acquire unlisted investments	(18)	(679,994)
Payments to acquire associates	-	(972,561)
Interest receivable	2,128	488
Interest payable	(2,904,610)	(2,433,855)
Net cash from investing activities	1,295,850	(51,779,037)
Cash flows from financing activities		
Payment for purchase of own shares	(175,000)	-
Repayment of loans from associate entities	1,184,313	-
Dividends paid	(20,000)	(10,000)
Net cash generated from/(used in) financing activities	989,313	(10,000)
Net increase in cash and cash equivalents	1,531,798	1,057,563
Cash and cash equivalents at beginning of year	152,090	(905,473)
Cash and cash equivalents at the end of year	1,683,888	152,090

GRAINMARKET PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,692,718	987,978
Bank overdrafts	(8,830)	(835,888)
	<u>1,683,888</u>	<u>152,090</u>

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

1. General information

Grainmarket Properties Limited is a private company incorporated in England and Wales, registration number 03054080. The registered office is Bridewell Gate, 9 Bridewell Place, London, EC4V 6BJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions. The parent company has taken advantage of the exemption from the requirement to produce a Cash Flow Statement.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.4 Associates

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions and exercises that power.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets.

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

2. Accounting policies (continued)

2.5 Jointly controlled assets

In respect of its interest in jointly controlled assets held, the group recognises the following:

- (a) its share of the jointly controlled assets, classified according to the nature of the assets;
- (b) any liabilities it has incurred;
- (c) its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;
- (d) any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- (e) any expenses that it has incurred in respect of its interests in the joint venture.

2.6 Revenue

Turnover represents rent receivable, dilapidations receivable, boat charter fees receivable, office management fees receivable, sponsorship fees, sales of developed residential properties and expenses recoverable from tenants. All income is stated net of VAT.

Rentals receivable under operating leases are recognised as income in the statement of comprehensive income on a straight line basis over the course of the lease.

Boat charter fees are recognised as income in the statement of comprehensive income on a straight line basis over the course of the charter period.

Office management and sponsorship fees and expenses recoverable from tenants are recognised as income in the statement of comprehensive income on a straight line basis over the period they relate to.

Income from the sale of residential properties under development are recognised as income in the statement of comprehensive income on a unit by unit basis upon completion of legal contracts.

Income from dilapidations are recognised as income in the statement of comprehensive income when due and considered receivable.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 5%/15%/25% reducing balance
Fixtures and fittings	- 15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.8 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in subsidiaries are measured at fair value, with changes to fair value recognised in comprehensive income. Fair value is estimated by using a valuation technique.

Investments in associates at the company level are measured at fair value, with changes to fair value recognised in comprehensive income. Fair value is estimated by using a valuation technique.

Unlisted investments comprise investments in unquoted equity instruments which are measured at cost less impairment.

2.10 Stocks

Inventories are measured at the lower of cost and selling price less cost to complete and sell. Investment properties that will be developed prior to sale are transferred to inventory when the building is vacated and redevelopment commences. The fair value of the property at the transfer date is the deemed cost on transfer. Direct costs incurred relating to the development of property inventories, less a proportion relating to sold units, is included in the inventory amount.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Derivatives, including interest rate swaps, 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 income as appropriate. The group uses net present value of the future cash-flows, calculated using market data at the balance sheet date to estimate the fair value of its derivative financial instruments. The group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

2. Accounting policies (continued)

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.16 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.18 Operating leases: Lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

2.19 Operating leases: Lessor

Rentals received under operating leases are recognised as income in the Statement of Comprehensive Income on a straight line basis over the period of the lease.

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

2. Accounting policies (continued)

2.20 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.21 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.22 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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

2. Accounting policies (continued)

2.24 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Determining the carrying amount of some assets and liabilities requires estimation of the effect of uncertain future events. The major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities are noted below.

Investment properties are carried at fair value estimated annually by external valuers and derived from the current market rents and investment property yields for comparable real estate. The valuation method is described in the investment property note in the financial statements. The associated deferred tax impact of the fair value adjustments of investment properties are measured in accordance with management's proposed intention for those properties.

