

Registered number: 04487496

GLOUCESTER DEVELOPMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

TUESDAY



A5FES1AO

A18

13/09/2016

#251

COMPANIES HOUSE

GLOUCESTER DEVELOPMENTS LIMITED

COMPANY INFORMATION

Director	D Reichmann
Registered number	04487496
Registered office	5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
Independent auditors	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD

GLOUCESTER DEVELOPMENTS LIMITED

CONTENTS

	Page
Group Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditors' Report	4 - 5
Consolidated Income Statement	6
Consolidated Statement of Financial Position	7
Company Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Company Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12 - 23

GLOUCESTER DEVELOPMENTS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Introduction

The director presents his strategic report for the year ended 31 December 2015.

Business review

Delays in the completion of a number of developments have resulted in a loss for the year. This loss has been partly offset by a profit on disposal of investment properties amounting to £322,078.

The director is satisfied that the group will be able to recoup the balance sheet deficit in the ensuing year.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties relate to:

- the state of the UK property market and its impact on both the potential profits that can be achieved from new development and rental values.
- the availability of loan finance and borrowing rates.

Financial key performance Indicators

The key performance indicators used by the director to understand the development, performance and position of the business are turnover, profit before tax and net assets.

This report was approved by the board on 2 September 2016 and signed on its behalf.


D Reichmann
Director

GLOUCESTER DEVELOPMENTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the company continued to be that of a holding company.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £1,152,723 (2014 - profit £2,189,833).

The director has paid a dividend of £311,100 (2014 - £732,000) during the year.

Directors

The directors who served during the year were:

D Reichmann (appointed 30 March 2015)
A M Reichmann (resigned 30 March 2015)
D C Reichmann (resigned 30 March 2015)

Future developments

The director report that the company still has a number of development projects under management which are expected to make a positive contribution to results for the ensuing year.

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 that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that 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.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 2 September 2016 and signed on its behalf.



D Reichmann
Director

GLOUCESTER DEVELOPMENTS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors are responsible for preparing the Group Strategic Report, 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 financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 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.

GLOUCESTER DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOUCESTER DEVELOPMENTS LIMITED

We have audited the financial statements of Gloucester Developments Limited for the year ended 31 December 2015, set out on pages 6 to 23. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 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 3, 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 Group Strategic Report and 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 December 2015 and of the Group's profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those accounts. 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 Strategic Report and the Directors Report.

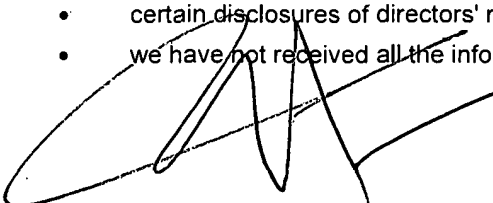
GLOUCESTER DEVELOPMENTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOUCESTER DEVELOPMENTS
LIMITED (CONTINUED)**

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.



Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

2 September 2016

GLOUCESTER DEVELOPMENTS LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover		6,024,697	22,270,278
Cost of sales		(7,603,201)	(17,844,844)
Gross (loss)/profit		(1,578,504)	4,425,434
Administrative expenses		(209,842)	(1,677,714)
Other operating income	4	96,954	128,674
Fair value movements		47,039	-
Other operating charges		(55,088)	(15,055)
Operating (loss)/profit	5	(1,699,441)	2,861,339
Income from fixed asset investments		322,078	-
Interest receivable and similar income		22	97
Interest payable and similar charges		(45,548)	(90,897)
(Loss)/profit before tax		(1,422,889)	2,770,539
Tax on (loss)/profit on ordinary activities	8	270,166	(580,706)
(Loss)/profit for the year		(1,152,723)	2,189,833
(Loss)/profit for the year attributable to:			
Non-controlling interests		55,106	17,093
Owners of the parent		(1,207,829)	2,172,740
		(1,152,723)	2,189,833

The notes on pages 12 to 23 form part of these financial statements.

