

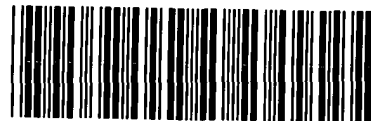
**Gleneagles Resort Developments
Limited**

Annual Report

**For the year ended
31 December 2017**

Registered number: SC214385

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Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditor's report to the members of Gleneagles Resort Developments Limited	4
Profit and loss account	5
Balance sheet	6
Statement of Changes in Equity	7
Notes	8

Directors' report

The directors have pleasure in submitting their Directors' Report, together with the audited financial statements for the year ended 31 December 2017. The Company changed accounting reference date in 2016 and consequently the comparative period to these accounts is the 6 months to 31 December 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 period the company 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 period and to date of this report were as follows:

D A Kemp
B J Murphy (resigned 23/03/2018)
S Pasricha
C H Oakshett (resigned 27/04/2018)

Dividends

Dividends of £125,000 were paid during the year (6 months to 31 December 2016: £2,600,000).

Directors' report *(continued)*

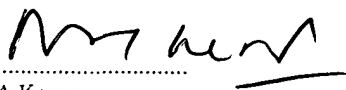
Disclosure of information to auditor

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


.....
D A Kemp
Director

*The Gleneagles Hotel
Auchterarder
Perthshire
PH3 1NF
Scotland*

Date: 24 AUGUST 2018

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the 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 company and of the profit or loss of the company 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

Opinion

We have audited the financial statements of Gleneagles Resort Developments Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Gordon Herbertson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow, G2 5AS
31 August 2018

Profit and loss account

	<i>Notes</i>	12 months to 31 Dec 2017 £'000	6 months to 31 Dec 2016 £'000
Turnover	2	801	471
Operating costs	3	(610)	(236)
Operating profit		<u>191</u>	<u>235</u>
Profit before taxation		191	235
Tax on profit	5	(37)	(47)
Profit for the financial period		<u>154</u>	<u>188</u>

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

All results arise from continuing operations.

The accounting policies and other notes on pages 8 to 14 form part of the financial statements.

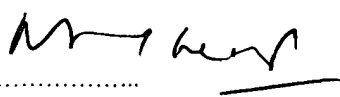
Balance sheet

At 31 December 2017

	Notes	31 Dec 2017 £'000	31 Dec 2016 £'000
Current assets			
Debtors: amounts falling due within one year	6	152	47
Cash at bank and in hand		244	263
		<u>396</u>	<u>310</u>
Creditors: amounts falling due within one year	7	(263)	(206)
Net current assets		<u>133</u>	<u>104</u>
Net assets		<u>133</u>	<u>104</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		133	104
Shareholders' funds		<u>133</u>	<u>104</u>

The accounting policies and other notes on pages 8 to 14 form part of the financial statements.

These financial statements were approved by the board of directors on 24 AUGUST 2018 and were signed on its behalf by:


.....
D A Kemp
Director

Statement of Changes in Equity
At 31 December 2017

	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 30 June 2016	-	2,516	2,516
Total comprehensive income for the period	-	188	188
Dividends paid – total distribution to owners	-	(2,600)	(2,600)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	-	104	104
Total comprehensive income for the year	-	154	154
Dividends paid – total distribution to owners	-	(125)	(125)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	-	133	133
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1. Accounting policies

Gleneagles Resort Development Limited ("the company") is a private company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC214385 and the registered address is The Gleneagles Hotel, Auchterarder, Perthshire, PH3 1NF.

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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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 to the public. 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 directors have prepared cash flow forecasts for the company for the period of at least twelve months from the date of signing these accounts. These 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.

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 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.

1.6 Advertising

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

1.7 Taxation

Tax on the profit or loss for the period 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 period, 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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.8 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.

2. Analysis of turnover and profit before taxation

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

3. Operating costs

	12 months to 31 Dec 2017 £'000	6 months to 31 Dec 2016 £'000
Advertising, marketing and promotion costs	177	70
Staff costs (note 4)	204	104
Other operating charges	229	62
	<hr/>	<hr/>
	610	236
	<hr/>	<hr/>

The auditor's remuneration of £3,500 (6 months to 31 December 2016 - £3,000) was settled on behalf of the company by a fellow group undertaking. Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, GH Holdings 1 Limited.

Notes to the financial statements *(continued)*

4. Staff costs

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

	12 months to 31 Dec 2017	6 months to 31 Dec 2016
Full time	4	5
	<u>4</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	12 months to 31 Dec 2017 £'000	6 months to 31 Dec 2016 £'000
Wages and salaries	184	92
Pension contribution	5	3
Social security costs	15	9
	<u>204</u>	<u>104</u>

None of the directors received any remuneration during the financial period in respect of their services as directors of the company (6 Months to 31 December 2016: £nil).

Notes to the financial statements (continued)

5. Taxation

Total tax expense recognised in the profit and loss account

	12 months to 31 Dec 2017 £'000	6 months to 31 Dec 2016 £'000
Current tax on income for the period	37	47
	<u>37</u>	<u>47</u>
	12 months to 31 Dec 2017 £'000	6 months to 31 Dec 2016 £'000
Profit for the financial period	154	188
Tax expense	37	47
	<u>191</u>	<u>235</u>
Profit before taxation	191	235
	<u>191</u>	<u>235</u>
Taxation on profit at UK corporation tax rate of 19.25% (6 months to 31 December 2016: 20%)	37	47
	<u>37</u>	<u>47</u>
Current tax charge for the period	37	47
	<u>37</u>	<u>47</u>

6. Debtors

	31 Dec 2017 £'000	31 Dec 2016 £'000
Amounts owed by fellow group undertakings	152	47
	<u>152</u>	<u>47</u>

Notes to the financial statements (continued)

7. Creditors: amounts falling due within one year

	31 Dec 2017 £'000	31 Dec 2016 £'000
Trade creditors	45	-
Other taxation including social security	101	35
Corporation tax payable	29	67
Amounts owed to fellow group undertakings	-	4
Accruals and other creditors	88	100
	<u>263</u>	<u>206</u>

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

8. Employee benefits

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current period was £5,105 (6 months to 31 December 2016 – £3,121). There were no outstanding or prepaid contributions at the year-end (2016: nil).

9. Share capital

	31 Dec 2017 £	31 Dec 2016 £
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

The holder of the ordinary share is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

10. 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 period the company settled maintenance fees for unsold properties of £183,993 (6 months to 31 December 2016: £42,493). At 31 December 2017 £12,598 (31 December 2016: £3,741) 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 period.

Notes to the financial statements *(continued)*

11. Ultimate parent company and parent company of larger group

The Company is a subsidiary of GH Holdings 2 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.

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