GRAINMARKET PROPERTIES LIMITED

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Rental income and expenses recharged to tenants	5,958,144	4,612,952
Dilapidations receivable	138,679	200,758
Sale of residential development properties	969,191	3,405,011
Sponsorship income	117	100,000
Boat charter fees	31,071	10,677
	<u>7,097,202</u>	<u>8,329,398</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	7,097,202	8,329,398
	<u>7,097,202</u>	<u>8,329,398</u>

5. Fair value movements

	2017 £	2016 £
Fair value gain on revaluation of investment properties	4,079,188	23,482,851
Fair value loss on derivative financial instrument	(231,062)	(1,197,435)
	<u>3,848,126</u>	<u>22,285,416</u>

6. Profit on disposal of investment properties

	2017 £	2016 £
Profit on disposal of investment properties	78,929	-
	<u>78,929</u>	<u>-</u>

GRAINMARKET PROPERTIES LIMITED

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

7. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	125,576	115,735
Exchange differences	50	(9,494)
Operating lease rentals	249,881	218,987
Defined contribution pension cost	1,124	84
	<u>125,576</u>	<u>115,735</u>

During the year, no director received any emoluments (2016 - £nil).

8. Auditors' remuneration

	2017 £	2016 £
Auditors' remuneration for the group	30,775	42,000
	<u>30,775</u>	<u>42,000</u>

9. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Directors	2	2
Administration	4	4
	<u>6</u>	<u>6</u>

An incentive scheme exists with the partners of Grainmarket Asset Management LLP (GAM), an LLP controlled by the director and beneficial owner of the company, M J Crader.

The partners of GAM will receive a performance fee based on 20% of the increase of the fair value of the investment properties from the date these were acquired by the subsidiaries, GPL 2014 Limited and Zeena Ventures Limited through to 31 March 2020. The partners of GAM will only receive their share of the performance fee if they are still partners of GAM at 31 March 2020.

The 20% is allocated to the partners of GAM as follows: M J Crader 18%, E S Morriss 1%, P J Hart 0.5% and P Mallon 0.5%. M J Crader and E S Morriss are directors of the company.

GRAINMARKET PROPERTIES LIMITED

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

10. Interest payable

	2017 £	2016 £
Bank interest payable	2,904,610	2,433,855
	<u>2,904,610</u>	<u>2,433,855</u>

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	863,907	236,131
Adjustments in respect of previous periods	(71,389)	(91)
	<u>792,518</u>	<u>236,040</u>
Total current tax	<u>792,518</u>	<u>236,040</u>
Deferred tax		
Origination and reversal of timing differences	(2,498,034)	5,115,918
Total deferred tax	<u>(2,498,034)</u>	<u>5,115,918</u>
Taxation on profit on ordinary activities	<u>(1,705,516)</u>	<u>5,351,958</u>

GRAINMARKET PROPERTIES LIMITED

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

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	5,346,015	27,913,854
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	1,069,203	5,582,771
Effects of:		
Non-tax deductible impairment	-	82,497
Expenses not deductible for tax purposes	79,092	31,947
Capital allowances for year in excess of depreciation	(6,288)	(1,222)
Profit on disposal of tangible fixed assets	(15,786)	-
Taxable profits on trading activities structured through investments in limited partnerships	(112,287)	410,264
Fair value expense on derivative financial instrument	46,212	187,502
Fair value gain on investment properties	(3,254,654)	(1,110,731)
Capital gains subject to tax	576,131	-
Share of profits in associate	(15,750)	169,021
Overprovision in prior years	(71,389)	(91)
Total tax charge for the year	(1,705,516)	5,351,958

12. Dividends

	2017 £	2016 £
'B' Ordinary		
Interim Dividends	10,000	5,000
'D' Ordinary		
Interim Dividends	10,000	5,000
	20,000	10,000

GRAINMARKET PROPERTIES LIMITED

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

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £1,315,514 (2016 - loss £1,766,189).

14. Tangible fixed assets**Group**

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 April 2016	1,932,329	308,247	2,240,576
Additions	2,173	132,984	135,157
At 31 March 2017	<u>1,934,502</u>	<u>441,231</u>	<u>2,375,733</u>
Depreciation			
At 1 April 2016	780,427	45,610	826,037
Charge for the year	66,232	59,344	125,576
At 31 March 2017	<u>846,659</u>	<u>104,954</u>	<u>951,613</u>
Net book value			
At 31 March 2017	<u>1,087,843</u>	<u>336,277</u>	<u>1,424,120</u>
At 31 March 2016	<u>1,151,902</u>	<u>262,638</u>	<u>1,414,540</u>

The tangible fixed assets are secured against the bank loan.