GLOUCESTER DEVELOPMENTS LIMITED
REGISTERED NUMBER:04487496
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	£	2015 £	2014 £
Fixed assets				
Investment property	11		866,601	1,136,000
Current assets				
Stocks	12	22,143,817	17,352,138	
Debtors: amounts falling due within one year	13	4,491,676	2,661,038	
Cash at bank and in hand		55,706	60,500	
		<u>26,691,199</u>	<u>20,073,676</u>	
Creditors: amounts falling due within one year	14	(26,772,922)	(18,566,404)	
Net current (liabilities)/assets			<u>(81,723)</u>	<u>1,507,272</u>
Total assets less current liabilities			<u>784,878</u>	<u>2,643,272</u>
Creditors: amounts falling due after more than one year	15		(979,586)	(1,222,161)
Provisions for liabilities				
Deferred taxation	18	(36,975)	(50,371)	
			<u>(36,975)</u>	<u>(50,371)</u>
Net assets			<u>(231,683)</u>	<u>1,370,740</u>
Capital and reserves				
Called up share capital	19	19,000	17,600	
Profit and loss account	20	(236,971)	1,351,835	
Equity attributable to owners of the parent Company			<u>(217,971)</u>	<u>1,369,435</u>
Non-controlling interests			<u>(13,712)</u>	<u>1,305</u>
			<u>(231,683)</u>	<u>1,370,740</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 September 2016.


D Reichmann
 Director

GLOUCESTER DEVELOPMENTS LIMITED
REGISTERED NUMBER:04487496
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Investments	10		518		517
Current assets					
Debtors: amounts falling due within one year	13	1,059,686		750,575	
Cash at bank and in hand		4,567		966	
		<u>1,064,253</u>		<u>751,541</u>	
Creditors: amounts falling due within one year	14	(1,044,333)		(733,734)	
Net current assets			<u>19,920</u>		<u>17,807</u>
Total assets less current liabilities			<u>20,438</u>		<u>18,324</u>
Net assets			<u><u>20,438</u></u>		<u><u>18,324</u></u>
Capital and reserves					
Called up share capital	19		19,000		17,600
Profit and loss account	20		1,438		724
			<u>20,438</u>		<u>18,324</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 September 2016.


D Reichmann
 Director

GLOUCESTER DEVELOPMENTS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 January 2015	17,600	1,351,835	1,369,435	1,305	1,370,740
Loss for the year	-	(1,207,829)	(1,207,829)	55,106	(1,152,723)
Dividends: Non-controlling interests	-	-	-	(140,000)	(140,000)
Dividends: Equity capital	-	(311,100)	(311,100)	-	(311,100)
Shares issued during the year	1,400	-	1,400	-	1,400
Total transactions with owners	1,400	(380,977)	(379,577)	69,877	(309,700)
At 31 December 2015	19,000	(236,971)	(217,971)	(13,712)	(231,683)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 January 2014	17,600	(88,905)	(71,305)	(15,821)	(87,126)
Profit for the year	-	2,172,740	2,172,740	17,126	2,189,866
Dividends: Equity capital	-	(732,000)	(732,000)	-	(732,000)
At 31 December 2014	17,600	1,351,835	1,369,435	1,305	1,370,740

The notes on pages 12 to 23 form part of these financial statements.

GLOUCESTER DEVELOPMENTS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	17,600	724	18,324
Comprehensive income for the year			
Profit for the year	-	311,814	311,814
Dividends: Equity capital	-	(311,100)	(311,100)
Shares issued during the year	1,400	-	1,400
At 31 December 2015	19,000	1,438	20,438

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2014	17,600	4,420	22,020
Profit for the year	-	728,304	728,304
Dividends: Equity capital	-	(732,000)	(732,000)
At 31 December 2014	17,600	724	18,324

The notes on pages 12 to 23 form part of these financial statements.

