

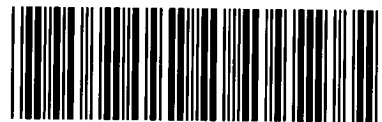
GH Easterton Farm Limited

Financial Statements

**For the year ended
31 December 2017**

Registered number: SC502883

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Strategic Report

The directors have pleasure in submitting their strategic report, directors' report and 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.

Activities

The principal activity of the company continued to be that of development of land at Easterton Farm. During the planning period the farm continues to be utilised for agricultural grazing and for leisure activities.

Business Review

Development and performance of the business of the company during the year and position of the company as at 31 December 2017

The development and performance of the business during the year was in line with expectations.

Principal risks and uncertainties facing the company as at 31 December 2017

The directors consider the main risk facing the company's future trading as being the occurrence of shocks to the global economy that could lead to reduced funding availability and constricted planning within the local area.

Financial and other key performance indicators

The company does not currently record any key performance indicators due to the nature of the business activities.

Financial

The results for the year ended 31 December 2017 are shown on page 5

By order of the board



D A Kemp
Director
The Gleneagles Hotel
Auchterarder, Perthshire
PH3 1NF

24 AUGUST 2018

Directors' report

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

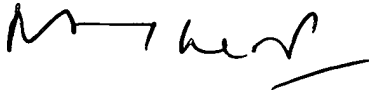
No dividends were settled during the current or prior period.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor KPMG LLP is willing to continue in office and will be deemed to be re-appointed on the expiry of its term in office in respect of the period ended 31 December 2017.

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.

By order of the board



D A Kemp
Director

The Gleneagles Hotel
Auchterarder
Perthshire
PH3 1NF

24 August 2018

Statement of directors' responsibilities in respect of the annual 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 GH Easterton Farm Limited

Opinion

We have audited the financial statements of GH Easterton Farm Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, 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 loss 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 5, 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.

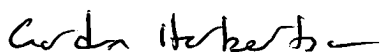
Auditor's responsibilities

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 and Other Comprehensive Income
For the year ended 31 December 2017

	<i>Note</i>	12 months to 31 Dec 2017 £	6 months to 31 Dec 2016 £
Turnover	2	4,458	8,483
Operating costs	3	(18,851)	(10,334)
Loss before taxation		(14,393)	(1,851)
Tax on loss	4	-	-
(Loss) / profit for the financial period		(14,393)	(1,851)

All results arise from continuing operations.

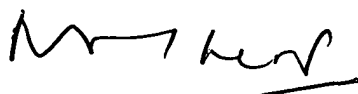
The accounting policies and other notes on pages 8 to 12 form part of the financial statements.

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

Balance Sheet
At 31 December 2017

	<i>Note</i>	31 Dec 2017	31 Dec 2016
		£	£
Fixed assets			
Tangible assets	5	3,038,113	2,646,783
Current assets			
Debtors	6	23,774	6,345
Cash at bank		136,848	-
Creditors: amounts falling due within one year	7	(3,237,890)	(2,677,890)
Net current liabilities		(3,077,268)	(2,671,545)
Net liabilities		(39,155)	(24,762)
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		(39,156)	(24,763)
Shareholders' deficit		(39,155)	(24,762)

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

Company registered number: SC502883

Statement of Changes in Equity
At 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 30 June 2016	1	(22,912)	(22,911)
Total comprehensive loss for the period	-	(1,851)	(1,851)
Balance at 31 December 2016	<u>1</u>	<u>(24,763)</u>	<u>(24,762)</u>
Total comprehensive loss for the period	-	(14,393)	(14,393)
Balance at 31 December 2017	<u>1</u>	<u>(39,156)</u>	<u>(39,155)</u>

Notes

(forming part of the financial statements)

1 Accounting policies

GH Easterton Farm Limited (the "Company") is a company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC502883 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.

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 and may be obtained from The Gleneagles Hotel, Auchterarder, Perthshire. 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.

As the consolidated financial statements of GH Holdings 1 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Judgements made by the directors, in 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 are discussed in note 11.

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 the going concern basis, notwithstanding net current liabilities of £3,077,268 and net liabilities of £39,155 which the directors believe appropriate for the following reasons. The company is dependent for its working capital on funds from other group companies. GH Holdings 2 Limited, the parent company, has provided the company with an undertaking that for at least twelve months from the date of approval of these financial statements and thereafter for the foreseeable future, it will continue to make available such funds as are needed by the company and will not demand repayment of amounts currently provided. The Parent has sufficient resources to make this commitment. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this understanding the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Notes (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. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.4 Tangible fixed assets

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

1.5 Turnover

Turnover represents the net invoice value of rental services, but excluding value added tax. Turnover is recognised at the point that the service is provided.

1.6 Taxation

Tax on the profit or loss for the year comprises current 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 taxation arises in respect of items where there are temporary differences between their treatment for accounting and taxation purposes. This is recognised where an obligation to pay more tax in the future has originated but not reversed at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Notes (continued)

2 Turnover

The turnover and loss on ordinary activities before taxation are attributable to the rental of accommodation and agricultural land, all of which is carried out in the United Kingdom.

3 Expenses and auditor's remuneration

The auditor's remuneration of £3,500 (6 months to 31 December 2016 - £2,500) 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 UK parent, GH Holdings 1 Limited.

The directors of the company do not receive remuneration.

4 Taxation

There is no current or deferred tax charge in the current or prior period.

Reconciliation of effective tax rate

	12 months to 31 Dec 2017 £	6 months to 31 Dec 2016 £
Loss for the year before tax	(14,393)	(1,851)
Tax using the UK corporation tax rate of 19.25% (6 months to 31 December 2016: 20%)	(2,770)	(370)
Tax losses utilised – group relief	2,770	370
Total tax expense	-	-

The company has an unrecognised deferred tax asset of £521 (31 December 2016: £4,494) from trading losses. The asset would be recovered in the event of future taxable profits against which the losses and other timing differences could be relieved.

Notes *(continued)*

5 Tangible fixed assets

	Freehold land and buildings
	£
Cost and net book value	
As at 31 December 2016	2,646,783
Additions	391,330
	<hr/>
At 31 December 2017	3,038,113
	<hr/> <hr/>

6 Debtors

	31 Dec 2017	31 Dec 2016
	£	£
VAT	23,774	-
Other debtors	-	6,345
	<hr/>	<hr/>
	23,774	6,345
	<hr/> <hr/>	<hr/> <hr/>

All amounts fall due within one year.

7 Creditors: amounts falling due within one year

	31 Dec 2017	31 Dec 2016
	£	£
Amounts owed to fellow group undertakings	3,237,890	2,677,890
	<hr/>	<hr/>

All amounts are repayable on demand.

Notes (continued)

8 Capital and reserves

Share capital

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

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

9 Related parties

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.

10 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.

11 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, expected future financial performance and re-sale value of the asset.