GRAINMARKET PROPERTIES LIMITED

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

14. Tangible fixed assets (continued)**Company**

	Plant and machinery £
Cost	
At 1 April 2016	1,932,329
Additions	2,173
At 31 March 2017	<u>1,934,502</u>
Depreciation	
At 1 April 2016	752,956
Charge for the year	66,232
At 31 March 2017	<u>819,188</u>
Net book value	
At 31 March 2017	<u><u>1,115,314</u></u>
At 31 March 2016	<u><u>1,179,373</u></u>

The tangible fixed assets are secured against the bank loan.

GRAINMARKET PROPERTIES LIMITED

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

15. Fixed asset investments**Group**

	Investments in associates £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2016	4,912,308	880,524	5,792,832
Additions	-	18	18
Share of profits	1,315,744	-	1,315,744
Repayments	(1,184,313)	-	(1,184,313)
At 31 March 2017	<u>5,043,739</u>	<u>880,542</u>	<u>5,924,281</u>
Net book value			
At 31 March 2017	<u>5,043,739</u>	<u>880,542</u>	<u>5,924,281</u>
At 31 March 2016	<u>4,912,308</u>	<u>880,524</u>	<u>5,792,832</u>

GRAINMARKET PROPERTIES LIMITED

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

15. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding	Principal activity
Zavok Limited	UK	Ordinary	100 %	Dormant
GPL (Holdings) 2014 Ltd	UK	Ordinary	100 %	Dormant
Zor Limited	UK	Ordinary	100 %	Dormant
Zomom Limited	UK	Ordinary	100 %	Dormant
GPL 2014 Limited	UK	Ordinary	100 %	Property investment
Zeena Ventures Limited	UK	Ordinary	87.94 %	Property investment
Jexstor Limited	UK	Ordinary	87.94 %	Dormant
Netta Enterprises (Ireland) Limited	Republic of Ireland	Ordinary	100 %	Dormant
Plymouth Investments Limited	UK	Ordinary	100 %	Dormant
Netta Property Investments Limited	Republic of Ireland	Ordinary	100 %	Dormant
Bluecoats JV LP	UK	N/A	100 %	Property development

GRAINMARKET PROPERTIES LIMITED

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

15. Fixed asset investments (continued)

Associates

Name	Registered office	Class of shares	Holding	Principal activity
Catlegate 721 Limited	UK	Ordinary	49.9%	Property investment
Slough JV LP	UK	N/A	35%	Property development

Company

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
Cost or valuation				
At 1 April 2016	1,957,827	4,731,035	881,086	7,569,948
Additions	-	-	18	18
Disposals	(2)	-	-	(2)
Fair value (loss) / gain	(28,288)	214,343	-	186,055
At 31 March 2017	<u>1,929,537</u>	<u>4,945,378</u>	<u>881,104</u>	<u>7,756,019</u>
Net book value				
At 31 March 2017	<u>1,929,537</u>	<u>4,945,378</u>	<u>881,104</u>	<u>7,756,019</u>
At 31 March 2016	<u>1,957,827</u>	<u>4,731,035</u>	<u>881,086</u>	<u>7,569,948</u>

GRAINMARKET PROPERTIES LIMITED

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

16. Investment properties**Group**

	Investment properties £
Valuation	
At 1 April 2016	98,292,339
Additions at cost	5,482,922
Disposals	(9,737,500)
Surplus on revaluation	4,079,188
At 31 March 2017	98,116,949

The investment properties at both group and company level are secured against the bank loans.

The company's freehold investment properties were revalued on 31 March 2017 by external valuers, Norman Simpson MRICS and Bronagh Flood MRICS of Savills plc. The properties have been revalued to fair value. Fair value is determined by an appraisal of market-based evidence on which a willing buyer and seller would be prepared to settle.

