

REGISTERED NUMBER: SC125670 (Scotland)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Year Ended 31 December 2017

for

GP Properties (Scotland) Ltd

**COMPANIES HOUSE
EDINBURGH**

29 AUG 2018

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for the Year Ended 31 December 2017**

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GP Properties (Scotland) Ltd

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:	J T Gilchrist J Gilchrist
SECRETARY:	J T Gilchrist
REGISTERED OFFICE:	The Pleasance Kirkfieldbank Lanark Lanarkshire ML11 9TG
REGISTERED NUMBER:	SC125670 (Scotland)
SENIOR STATUTORY AUDITOR:	Fraser WJ Campbell
AUDITORS:	Campbell Dallas Audit Services Accountants Statutory Auditors Titanium 1 King's Inch Place Renfrew PA4 8WF

**Group Strategic Report
for the Year Ended 31 December 2017**

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

REVIEW OF BUSINESS

In the opinion of the board of directors, the group has achieved excellent results of the year under review, despite the difficult market conditions.

	31/12/2017	31/12/2016
Turnover	£8,591,200	£7,817,274
Gross profit	£4,442,710	£4,025,333
Gross profit margin	51.71%	51.49%
Profit after taxation and minority interests	£656,913	£945,247
Shareholders' funds	£6,174,055	£5,708,838

The directors are confident that the group has sufficient reserves to finance the anticipated levels of activity in the future.

Turnover for the year ended December 2018 is likely to increase, and the board is satisfied that, with tight control of margins generated, and careful monitoring of overheads, profitability will continue at satisfactory levels.

There have been no events since the balance sheet date that materially affect the financial position of the group.

**Group Strategic Report
for the Year Ended 31 December 2017**

PRINCIPAL RISKS AND UNCERTAINTIES

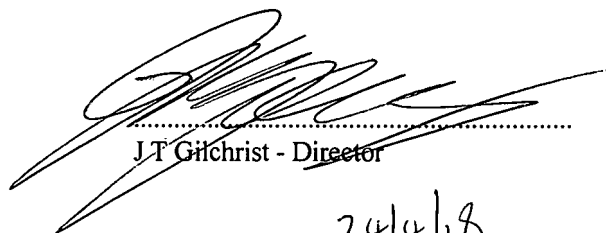
The group operates in the facilities management industry and is therefore subject to the trading cycles that occur in that sector. The market is competitive although the group has a high level of customer loyalty and hence repeat business. The board is confident that the excellent level of service provided will ensure that the group continues to be competitive in its chosen markets.

The group also operates in the recycling sector, processing green and food waste for 11 local councils. The main risk would be closure or part closure of the site, the board are confident that the processes and procedures in place at the site will ensure operations are sustainable ongoing.

The groups main credit risk relates to debtors. The group is not turnover driven, nor does it have high percentages of turnover with one key customer. Payment histories and credit ratings of all customers are monitored closely.

In terms of liquidity risk, the group has an overdraft facility with its bankers which has been well managed. The group monitors cash flow as part of its day to day control procedures.

ON BEHALF OF THE BOARD:



.....
J T Gilchrist - Director

Date: 24/4/18

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of interior and exterior landscaping and green waste recycling.

DIVIDENDS

Interim dividends of £286,530 were declared during the year. Certain shareholders waived part of their entitlement, amounting to £94,834.

The total distribution of dividends for the year ended 31 December 2017 was £191,696.

FUTURE DEVELOPMENTS

The directors are confident that the policies and controls that they currently have in place will return improved results in the forthcoming financial year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

J T Gilchrist

J Gilchrist

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 and then apply them consistently;
- make judgements 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.

GP Properties (Scotland) Ltd (Registered number: SC125670)

**Report of the Directors
for the Year Ended 31 December 2017**

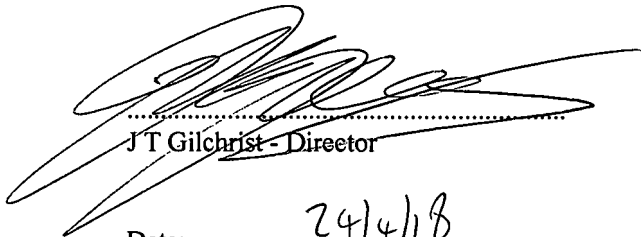
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

Campbell Dallas Audit Services were appointed auditors to the group on 14 December 2016 and will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
J T Gilchrist - Director

Date: 24/4/18

Report of the Independent Auditors to the Members of GP Properties (Scotland) Ltd

Opinion

We have audited the financial statements of GP Properties (Scotland) Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Report of the Independent Auditors to the Members of GP Properties (Scotland) Ltd

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

**Report of the Independent Auditors to the Members of
GP Properties (Scotland) Ltd**

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Fraser WJ Campbell (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services
Accountants
Statutory Auditors
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date:2/5/18.....

