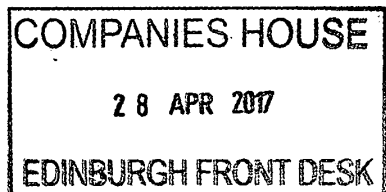


**Gleneagles Resort Developments
Limited**

Annual Report

30 June 2016

Registered number: SC214385



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Directors' report

The directors have pleasure in submitting their Annual Report, together with the audited financial statements for the year ended 30 June 2016.

In preparing this report the directors have taken advantage of section 415A of the Companies Act 2006. The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

Activities

During the year the company has continued to operate a business selling seasonal ownership properties under the name of 'Glenmor'.

Going concern

The directors have prepared cash flow forecasts for the company for the period for at least twelve months from the date of signing these accounts. These cash flow forecasts show that the company can operate within their available funds for a period of at least one year. Accordingly, the directors continue to adopt the going concern basis in preparing the company's financial statements.

Financial

The results for the year are shown on page 5.

Directors

The directors who held office during the year and to date of this report were as follows:

D A Kemp
B J Murphy
S Pasricha
C H Oakshett

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2015 - £nil).

Director's report (*continued*)

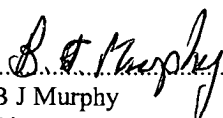
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


.....
B J Murphy
Director

The Gleneagles Hotel
Auchterarder
Perthshire
PH3 1NF
Scotland

Date: *26 April 2017*

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Gleneagles Resort Developments Limited

We have audited the financial statements of Gleneagles Resort Developments Limited for the year ended 30 June 2016 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report is consistent with the financial statements.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

Date

28 April 2017

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Turnover	2	923	1,049
Operating costs	3	(629)	(828)
Operating profit		294	221
Interest receivable	5	1	1
Profit on ordinary activities before taxation		295	222
Taxation on profit on ordinary activities	6	(59)	-
Profit for the financial year		236	222

The company has no other comprehensive income other than the profit for the year as set out above.

All results arise from continuing operations.

The accounting policies and other notes on pages 8 to 15 form part of the financial statements.

Balance sheet

	Notes	30 June 2016		30 June 2015	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7		425		425
Current assets					
Debtors: amounts falling due within one year	8	1,875		1,935	
Cash at bank and in hand		388		93	
			2,263		2,028
Creditors: amounts falling due within one year	9		(172)		(173)
Net current assets			2,091		1,855
Net assets			2,516		2,280
Capital and reserves					
Called up share capital	10		-		-
Profit and loss account			2,516		2,280
Shareholders' funds			2,516		2,280

The accounting policies and other notes on pages 8 to 15 form part of the financial statements.

These financial statements were approved by the board of directors on 19 April 2017 and were signed on its behalf by:



.....
D A Kemp
Director

Statement of Changes in Equity

	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 July 2014	-	2,058	2,058
Total comprehensive income for the year	-	222	222
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2015	-	2,280	2,280
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 July 2015	-	2,280	2,280
Total comprehensive income for the year	-	236	236
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2016	-	2,516	2,516
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1. Accounting policies

Gleneagles Resort Development Limited ("the company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The transition to FRS 102 has not affected the reported financial position or the financial performance of the company since the transition date.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition.

The Company's ultimate UK parent undertaking, GH Holdings 1 Limited includes the Company in its consolidated financial statements. The consolidated financial statements of GH Holdings 1 Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

In the opinion of the directors, there are no aspects of the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate.

Notes to the financial statements *(continued)*

1 **Accounting policies** *(continued)*

1.3 **Basic financial instruments**

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

1.4 **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

1.5 **Tangible fixed assets**

Land is stated at cost. Freehold land is not depreciated.

1.6 **Stocks**

Stocks are stated at the lower of cost and estimated realisable value.

1.7 **Turnover**

Turnover represents the net invoice value of goods and services, but excluding value added tax. Turnover for goods is recognised at the fair value of the right to consideration. Turnover is recognised at the point where the construction of a home has been certified as complete by the architect and where financial completion for the sale of a seven night tenure or short break tenure has been achieved.

1.8 **Advertising**

Advertising production costs are charged to the profit and loss account when the advertisement is first shown to the public.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

1.10 Pensions

Defined contribution pension plan

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

Contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in other creditors as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit plan

The Company's employees were members of a group wide defined benefit pension plan when part of the Diageo plc group. As there was no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the Company which is legally responsible for the plan, which was Diageo plc. The Company then recognised a cost equal to its contribution payable for the period. The Company has no liability in relation to the defined benefit pension scheme.