GLOUCESTER DEVELOPMENTS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	(1,152,723)	2,189,833
Adjustments for:		
Interest paid	45,548	90,896
Net cash from financing activities	(107,093)	(97)
Increase in stocks	(4,791,678)	(5,637,874)
Increase in debtors	(1,830,640)	(1,446,815)
Increase in creditors	8,183,683	3,331,453
Corporation tax	(278,676)	427,911
Net cash generated from operating activities	68,421	(1,044,693)
Cash flows from investing activities		
Interest received	15	97
Income from investments	107,078	-
Net cash from investing activities	107,093	97
Cash flows from financing activities		
Issue of ordinary shares	1,400	700
Repayment of loans	(242,575)	(813,526)
Other new loans	581,716	2,587,205
Dividends paid	(311,100)	(732,000)
Interest paid	(45,548)	(90,896)
Dividends paid to non controlling interests	(140,000)	-
Net cash (used in) / from financing activities	(156,107)	951,483
Cash and cash equivalents at beginning of year	49,884	142,874
Cash and cash equivalents at the end of year	69,291	49,761
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	55,705	60,500
Bank overdrafts	(34,339)	(10,617)
	21,366	49,883

GLOUCESTER DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. General information

Gloucester Developments Limited and all its subsidiaries are companies registered in England and Wales. The address of its registered office is 5 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

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 Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group 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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The group companies meet their day to day working capital requirements through the ongoing support of loans from shareholders and companies under common control. The nature of the group's property development activities are such that there can be considerable unpredictable variation in the timing of cash inflows. The Director has prepared projected cash flow information for the period ending 12 months from the date of his approval of these financial statements. On the basis of this cash flow information and the continuing financial support of the shareholders and other companies under common control, the Director considers it appropriate to prepare the financial statements on the going concern basis.

2.4 Turnover recognition

Turnover comprises revenue recognised by the company in respect of developing property sales and rent receivable, exclusive of Value Added Tax.

Development property sales are recognised at the date of exchange of contracts. If completion is conditional upon an external event the sale is recognised at the time the transaction becomes unconditional.

Rent is recognised in the period to which it relates.

GLOUCESTER DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.5 Investment property

Investment property is carried at fair value determined annually by the directors 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.

2.6 Valuation of investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Work in progress

Work in progress is valued at the lower of cost and net realisable value. Cost for this purpose comprises the purchase of land and buildings, development expenditure and capitalised interest costs.

In considering the net realisable value of land and properties it is assumed that developments will be completed and sold in the ordinary course of the company's business and that they would not be placed on the market for immediate sale.

2.8 Financial instruments

The Group only 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, loans to related parties and investments in non-puttable ordinary shares.

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 payables or receivables, 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 Income Statement.

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.

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.9 Finance costs

Finance costs are charged to the Income Statement 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.

2.10 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.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

In preparing these financial statements, the directors have made the following judgements:

Determine whether there are indicators of impairment of the group's investment and development properties and of loans to related parties under common control. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the underlying assets.

4. Other operating income

	2015 £	2014 £
Net rents receivable	87,480	51,429
Commissions receivable	7,385	9,224
Other operating income	2,089	68,020
	<u>96,954</u>	<u>128,673</u>

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2015 £	2014 £
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	13,250	23,500
	<u>13,250</u>	<u>23,500</u>

During the year, no director received any emoluments (2014 - £NIL).

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

7. Income from investments

	2015 £	2014 £
Income from fixed asset investments	322,078	-
	<u>322,078</u>	<u>-</u>

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	(274,716)	580,706
Adjustments in respect of previous periods	4,550	-
Total current tax	<u>(270,166)</u>	<u>580,706</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 21.50%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>(1,469,928)</u>	<u>2,770,539</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21.50%)	(293,986)	595,666
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	11,402
Utilisation of tax losses	(88)	(21,450)
Adjustments to tax charge in respect of prior periods	4,550	-
Other timing differences leading to an increase (decrease) in taxation	5,962	(4,832)
Marginal relief	-	(80)
Deferred tax	13,396	-
Total tax charge for the year	<u>(270,166)</u>	<u>580,706</u>

