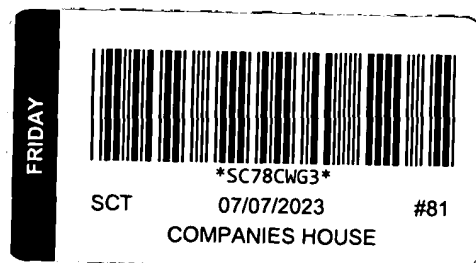


FOURMILE HOUSE (ABERDEEN) LTD
No. SC222727

FILLETED ACCOUNTS
FOR THE PERIOD FROM 1 NOVEMBER 2021 TO 30 SEPTEMBER 2022



FOURMILE HOUSE (ABERDEEN) LTD

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 9

FOURMILE HOUSE (ABERDEEN) LTD

BALANCE SHEET AS AT 30 SEPTEMBER 2022

	Notes	£	2022 £	£	As at 31.10.2021 £
Fixed assets					
Intangible assets	3		-		-
Tangible assets	4		1,037,222		1,068,621
			<u>1,037,222</u>		<u>1,068,621</u>
Current assets					
Stocks		17,172		12,780	
Debtors	5	15,191		16,914	
Cash at bank and in hand		21,375		111,478	
		<u>53,738</u>		<u>141,172</u>	
Creditors: amounts falling due within one year	6	(571,206)		(597,157)	
Net current liabilities			<u>(517,468)</u>		<u>(455,985)</u>
Total assets less current liabilities			<u>519,754</u>		<u>612,636</u>
Creditors: amounts falling due after more than one year	7		(446,759)		(507,021)
Provisions for liabilities			<u>(20,506)</u>		<u>(20,506)</u>
Net assets			<u><u>52,489</u></u>		<u><u>85,109</u></u>
Capital and reserves					
Called up share capital	8		50,000		50,000
Profit and loss reserves			2,489		35,109
Total equity			<u><u>52,489</u></u>		<u><u>85,109</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30 June 2023 and are signed on its behalf by:


Allan Henderson
Director

Company Registration No. SC222727

FOURMILE HOUSE (ABERDEEN) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the date of signing the financial statements. Thus the directors have continued to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The financial statements have been prepared for the period from 1 November 2021 to 30 September 2022 in order to align the year end with the company's parent company. As a result, comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue for the provision of services is recognised by reference to the date on which services were rendered.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 8 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

FOURMILE HOUSE (ABERDEEN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property	Nil
Property improvements	10 % Straight line
Fixtures, fittings and equipment	20% Straight line
Motor vehicles	25% Straight line

For large periods of time since March 2020, and due to the Coronavirus pandemic, the company was either legally precluded from operating altogether or operating under considerable restrictions. Accordingly, the directors have paused the accounting policy for depreciating Property & improvements, Fixtures, fittings & equipment and Motor vehicles until such time as the company is able to recommence its trade in a fully operational manner. For this reason alone, the depreciation charged in the accounts represents a departure from the company's depreciation policy in place and generally accepted accounting principles. Depreciation recommenced during the year and 9 months were charged.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold buildings are not depreciated as the difference between cost and residual value is considered to be immaterial.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

FOURMILE HOUSE (ABERDEEN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies (continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

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. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

FOURMILE HOUSE (ABERDEEN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

FOURMILE HOUSE (ABERDEEN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2022 Number	Year ended 31.10.2021 Number
Total	43	29

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2021 and 30 September 2022	715,000
Amortisation and impairment	
At 1 November 2021 and 30 September 2022	715,000
Carrying amount	
At 30 September 2022	-
At 31 October 2021	-

4 Tangible fixed assets

	Property and improvements £	Plant and machinery etc £	Total £
Cost			
At 1 November 2021	1,002,748	180,072	1,182,820
Additions	1,305	4,229	5,534
At 30 September 2022	1,004,053	184,301	1,188,354
Depreciation and impairment			
At 1 November 2021	17,840	96,359	114,199
Depreciation charged in the period	9,978	26,955	36,933
At 30 September 2022	27,818	123,314	151,132
Carrying amount			
At 30 September 2022	976,235	60,987	1,037,222
At 31 October 2021	984,908	83,713	1,068,621

FOURMILE HOUSE (ABERDEEN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

5 Debtors

	2022	As at 31.10.2021
	£	£
Amounts falling due within one year:		
Trade debtors	11,178	15,088
Other debtors	4,013	1,826
	<u>15,191</u>	<u>16,914</u>

6 Creditors: amounts falling due within one year

	2022	As at 31.10.2021
	£	£
Bank loans	68,363	73,870
Trade creditors	77,380	77,942
Amounts owed to group undertakings	363,690	300,000
Taxation and social security	37,108	27,485
Other creditors	24,665	117,860
	<u>571,206</u>	<u>597,157</u>

The Royal Bank of Scotland plc hold a standard security over the property at Fourmile House and a bond and floating charge over all of the assets of the company. The Royal Bank of Scotland plc also hold a guarantee for £1,726,827 from its parent company which is supported by a bond and floating charge and standard security over two properties owned by the parent company.

7 Creditors: amounts falling due after more than one year

	2022	As at 31.10.2021
	£	£
Bank loans	<u>446,759</u>	<u>507,021</u>
Amounts included above which fall due after five years are as follows:		
Payable by instalments	<u>215,808</u>	<u>226,541</u>

8 Called up share capital

	2022	As at 31.10.2021	2022	As at 31.10.2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

FOURMILE HOUSE (ABERDEEN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Robert J C Bain MA CA CTA and the auditor was Hall Morrice LLP.

10 Related party transactions

Transactions with related parties

During the period the company entered into the following transactions with related parties:

	Management charge income		Recharge income	
	2022	Year ended 31.10.2021	2022	Year ended 31.10.2021
	£	£	£	£
Other related parties	15,400	7,000	1,960	-

	Recharged expenses	
	2022	Year ended 31.10.2021
	£	£
Other related parties	5,048	2,902

The following amounts were outstanding at the reporting end date:

	2022	As at 31.10.2021
	£	£
Amounts owed to related parties		
Entities with control, joint control or significant influence over the company	363,690	301,545

The following amounts were outstanding at the reporting end date:

	2022 Balance
	£
Amounts owed by related parties	
Other related parties	3,026
	2021 Balance
	£
Amounts owed in previous period	
Other related parties	3,270

FOURMILE HOUSE (ABERDEEN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

11 Parent company

The parent company is Granite City Hospitality Ltd, a company incorporated in Scotland.

12 Company information

Fourmile House (Aberdeen) Ltd is a private company limited by shares incorporated in Scotland. The registered office is 12 - 16 Albyn Place, Aberdeen, AB10 1PS.