

Company Registration No. SC533189 (Scotland)

**GLOAG SERVICED APARTMENTS
LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

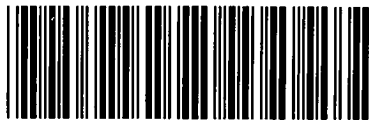
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GLOAG SERVICED APARTMENTS LIMITED

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GLOAG SERVICED APARTMENTS LIMITED

BALANCE SHEET


AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		12,244,012		7,541,399
Current assets					
Debtors	4	471,086		40,962	
Cash at bank and in hand		67,465		467,975	
		538,551		508,937	
Creditors: amounts falling due within one year	5	(820,651)		(8,062,236)	
Net current liabilities			(282,100)		(7,553,299)
Total assets less current liabilities			11,961,912		(11,900)
Creditors: amounts falling due after more than one year	6		(11,990,412)		-
Net liabilities			(28,500)		(11,900)
Capital and reserves					
Called up share capital	7		100		100
Profit and loss reserves	8		(28,600)		(12,000)
Total equity			(28,500)		(11,900)

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 21st December 2018 and are signed on its behalf by:


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Mr G McCabe
Director

Company Registration No. SC533189

GLOAG SERVICED APARTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 20 April 2016		-	-	-
Period ended 30 April 2017:				
Loss and total comprehensive income for the period		-	(12,000)	(12,000)
Issue of share capital	7	100	-	100
Balance at 30 April 2017		100	(12,000)	(11,900)
Period ended 31 March 2018:				
Loss and total comprehensive income for the period		-	(16,600)	(16,600)
Balance at 31 March 2018		100	(28,600)	(28,500)

GLOAG SERVICED APARTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

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 £28,500 and net current liabilities of £282,100 at the balance sheet date. Subsequent to the year end, the company has continued with the development of the property and the serviced apartments have begun generating revenue.

The directors are satisfied that the business remains on plan, and banking facilities in place together with the confirmed support from the shareholders are sufficient to ensure the company will meet its obligations for the foreseeable future, and specifically at least 12 months from this date. The directors are therefore satisfied it is appropriate to prepare the financial statements on a going concern basis.

1.3 Reporting period

These financial statements have been prepared for the 11 month period to 31 March 2018, whilst comparatives are for the period 20 April 2016 to 30 April 2017. The directors have chosen to move the year end of the company to better align with its financing partners.

1.4 Tangible fixed assets

Tangible fixed assets comprise of assets under construction and represent costs associated with the development and remodelling of a property for planned future business interests. Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

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 PERIOD ENDED 31 MARCH 2018

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, 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.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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 PERIOD ENDED 31 MARCH 2018

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 0 (2017: 0).

3 Tangible fixed assets

	Assets under construction £
Cost	
At 1 May 2017	7,541,399
Additions	4,702,613
	<hr/>
At 31 March 2018	12,244,012
	<hr/>
Depreciation and impairment	
At 1 May 2017 and 31 March 2018	-
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Carrying amount	
At 31 March 2018	12,244,012
	<hr/>
At 30 April 2017	7,541,399
	<hr/>

During period £778,193 (2017: £nil) 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 2018 was £778,193 (2017: £nil).

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	471,086	40,962
	<hr/>	<hr/>

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Shareholder loans	-	7,714,102
Trade creditors	806,064	345,134
Other creditors	11,487	-
Accruals	3,100	3,000
	<hr/>	<hr/>
	820,651	8,062,236
	<hr/>	<hr/>

Shareholder loans carry an interest charge of 7% with interest repayable on demand. In the prior period the loans were also repayable on demand.

GLOAG SERVICED APARTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

6 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	4,325,830	-
Shareholder loans	7,664,582	-
	<u>11,990,412</u>	<u>-</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

	2018 £	2017 £
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.

Movement on these reserves are set out in the statement of changes in equity.

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 Barry Masson.

The auditor was Johnston Carmichael LLP.

GLOAG SERVICED APARTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

10 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, Ann Gloag OBE is the ultimate controlling party by virtue of her interest in Gloag Investments Group Limited.