

**GLOAG SERVICED APARTMENTS
LIMITED**

**UNAUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2020

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GLOAG SERVICED APARTMENTS LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 7

GLOAG SERVICED APARTMENTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3	15,820,093		16,025,102	
Current assets					
Debtors	4	185,149		254,502	
Cash at bank and in hand		892,596		1,829,384	
		<u>1,077,745</u>		<u>2,083,886</u>	
Creditors: amounts falling due within one year	5	<u>(753,058)</u>		<u>(587,721)</u>	
Net current assets		<u>324,687</u>		<u>1,496,165</u>	
Total assets less current liabilities		<u>16,144,780</u>		<u>17,521,267</u>	
Creditors: amounts falling due after more than one year	6	<u>(17,293,837)</u>		<u>(17,703,334)</u>	
Net liabilities		<u><u>(1,149,057)</u></u>		<u><u>(182,067)</u></u>	
Capital and reserves					
Called up share capital	7	100		100	
Profit and loss reserves	8	<u>(1,149,157)</u>		<u>(182,167)</u>	
Total equity		<u><u>(1,149,057)</u></u>		<u><u>(182,067)</u></u>	

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

For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

GLOAG SERVICED APARTMENTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

The financial statements were approved by the board of directors and authorised for issue on 26th April 2021 and are signed on its behalf by:



.....
Mr G McCabe
Director

Company Registration No. SC533189

GLOAG SERVICED APARTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Gloag Serviced Apartments Limited is a private company limited by shares incorporated in Scotland. The registered office is 56 George Street, Edinburgh, EH2 2LR.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company has net liabilities of £1,188,132 at the balance sheet date. When the UK entered into lock-down at the end of March 2020, the apartments temporarily closed for the safety of staff and guests. Once the market opens back up the directors are confident that the apartments will continue to be revenue generating in the future.

The directors are satisfied that existing banking facilities together with the confirmed support from the shareholders are sufficient to ensure the company will meet its obligations for at least 12 months from the date of approval of the financial statements. The directors are therefore satisfied it is appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received for self serviced short term apartment rentals, 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.

1.4 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.

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:

Freehold land and buildings	2.5% straight line
Furniture, fixtures and fittings	25% straight line

Assets in the course of construction are not depreciated.

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.

GLOAG SERVICED APARTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Borrowing costs related to fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.6 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 and bank loans, 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.

1.7 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.

GLOAG SERVICED APARTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 0 (2019: 0).

3 Tangible fixed assets

	Freehold land and buildings	Furniture, fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2019	15,847,860	351,917	16,199,777
Additions	194,299	12,305	206,604
At 31 March 2020	16,042,159	364,222	16,406,381
Depreciation and impairment			
At 1 April 2019	144,113	30,562	174,675
Depreciation charged in the year	408,806	2,807	411,613
At 31 March 2020	552,919	33,369	586,288
Carrying amount			
At 31 March 2020	15,489,240	330,853	15,820,093
At 31 March 2019	15,703,747	321,355	16,025,102

During the year £nil (2019: £276,316) of interest costs directly attributable to the financing of freehold property developments were capitalised at the weighted average cost of the related borrowings. The total capitalised interest at 31 March 2020 was £1,412,169 (2019: £1,412,169).

4 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	161,909	167,345
Other debtors	23,240	87,157
	185,149	254,502

GLOAG SERVICED APARTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	177,622	166,249
Other taxation and social security	238,255	24,317
Deferred income	21,545	80,207
Accruals	315,636	316,948
	<u>753,058</u>	<u>587,721</u>

6 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	8,223,670	9,378,000
Shareholder loans	9,070,167	8,325,334
	<u>17,293,837</u>	<u>17,703,334</u>

Shareholder loans carry an interest charge of 7% and are repayable at the earliest of either 5 October 2023 or a date as agreed between the company and lenders.

The Royal Bank of Scotland PLC has a fixed and floating charge over the property owned by the Company as security in relation to the bank loan.

7 Called up share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
81 Ordinary A of £1 each	81	81
10 Ordinary B of £1 each	10	10
9 Ordinary C of £1 each	9	9
	<u>100</u>	<u>100</u>

The ordinary A and B shares rank pari passu. Ordinary C shares carry no voting rights. All ordinary shares rank equally with regards to capital and dividend distributions.

8 Profit and loss reserves

Profit and loss reserves are the cumulative net profits or losses in the statement of comprehensive income.

GLOAG SERVICED APARTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Control

The directors regard Highland & Universal Investments Limited, a company incorporated in England, as the immediate parent company.

The directors regards Gloag Investments Group Limited, a company incorporated in Scotland, as the ultimate parent company. The financial statements of Gloag Investments Group Limited are available at its registered office, 56 George Street, Edinburgh, EH2 2LR.

In the opinion of the directors, Dame Ann Gloag is the ultimate controlling party by virtue of her interest in Gloag Investments Group Limited.