9. Dividends

	2015 £	2014 £
Dividends paid on equity capital	<u>311,100</u>	<u>732,000</u>

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Alton Road Limited	England	Ordinary	67 %	Property development
Branksome Developments Limited	England	Ordinary	100 %	Property development
Grosvenor Freeholds Limited	England	Ordinary	67 %	Property investment
Lebanon Road Limited	England	Ordinary	100 %	Property development
Ravine Road Limited	England	Ordinary	100 %	Property investment
Windsor Street Limited	England	Ordinary	100 %	Property development
Norwich House Limited	England	Ordinary	100 %	Property development
Woodhouse Road Limited	England	Ordinary	100 %	Property development
Iverson Road Limited	England	Ordinary	100 %	Property development
Tudor Court NW2 Limited	England	Ordinary	100 %	Property development

The group acquired the outstanding minority interest in Ravine Road Limited on 24 November 2015.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015	517
Additions	1
At 31 December 2015	<u>518</u>
Net book value	
At 31 December 2015	<u>518</u>
At 31 December 2014	<u>517</u>

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. Investment property

Group

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 January 2015	636,000	500,000	1,136,000
Additions at cost	215,000	-	215,000
Disposals	(401,000)	-	(401,000)
Revaluation reversal	-	(83,399)	(83,399)
At 31 December 2015	450,000	416,601	866,601

The 2015 valuations were made by the director, on an open market value for existing use basis.

12. Stocks

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Development property	22,143,817	17,352,138	-	-

Development property includes capitalised interest costs of £2,908,662 (2014 - £1,774,937)

13. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	1,570	1,597	-	-
Amounts owed by group undertakings	-	-	282,520	-
Other debtors	4,418,431	2,656,757	774,762	749,075
Called up share capital not paid	2,404	1,500	2,404	1,500
Prepayments and accrued income	69,271	1,184	-	-
	4,491,676	2,661,038	1,059,686	750,575

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank overdrafts	34,339	10,617	-	-
Other loans	10,981,587	10,399,871	-	-
Trade creditors	681,435	130,410	-	-
Amounts owed to group undertakings	-	-	100	135
Corporation tax	74,249	580,706	-	-
Taxation and social security	50,523	57,526	-	-
Other creditors	14,138,716	5,885,734	1,043,233	732,600
Accruals and deferred income	812,073	1,501,540	1,000	999
	<u>26,772,922</u>	<u>18,566,404</u>	<u>1,044,333</u>	<u>733,734</u>

Included in other loans are amounts totalling £7,681,587 (2014 - £7,099,871) which are secured by a debenture and first legal charges and amounts totalling £2,500,000 (2014 - £2,500,000) which are secured by a second legal charge over certain development property included in work in progress.

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

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank loans	<u>979,586</u>	<u>1,222,161</u>	<u>-</u>	<u>-</u>
	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Amounts falling due within one year				
Other loans	<u>10,981,587</u>	<u>10,399,871</u>	<u>-</u>	<u>-</u>
Amounts falling due 2-5 years				
Bank loans	<u>585,578</u>	<u>585,573</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than 5 years				
Bank loans	<u>394,007</u>	<u>636,588</u>	<u>-</u>	<u>-</u>
	<u>11,961,172</u>	<u>11,622,032</u>	<u>-</u>	<u>-</u>

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. 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 Income Statement in these financial statements. The profit after tax of the parent Company for the year was £311,814 (2014 - £728,304).

17. Financial instruments

	Group 2015 £	Group 2014 £
Financial assets that are debt instruments measured at amortised cost	4,420,002	2,658,354
Financial liabilities measured at amortised cost	(27,594,249)	(19,139,716)

Financial assets measured at amortised cost comprise trade debtors and other debtors. Cash and cash equivalents are not included in the sub total of financial assets.

Financial Liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and loans.

18. Deferred taxation

Group	2015 £	2014 £
At beginning of year	(50,371)	(50,372)
Charged to the profit or loss	13,396	-
At end of year	(36,975)	(50,372)

	Group 2015 £	Group 2014 £
Revaluation of investment property	(36,975)	(50,372)

19. Share capital

	2015 £	2014 £
Shares classified as equity		
Allotted, called up and fully paid		
19,000 (2014 - 17,600) Ordinary shares of £1 each	19,000	17,600

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. Share capital (continued)

During the year a further 1,400 ordinary shares of £1 each were allotted at par to provide additional capital.