GP Properties (Scotland) Ltd (Registered number: SC125670)

**Consolidated Income Statement
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
TURNOVER		8,591,200	7,817,274
Cost of sales		4,148,490	3,797,682
GROSS PROFIT		4,442,710	4,019,592
Distribution costs		28,420	24,800
Administrative expenses		2,762,952	2,763,856
		2,791,372	2,788,656
		1,651,338	1,230,936
Other operating income		-	6,125
Gain/loss on revaluation of tangible assets		(588,200)	-
OPERATING PROFIT	4	1,063,138	1,237,061
Interest payable and similar expenses	5	69,980	96,100
PROFIT BEFORE TAXATION		993,158	1,140,961
Tax on profit	6	235,655	149,690
PROFIT FOR THE FINANCIAL YEAR		757,503	991,271
Profit attributable to:			
Owners of the parent		656,913	945,247
Non-controlling interests		100,590	46,024
		757,503	991,271

The notes form part of these financial statements

GP Properties (Scotland) Ltd (Registered number: SC125670)

**Consolidated Other Comprehensive Income
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		757,503	991,271
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>757,503</u>	<u>991,271</u>
Total comprehensive income attributable to:			
Owners of the parent		656,913	945,247
Non-controlling interests		<u>100,590</u>	<u>46,024</u>
		<u>757,503</u>	<u>991,271</u>

The notes form part of these financial statements

GP Properties (Scotland) Ltd (Registered number: SC125670)

Consolidated Balance Sheet
31 December 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	9	21,153	27,669
Tangible assets	10	7,741,131	7,855,848
Investments	11	-	-
		<u>7,762,284</u>	<u>7,883,517</u>
CURRENT ASSETS			
Stocks	12	161,836	89,737
Debtors	13	1,646,397	1,531,864
Cash at bank and in hand		302,636	148,513
		<u>2,110,869</u>	<u>1,770,114</u>
CREDITORS			
Amounts falling due within one year	14	<u>1,879,952</u>	<u>1,850,705</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>230,917</u>	<u>(80,591)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,993,201</u>	<u>7,802,926</u>
CREDITORS			
Amounts falling due after more than one year	15	(1,448,925)	(1,704,493)
PROVISIONS FOR LIABILITIES	19	<u>(320,577)</u>	<u>(371,826)</u>
NET ASSETS		<u><u>6,223,699</u></u>	<u><u>5,726,607</u></u>

The notes form part of these financial statements

GP Properties (Scotland) Ltd (Registered number: SC125670)

Consolidated Balance Sheet - continued
31 December 2017

		2017	2016
	Notes	£	£
CAPITAL AND RESERVES			
Called up share capital	20	50,000	50,000
Fair value reserve	21	-	314,793
Other reserves	21	51,200	51,200
Retained earnings	21	6,072,855	5,292,845
SHAREHOLDERS' FUNDS		<u>6,174,055</u>	<u>5,708,838</u>
NON-CONTROLLING INTERESTS	22	<u>49,644</u>	<u>17,769</u>
TOTAL EQUITY		<u><u>6,223,699</u></u>	<u><u>5,726,607</u></u>

The financial statements were approved by the Board of Directors on 24/4/18 and were signed on its behalf by:


 J T Gilchrist - Director


 J Gilchrist - Director

The notes form part of these financial statements

GP Properties (Scotland) Ltd (Registered number: SC125670)