2. Analysis of turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to one class of business, that of property development, all of which is carried out in the United Kingdom.

Notes to the financial statements *(continued)*

3. Operating costs

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Advertising, marketing and promotion costs	125	157
Cost of sales	-	114
Staff costs (note 4)	189	202
Other operating charges	315	355
	<u>629</u>	<u>828</u>

The auditor's remuneration of £3,000 (2015 - £3,000) was settled on behalf of the company by a fellow group undertaking. Fees payable to the auditor in respect of non-audit services in the year were £1,500 (2015 - £nil).

4. Staff costs

The average number of employees employed by the company, excluding directors, during the year, analysed by category, was as follows:

	Year ended 30 June 2016	Year ended 30 June 2015
Full time	<u>5</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Wages and salaries	161	166
Pension contribution	13	21
Social security costs	15	15
	<u>189</u>	<u>202</u>

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2015 - £nil).

Notes to the financial statements *(continued)*

5. Interest receivable

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Bank interest receivable	1	1
	<u>1</u>	<u>1</u>

6. Taxation

Total tax expense recognised in the profit and loss account

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Current tax on income for the period	59	1
	<u>59</u>	<u>1</u>

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Profit for the financial year	236	
Tax expense	59	-
Profit on ordinary activities before taxation	<u>295</u>	<u>222</u>
Taxation on profit on ordinary activities at UK corporation tax rate of 20% (2015 - 20.75%)	59	46
Group relief received for nil consideration	-	(46)
Current ordinary tax charge for the year	<u>59</u>	<u>-</u>

Notes to the financial statements *(continued)*

7. Fixed assets

	Land £'000
Cost	
At beginning and end of year	425
Net book value	
At beginning and end of year	425

8. Debtors

	30 June 2016 £'000	30 June 2015 £'000
Amounts due by fellow group undertakings	1,875	1,935

Amounts owed by fellow group undertakings are unsecured, interest free, and are repayable on demand.

9. Creditors: amounts falling due within one year

	30 June 2016 £'000	30 June 2015 £'000
Trade creditors	33	32
Other taxation including social security	42	18
Corporation tax payable	59	-
Amounts owed to fellow group undertakings	11	40
Accruals and other creditors	27	83
	172	173

Amounts owed to fellow due to group undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements (continued)

10. Employee benefits

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £13,000 (2015 – Nil). There were no outstanding or prepaid contributions at year end (2015: nil).

Defined benefit pension scheme

The company participated in the Diageo Group Pension Plan operated by Diageo plc covering the pension arrangements of eligible employees until the company was disposed of. The assets of the scheme were held in separate trustee administered funds.

It has not been possible to readily determine, on a consistent and reasonable basis, the assets and liabilities attributable to the company. As permitted by FRS 102 the scheme was accounted for, in these financial statements, as if the scheme was a defined contribution scheme.

As at 30 June 2016 the details of the pension scheme were included within the financial statements of the parent entity at that time, Diageo Plc. The charge in relation to the defined benefits schemes in these financial statements was £1,928,000.

11. Share capital

	30 June 2016	30 June 2015
	£	£
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

12. Related Parties

The company is related to Glenmor Owners Club by virtue of the fact that directors of the company are committee members with significant influence over its operations. During the year the company settled maintenance fees for unsold properties of £189,370 (2015: £203,366). At 30 June 2016 £27,281 (2015: £25,625) was outstanding.

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that 100% of the voting rights in these companies were controlled by the group during the year.

13. Ultimate parent company and parent company of larger group

The Company is a subsidiary of Gleneagles Hotels Limited. The ultimate parent company is Bharti Overseas Private Limited. In the opinion of the directors there is no single ultimate controlling party.

Financial results of the company are consolidated at GH Holdings 1 Limited, Scotland which (via its subsidiary GH Holdings 2 Limited) is the parent company of Gleneagles Hotels Limited.

Notes to the financial statements *(continued)*

14. Accounting estimates and judgements

Key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken in to consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

15. Transition to FRS 102

As stated in note 1, these are the company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented in the financial statements for the year ended 30 June 2015.

In preparing the balance sheet and profit and loss account the company has made no adjustments to the amounts reported previously in financial statements prepared in accordance with the old basis of accounting (UK GAAP).

16. Events after the reporting date

On 23 November 2016 the company sold all land held to Gleneagles Hotels Limited at book value.

On 19 December 2016 the company declared and paid a dividend of £2,600,000.

On 20 February 2017 ownership of the company was transferred from Gleneagles Hotel Limited to GH Holdings 2 Limited at book value.