20. Reserves

Profit and loss account

The profit and loss reserve contains the cumulative balance of retained profit and losses as well as investment property revaluations since the company started trading. It is made up of both distributable and non-distributable reserves.

All of the company reserves at 31 December 2015 and 31 December 2014 are distributable.

21. Related party transactions

Group

At the balance sheet date the various subsidiary companies were owed an aggregate £1,401,841 (2014 - £2,593,408) by and owed an aggregate £4,135,163 (2014 - £4,890,425) to Reichmann Properties Plc, a company controlled by D C Reichmann, who was a director of the company during the year.

At the balance sheet date the the various subsidiary companies owed an aggregate £525,377 (2014 - £250,000) to D C Reichmann.

During the year, Windsor Street Limited was charged interest amounting to £255,678 (2014 - £107,810) in respect of a loan which was repaid during the year (2014 - £2,500,000) from Sparquote Limited, a registered charity of which D C Reichmann is a trustee.

During the year, Norwich House Limited was charged profit share by Reichmann Properties Plc amounting to £1,370,570 (2014 - £1,370,570) a company in which D C Reichmann has a material interest.

During the year, Grosvenor Freeholds Limited was charged consultancy fees of £200,000 (2014 - £Nil) by DCR Holdings Limited, a company registered in Gibraltar in which D C Reichmann has a material interest. At the balance sheet date the company owed £200,000 (2014 - £Nil) to DCR Holdings Limited, included in other creditors.

Company

All of the shareholders agreed to loan back dividends received during the year and the aggregate of shareholder loans payable at the balance sheet date was £767,723 (2014 - £732,000).

At the balance sheet date the company was owed £749,693 (2014 - £748,743) by Reichmann Properties Plc, a company controlled by D C Reichmann, who was a director of the company during the year.

The company has taken advantage of not disclosing transactions with wholly owned subsidiaries as permitted under FRS 102 s33.1A.

GLOUCESTER DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

22. First time adoption of FRS 102

Group

	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Fixed assets	636,517	-	636,517	1,136,000	-	1,136,000
Current assets	13,128,629	-	13,128,629	20,073,676	-	20,073,676
Creditors: amounts falling due within one year	(13,130,449)	-	(13,130,449)	(18,566,404)	-	(18,566,404)
Net current (liabilities)/assets	(1,820)	-	(1,820)	1,507,272	-	1,507,272
Total assets less current liabilities	634,697	-	634,697	2,643,272	-	2,643,272
Creditors: amounts falling due after more than one year	(1,324,100)	-	(1,324,100)	(1,222,161)	-	(1,222,161)
Provisions for liabilities	-	(50,371)	(50,371)	-	(50,371)	(50,371)
Net (liabilities)/assets	(689,403)	(50,371)	(739,774)	1,421,111	(50,371)	1,370,740
Capital and reserves	(689,403)	(50,371)	(739,774)	1,421,114	(50,374)	1,370,740

GLOUCESTER DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

22. First time adoption of FRS 102 (continued)

	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Turnover	22,270,278	-	22,270,278
Cost of sales	(17,844,844)	-	(17,844,844)
	4,425,434	-	4,425,434
Administrative expenses	(1,677,714)	-	(1,677,714)
Other operating income	113,619	-	113,619
Operating profit	2,861,339	-	2,861,339
Interest receivable and similar income	97	-	97
Interest payable and similar charges	(90,897)	-	(90,897)
Taxation	(580,706)	-	(580,706)
Profit on ordinary activities after taxation and for the financial year	<u>2,189,833</u>	<u>-</u>	<u>2,189,833</u>

Explanation of changes to previously reported profit and equity:

The group was not previously required to recognise deferred taxation in respect of the revaluation of investment properties. FRS 102 requires full provision of deferred taxation in respect of revaluation surpluses and consequently a deferred tax provision of £50,372 has been recognised at 1 January 2014. There is no effect on profit for the year ended 31 December 2014.

Company

There were no material changes relevant for the parent company on transition to FRS 102.