**Company Balance Sheet
31 December 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	375,000	985,600
Investments	11	89,326	89,326
		<u>464,326</u>	<u>1,074,926</u>
CURRENT ASSETS			
Cash at bank		2,316	235
CREDITORS			
Amounts falling due within one year	14	<u>569,798</u>	<u>304,499</u>
NET CURRENT LIABILITIES		<u>(567,482)</u>	<u>(304,264)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(103,156)</u>	<u>770,662</u>
PROVISIONS FOR LIABILITIES	19	<u>-</u>	<u>73,164</u>
NET (LIABILITIES)/ASSETS		<u><u>(103,156)</u></u>	<u><u>697,498</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	50,000	50,000
Fair value reserve	21	-	314,793
Retained earnings	21	<u>(153,156)</u>	<u>332,705</u>
SHAREHOLDERS' FUNDS		<u><u>(103,156)</u></u>	<u><u>697,498</u></u>
Company's (loss)/profit for the financial year		<u><u>(608,958)</u></u>	<u><u>79,187</u></u>

The notes form part of these financial statements


GP Properties (Scotland) Ltd (Registered number: SC125670)

Company Balance Sheet - continued
31 December 2017

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 24/4/18 and were signed on its behalf by:


.....
J Gilchrist - Director


.....
J T Gilchrist - Director

The notes form part of these financial statements

GP Properties (Scotland) Ltd (Registered number: SC125670)

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Fair value reserve £
Balance at 1 January 2016	50,000	4,500,919	314,793
Changes in equity			
Dividends	-	(153,321)	-
Total comprehensive income	-	991,271	-
Balance at 31 December 2016	50,000	5,338,869	314,793
Changes in equity			
Dividends	-	(191,696)	-
Total comprehensive income	-	1,072,296	(314,793)
Balance at 31 December 2017	50,000	6,219,469	-

	Other reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2016	51,200	4,916,912	20,495	4,937,407
Changes in equity				
Dividends	-	(153,321)	(48,750)	(202,071)
Total comprehensive income	-	991,271	46,024	1,037,295
Balance at 31 December 2016	51,200	5,754,862	17,769	5,772,631
Changes in equity				
Dividends	-	(191,696)	(68,715)	(260,411)
Total comprehensive income	-	757,503	100,590	858,093
Balance at 31 December 2017	51,200	6,320,669	49,644	6,370,313

The notes form part of these financial statements

GP Properties (Scotland) Ltd (Registered number: SC125670)

**Company Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Balance at 1 January 2016	50,000	406,839	314,793	771,632
Changes in equity				
Dividends	-	(153,321)	-	(153,321)
Total comprehensive income	-	79,187	-	79,187
Balance at 31 December 2016	50,000	332,705	314,793	697,498
Changes in equity				
Dividends	-	(191,696)	-	(191,696)
Total comprehensive income	-	(294,165)	(314,793)	(608,958)
Balance at 31 December 2017	50,000	(153,156)	-	(103,156)

The notes form part of these financial statements

GP Properties (Scotland) Ltd (Registered number: SC125670)

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	2,198,796	1,717,103
Interest paid		(39,846)	(54,083)
Interest element of hire purchase payments paid		(30,134)	(42,017)
Tax paid		(222,904)	(42,182)
Net cash from operating activities		<u>1,905,912</u>	<u>1,578,821</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(32,554)
Purchase of tangible fixed assets		(1,421,567)	(890,756)
Sale of tangible fixed assets		264,288	261,197
Net cash from investing activities		<u>(1,157,279)</u>	<u>(662,113)</u>
Cash flows from financing activities			
Loan repayments in year		(167,350)	(158,522)
Capital repayments in year		(463,098)	(466,000)
Dividends paid non-controlling interest		(68,715)	(48,750)
New HP agreements		296,349	-
Equity dividends paid		(191,696)	(153,321)
Net cash from financing activities		<u>(594,510)</u>	<u>(826,593)</u>
Increase in cash and cash equivalents		<u>154,123</u>	<u>90,115</u>
Cash and cash equivalents at beginning of year	2	<u>148,513</u>	<u>58,398</u>
Cash and cash equivalents at end of year	2	<u><u>302,636</u></u>	<u><u>148,513</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017 £	2016 £
Profit before taxation	993,158	1,140,961
Depreciation charges	728,235	673,531
Profit on disposal of fixed assets	(37,923)	(13,901)
Loss on revaluation of fixed assets	588,200	-
Finance costs	69,980	96,100
	<u>2,341,650</u>	<u>1,896,691</u>
Increase in stocks	(72,099)	(11,733)
Increase in trade and other debtors	(114,533)	(374,537)
Increase in trade and other creditors	43,778	206,682
	<u>2,198,796</u>	<u>1,717,103</u>
Cash generated from operations	<u>2,198,796</u>	<u>1,717,103</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	<u>302,636</u>	<u>148,513</u>