At 31 March 2017

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	73,552,969	77,812,760
Accumulated depreciation and impairments	(2,778,169)	(1,556,256)
	70,774,800	76,256,504

GRAINMARKET PROPERTIES LIMITED

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

16. Investment properties (continued)

Company

	Investment properties £
Valuation	
At 1 April 2016	314,476
At 31 March 2017	314,476

The company's freehold investment properties were revalued on 31 March 2017 by external valuers, Norman Simpson MRICS and Bronagh Flood MRICS of Savills plc. The properties have been revalued to fair value. Fair value is determined by an appraisal of market-based evidence on which a willing buyer and seller would be prepared to settle.

If the investment properties had been accounted for under historic accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	314,476	314,476
Accumulated depreciation held for sale	(12,580)	(6,290)
	301,896	308,186

17. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Properties under construction	2,530,463	-	-	-
Completed properties held for sale	-	282,155	-	-
	2,530,463	282,155	-	-

The inventories are pledged as security against the bank loan.

Inventory recognised in cost of sales during the year was £nil (2016: £2,386,741).

GRAINMARKET PROPERTIES LIMITED

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

18. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due after more than one year				
Other debtors	521,492	577,294	-	-
	<u>521,492</u>	<u>577,294</u>	<u>-</u>	<u>-</u>
	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due within one year				
Trade debtors	1,217,742	205,128	98,410	6,000
Amounts owed by group undertakings	-	-	19,491,701	21,155,552
Amounts owed by associates	2,306,201	3,376,553	2,306,201	2,577,303
Other debtors	1,388,938	1,003,107	1,303,448	448,778
Prepayments and accrued income	645,681	482,300	1,972,569	349,716
	<u>5,558,562</u>	<u>5,067,088</u>	<u>25,172,329</u>	<u>24,537,349</u>

19. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	1,692,718	987,978	139,038	28,172
Less: bank overdrafts	(8,830)	(835,888)	-	(768,539)
	<u>1,683,888</u>	<u>152,090</u>	<u>139,038</u>	<u>(740,367)</u>

GRAINMARKET PROPERTIES LIMITED

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

20. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts	8,830	835,888	-	768,539
Bank loans	3,110,284	8,700,000	800,000	8,700,000
Trade creditors	107,528	161,788	13,750	86,466
Amounts owed to group undertakings	-	-	7,379,322	150,303
Corporation tax	785,637	236,127	354,609	-
Taxation and social security	313,997	244,749	7,149	48,826
Other creditors	4,058,865	3,906,461	3,042,725	2,281,509
Accruals and deferred income	1,910,365	1,990,910	77,543	101,898
	10,295,506	16,075,923	11,675,098	12,137,541

21. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	55,412,292	51,279,291	-	-
Amounts owed to group undertakings	-	-	1,929,437	1,905,706
Other creditors	523,182	110,964	1,689	1,689
Derivative financial instruments	1,428,496	1,197,435	-	-
	57,363,970	52,587,690	1,931,126	1,907,395

The group has entered into an interest rate swap to fix the interest rate payable on the loan to mitigate the impact of any changes in the base rate. The loan is repayable at the rate of £722,980 per annum with the balance of the loan payable on 4 November 2020.

In accordance with the interest rate swap at the year end £39,242,123 of the loan balance has a fixed interest rate charge of 1.66% and £16,893,149 of the loan balance has a fixed interest rate charge of 0.874%.

GRAINMARKET PROPERTIES LIMITED

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

22. Loans

An analysis of the maturity of loans is given below:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts falling due within one year				
Bank loans	3,110,284	8,700,000	800,000	8,700,000
	3,110,284	8,700,000	800,000	8,700,000
Amounts falling due 2-5 years				
Bank loans	55,412,292	40,754,541	-	-
	55,412,292	40,754,541	-	-
Amounts falling due after more than 5 years				
Bank loans	-	10,524,750	-	-
	-	10,524,750	-	-
	58,522,576	59,979,291	800,000	8,700,000

GRAINMARKET PROPERTIES LIMITED

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

23. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	5,886,567	5,648,017	23,610,358	24,598,231
	<u>5,886,567</u>	<u>5,648,017</u>	<u>23,610,358</u>	<u>24,598,231</u>
Financial liabilities				
Derivative financial instruments measured at fair value through profit or loss	(1,428,496)	(1,197,435)	-	-
Financial liabilities measured at amortised cost	(63,220,984)	(65,057,392)	(11,237,486)	(11,988,506)
	<u>(64,649,480)</u>	<u>(66,254,827)</u>	<u>(11,237,486)</u>	<u>(11,988,506)</u>

Debt instruments measured at amortised cost comprises trade debtors, amounts owed to group companies and associates and other debtors.