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>148,513</u>	<u>58,398</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

GP Properties (Scotland) Ltd is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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

Basis of consolidation

The group financial statements consolidate the financial statements of GP Properties (Scotland) Limited and all its subsidiary undertakings drawn up to 31 December each year. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Significant judgements and estimates

The preparation of Financial Statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Turnover

Group turnover is derived from green and food waste recycling, gritting, interior and exterior landscape gardening and the supply of floral and potted plant decorations. Turnover therefore represents the sale of these goods and services, net of discounts and excluding value added tax, and is recognised at the point that these goods and services are supplied.

Goodwill

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life. If a subsidiary, associate or business is subsequently sold or discontinued, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or discontinuance.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Long leasehold	- 2% on cost
Plant and machinery	- at varying rates on cost and at variable rates on reducing balance.
Fixtures and fittings	- 25% on reducing balance and 20% on reducing balance
Motor vehicles	- 25% on reducing balance and 25% on cost
Rental assets	- 33% on reducing balance and 10 % on cost

Assets in the course of construction are not depreciated until the asset has been completed.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. ACCOUNTING POLICIES - continued

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

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

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

Financial Instruments

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

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	1,960,401	2,099,491
Social security costs	152,321	162,804
Other pension costs	246,540	139,545
	<u>2,359,262</u>	<u>2,401,840</u>

The average number of employees during the year was as follows:

	2017	2016
Directors and Administration	12	12
Operatives	72	78
	<u>84</u>	<u>90</u>

	2017	2016
	£	£
Directors' remuneration	24,000	24,000
Directors' pension contributions to money purchase schemes	50,000	31,500
	<u>74,000</u>	<u>55,500</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2017	2016
Money purchase schemes	<u>2</u>	<u>2</u>

4. OPERATING PROFIT

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

	2017	2016
	£	£
Hire of plant and machinery	13,202	11,648
Other operating leases	158,111	178,818
Depreciation - owned assets	356,529	313,902
Depreciation - assets on hire purchase contracts	365,190	354,744
Profit on disposal of fixed assets	(37,923)	(13,901)
Goodwill amortisation	6,516	4,885
Auditors' remuneration	16,488	16,575
	<u>871,103</u>	<u>986,617</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	2,206	2,318
Bank loan interest	37,640	51,765
Hire purchase	30,134	42,017
	<u>69,980</u>	<u>96,100</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	295,432	222,885
Adjustments in respect of prior periods	(8,528)	(17,924)
Total current tax	<u>286,904</u>	<u>204,961</u>
Deferred tax:		
Deferred tax	(51,226)	(35,986)
Adjustments in respect of prior periods	(23)	(19,285)
Total deferred tax	<u>(51,249)</u>	<u>(55,271)</u>
Tax on profit	<u>235,655</u>	<u>149,690</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	993,158	1,140,961
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 19%)	191,183	216,783
Effects of:		
Expenses not deductible for tax purposes	5,408	792
Depreciation in excess of capital allowances	18,460	17,931
Adjustments to tax charge in respect of previous periods	(8,528)	(17,924)
Capital gains/(losses)	(97,509)	(3,335)
Effect of tax charged at different rates	-	11,409
Adjust closing deferred tax to average rate	(2,960)	(56,681)
Adjustments in respect of prior periods (deferred tax)	(23)	(19,285)
Additional deduction for R&D expenditure	(7,908)	-
Non deductible loss on revaluation in profit and loss	113,228	-
Deferred tax asset on property revaluation not recognised	24,304	-
Total tax charge	235,655	149,690

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	2017 £	2016 £
Ordinary shares of 1 each		
Interim	191,696	153,321

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 January 2017 and 31 December 2017	114,165
AMORTISATION	
At 1 January 2017	86,496
Amortisation for year	6,516
At 31 December 2017	93,012
NET BOOK VALUE	
At 31 December 2017	21,153
At 31 December 2016	27,669

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 January 2017	1,120,000	4,752,465	3,396,710
Additions	-	656,622	650,695
Disposals	-	(115,932)	(329,117)
Revaluations	(745,000)	-	-
At 31 December 2017	375,000	5,293,155	3,718,288
DEPRECIATION			
At 1 January 2017	134,659	402,020	1,358,569
Charge for year	22,400	67,025	497,158
Eliminated on disposal	-	(115,932)	(162,695)
Revaluation adjustments	(156,800)	-	-
At 31 December 2017	259	353,113	1,693,032
NET BOOK VALUE			
At 31 December 2017	374,741	4,940,042	2,025,256
At 31 December 2016	985,341	4,350,445	2,038,141

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

10. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 January 2017	200,562	999,815	399,423	10,868,975
Additions	6,926	107,324	-	1,421,567
Disposals	-	(261,716)	-	(706,765)
Revaluations	-	-	-	(745,000)
At 31 December 2017	207,488	845,423	399,423	10,838,777
DEPRECIATION				
At 1 January 2017	114,784	603,672	399,423	3,013,127
Charge for year	25,616	109,520	-	721,719
Eliminated on disposal	-	(201,773)	-	(480,400)
Revaluation adjustments	-	-	-	(156,800)
At 31 December 2017	140,400	511,419	399,423	3,097,646
NET BOOK VALUE				
At 31 December 2017	67,088	334,004	-	7,741,131
At 31 December 2016	85,778	396,143	-	7,855,848

Cost or valuation at 31 December 2017 is represented by:

	Freehold property £	Long leasehold £	Plant and machinery £
Valuation in 2017	(315,647)	-	-
Cost	690,647	5,293,155	3,718,288
	375,000	5,293,155	3,718,288

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2017	-	-	-	(315,647)
Cost	207,488	845,423	399,423	11,154,424
	207,488	845,423	399,423	10,838,777

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

10. TANGIBLE FIXED ASSETS - continued

Group

If freehold property had not been revalued it would have been included at the following historical cost:

	2017 £	2016 £
Cost	690,647	690,647
Aggregate depreciation	290,056	276,243
Value of land in freehold land and buildings	400,591	414,404

Freehold property was valued on an open market basis on 31 December 2017 by Whyte & Barrie.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2017	2,005,347	215,775	2,221,122
Additions	392,499	-	392,499
Disposals	(104,000)	-	(104,000)
Transfer to ownership	(147,000)	(134,379)	(281,379)
At 31 December 2017	2,146,846	81,396	2,228,242
DEPRECIATION			
At 1 January 2017	563,006	93,383	656,389
Charge for year	337,461	27,729	365,190
Eliminated on disposal	(6,932)	-	(6,932)
Transfer to ownership	(106,146)	(88,303)	(194,449)
At 31 December 2017	787,389	32,809	820,198
NET BOOK VALUE			
At 31 December 2017	1,359,457	48,587	1,408,044
At 31 December 2016	1,442,341	122,392	1,564,733

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £
COST OR VALUATION	
At 1 January 2017	1,120,000
Revaluations	(745,000)
At 31 December 2017	375,000
DEPRECIATION	
At 1 January 2017	134,400
Charge for year	22,400
Revaluation adjustments	(156,800)
At 31 December 2017	-
NET BOOK VALUE	
At 31 December 2017	375,000
At 31 December 2016	985,600

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2017 and 31 December 2017	89,326
NET BOOK VALUE	
At 31 December 2017	89,326
At 31 December 2016	89,326

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

11. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

GP Plantscape Limited

Registered office: The Pleasance, Kirkfieldbank, Lanark, ML11 9TG

Nature of business: landscape gardeners

	%		
Class of shares:	holding		
Ordinary	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		2,350,518	2,325,256
Profit for the year		25,262	297,541

GP Green Recycling Limited

Registered office: The Pleasance, Kirkfieldbank, Lanark, ML11 9TG

Nature of business: Green waste recycling

	%		
Class of shares:	holding		
Ordinary	92.50		
		2017	2016
		£	£
Aggregate capital and reserves		4,134,763	2,862,278
Profit for the year		1,341,200	613,655

GP Artscape Limited

Registered office: The Pleasance, Kirkfieldbank, Lanark, ML11 9TG

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		(37,651)	(37,651)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

11. **FIXED ASSET INVESTMENTS - continued**

GP Nurseries Limited

Registered office: The Pleasance, Kirkfieldbank, Lanark, ML11 9TG

Nature of business: Dormant

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>(28,779)</u>	<u>(28,779)</u>