Derivative financial liabilities measured at fair value through profit or loss comprise an interest rate swap.

Financial liabilities measured at amortised cost comprises bank loans and overdrafts, trade creditors, other creditors and amounts owed to group companies.

24. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	(6,238,515)	(1,122,597)
Credit to profit or loss	2,498,034	(5,115,918)
At end of year	<u>(3,740,481)</u>	<u>(6,238,515)</u>

GRAINMARKET PROPERTIES LIMITED

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

24. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 2017 £	Group 2016 £
Share of profits of associates	(455,722)	(514,940)
Revaluation gains on assets carried at valuation	(3,284,759)	(5,723,575)
	<u>(3,740,481)</u>	<u>(6,238,515)</u>

25. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
4,024 (2016 - 4,357) 'A' Ordinary shares of £1 each	4,024	4,357
50 'B' Ordinary shares of £1 each	50	50
10 'C' Ordinary shares of £1 each	10	10
50 'D' Ordinary shares of £1 each	50	50
	<u>4,134</u>	<u>4,467</u>

The holders of 'B' and 'D' shares may be entitled to a dividend on their shares at the option of the 'A' and 'C' shareholders. The holders of the 'B' and 'D' shares have no other rights in the company whatsoever.

During the year the company bought back 333 'A' Ordinary shares for consideration of £175,000.

26. Commitments under operating leases as a lessee

At 31 March 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and buildings		
Not later than 1 year	187,965	187,965
Later than 1 year and not later than 5 years	516,904	704,869
Later than 5 years	-	-
	<u>704,869</u>	<u>892,834</u>

GRAINMARKET PROPERTIES LIMITED

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

32. Related party transactions

£369,736 (2016: £225,000) was paid during the year to Grainmarket Asset Management LLP, a limited liability partnership of which M J Crader is the controlling partner, in respect of property services. At the year end the group owed Grainmarket Asset Management LLP £1,185,386 (2016: £131,000).

At the year end the group owed Chiswick JV LP £1,532,986 (2016: £1,532,986), an LP controlled by M J Crader.

During the year, a dividend of £10,000 (2016: £5,000) each was paid to E Crader and A Crader, shareholders and daughters of M J Crader, director and beneficial owner of the group.

M J Crader has a controlling interest in its associated entity Castlegate 721 Limited. At the year end the company was owed £2,306,201 (2016: £2,047,365) from Castlegate 721 Limited.

At the year end the group was owed £nil (2016: £529,938) from its associated entity, Slough JV LP.

33. Post balance sheet events

Subsequent to the year end the group acquired a further 1,594 £1 Ordinary shares in its subsidiary, Zeena Ventures Limited, for consideration of £1,218,873.

34. Controlling party

The company was under the control of M J Crader, a director and majority shareholder, throughout the year.

GRAINMARKET PROPERTIES LIMITED

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

27. Commitments under operating leases as a lessor

At 31 March 2017 the Group had future minimum lease payments receivable under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and buildings		
Not later than 1 year	5,062,045	3,786,587
Later than 1 year and not later than 5 years	15,297,377	9,700,785
Later than 5 years	12,478,576	1,185,644
	<u>32,837,998</u>	<u>14,673,016</u>

28. Contingent liabilities

During the year the company has provided an interest shortfall guarantee relating to a loan facility extended to Grainmarket Basildon Limited by Close Brothers Limited.

29. Capital commitments

At 31 March 2017 the Group and Company had capital commitments as follows:

	Group 2017 £
Contracted for but not provided in these financial statements	74,794
	<u>74,794</u>

30. Transactions with directors

At the beginning of the year the director M J Crader owed the company £38,818. During the year the company loaned the director £2,598,330 and the director repaid the company £2,300,642. At the year end the director owed the company £336,506. Interest has been charged on the loan to the director at a rate of 3% per annum.

31. Directors' personal guarantees

M J Crader, a director and shareholder, has provided a personal guarantee in respect of bank borrowings of up to £1,100,000.