12. **STOCKS**

	Group	
	2017 £	2016 £
Stocks	<u>161,836</u>	<u>89,737</u>

13. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	2017 £	2016 £
Trade debtors	1,367,732	1,403,457
Other debtors	32,299	2,655
Prepayments and accrued income	246,366	125,752
	<u>1,646,397</u>	<u>1,531,864</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 16)	173,620	167,350	-	-
Hire purchase contracts (see note 17)	396,037	480,838	-	-
Trade creditors	525,016	542,689	-	-
Amounts owed to group undertakings	-	-	423,166	272,655
Tax	286,885	222,885	-	24,020
Social security and other taxes	45,582	185,950	1,092	1,884
VAT	204,250	117,945	-	-
Other creditors	2,065	2,065	-	-
Accruals and deferred income	246,497	130,983	145,540	5,940
	<u>1,879,952</u>	<u>1,850,705</u>	<u>569,798</u>	<u>304,499</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2017	2016
	£	£
Bank loans (see note 16)	877,791	1,051,411
Hire purchase contracts (see note 17)	571,134	653,082
	<u>1,448,925</u>	<u>1,704,493</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

16. **LOANS**

An analysis of the maturity of loans is given below:

	Group	
	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>173,620</u>	<u>167,350</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>180,128</u>	<u>173,621</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>346,797</u>	<u>429,193</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>350,866</u>	<u>448,597</u>

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group		Hire purchase contracts	
		2017	2016
		£	£
Net obligations repayable:			
Within one year		396,037	480,838
Between one and five years		<u>571,134</u>	<u>653,082</u>
		<u>967,171</u>	<u>1,133,920</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

17. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	42,038	134,494
Between one and five years	99,353	94,964
In more than five years	723,240	734,720
	<u>864,631</u>	<u>964,178</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2017	2016
	£	£
Bank loans	1,051,411	1,218,761
Hire purchase contracts	967,171	1,133,920
	<u>2,018,582</u>	<u>2,352,681</u>

The bank overdraft facilities and loans are secured by a first and only floating charge over the whole of the assets of the group, and cross guarantees by all group companies. There is standard security over the property and land at The Pleasance, Kirkfieldbank, owned, together with charge over the property at Dunston Industrial Estate, Gateshead, which is owned by GP Plantscape Ltd, and a heritable charge over land at Newhousemill Road, Blantyre which is leased under a long term lease by GP Green Recycling Ltd.

There are also joint and several guarantees totalling £300,000 from the company directors.

The hire purchase contracts are secured over the assets concerned.

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax	<u>320,577</u>	<u>371,826</u>	<u>-</u>	<u>73,164</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

19. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 January 2017	371,826
Credit to income statement	(51,249)
Balance at 31 December 2017	<u>320,577</u>

Company

	Deferred tax £
Balance at 1 January 2017	73,164
Credit to Income Statement during year	(73,164)
Balance at 31 December 2017	<u>-</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2017	2016
Number:	Class:		£	£
50,000	Ordinary	1	<u>50,000</u>	<u>50,000</u>

21. RESERVES

Group

	Retained earnings £	Fair value reserve £	Other reserves £	Totals £
At 1 January 2017	5,292,845	314,793	51,200	5,658,838
Profit for the year	656,913	-	-	656,913
Dividends	(191,696)	-	-	(191,696)
Revaluation adjustment	314,793	(314,793)	-	-
At 31 December 2017	<u>6,072,855</u>	<u>-</u>	<u>51,200</u>	<u>6,124,055</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

21. RESERVES - continued

Company

	Retained earnings £	Fair value reserve £	Totals £
At 1 January 2017	332,705	314,793	647,498
Deficit for the year	(608,958)	-	(608,958)
Dividends	(191,696)	-	(191,696)
Revaluation adjustment	314,793	(314,793)	-
At 31 December 2017	<u>(153,156)</u>	<u>-</u>	<u>(153,156)</u>

The closing balance of retained earnings is made up of £141,009 distributable reserves and -£294,165 of negative non-distributable reserves which have arisen as a result of the revaluation of the property in the current year.

22. NON-CONTROLLING INTERESTS

Equity minority interests represent the share of profits less losses on ordinary activities attributable to the interests of equity shareholders in subsidiaries, less dividends paid, which are not wholly owned by the group.