

# REGISTRAR OF COMPANIES

**GAT INVESTMENTS LIMITED**

**Report and Financial Statements**

**31 March 2012**

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COMPANIES HOUSE



**REPORT AND FINANCIAL STATEMENTS 2012**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

B P Moss (OBE)

J Moss

D P Moss

S J Levy

**SECRETARY**

B P Moss (OBE)

**REGISTERED OFFICE**

Hill House

1 Little New Street

London

EC4A 3TR

**SOLICITORS**

BACI Law

**BANKERS**

National Westminster Bank Plc

**AUDITOR**

Deloitte LLP

Cardiff

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption

## ACTIVITIES

The principal activity of the company is property investment

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the financial year are considered to be satisfactory, details of which are set out in the profit and loss account on page 6. The state of affairs of the company at the year-end is shown in the balance sheet on page 7. The directors are satisfied that the company will continue to trade profitably in the future.

There have not been any significant post balance sheet events

## GOING CONCERN

The directors have considered the use of the going concern basis in the preparation of the financial statements and have concluded that it was appropriate. More information is provided in note 1 of the financial statements.

## DIRECTORS

The current directors of the company, who served throughout the financial year, are as shown on page 1. J D Chart and N J Shestopal resigned as directors on 10 September 2011.

## DIVIDENDS

No dividends have been paid in the current or the prior financial year.

## CHARITABLE DONATIONS

Payments of a charitable nature made during the year amounted to £17,730 (2011 - £19,150).

## AUDITOR

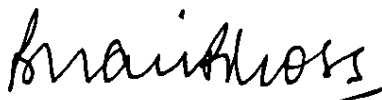
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



B P Moss (OBE)  
Secretary

Date 20/12/12

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAT INVESTMENTS LIMITED**

We have audited the financial statements of GAT Investments Limited for the year ended 31 March 2012 which comprise the profit and loss account, the note of historical cost profits and losses, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Basis for qualified opinion on financial statements**

The company follows the policy of including investment properties in the balance sheet at valuation at 31 December 1999 together with subsequent additions at cost. This is not in accordance with Statement of Standard Accounting Practice 19 *Accounting for investment properties*, which requires that such properties be included at open market value. Any surplus or deficit arising from a valuation would increase or decrease, respectively, the amounts shown in the balance sheet for investment properties and revaluation reserve. In the absence of a valuation being made of the company's investment properties, it is not practicable to quantify the effects of the departure from the accounting standard.

### **Qualified opinion on financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAT INVESTMENTS LIMITED (continued)**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

### **Matters on which we are required to report by exception**

Arising from matter described in the Basis for Qualified Opinion referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records have been kept

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

*Andrew Wright*

**Andrew Wright (Senior statutory auditor)**  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
Cardiff, United Kingdom

Date *21 December 2012*

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2012**

	Note	2012 £	2011 £
<b>TURNOVER</b>	2	3,458,589	3,426,095
<b>GROSS PROFIT</b>		3,458,589	3,426,095
Administrative expenses	3	(598,525)	(616,970)
<b>OPERATING PROFIT</b>	3	2,860,064	2,809,125
Profit on sale of fixed assets		297,785	-
Interest receivable and similar income		22,167	4,673
Interest payable and similar charges	4	(1,391,700)	(1,391,700)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,788,316	1,422,098
Tax on profit on ordinary activities	6	(496,894)	(344,157)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	14	1,291,422	1,077,941

All activities derive from continuing operations

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**Year ended 31 March 2012**

	2012 £	2011 £
Profit on ordinary activities before taxation	1,788,316	1,422,098
Realisation of property revaluation gains of previous years	465,742	-
Historical cost profit on ordinary activities before taxation	2,254,058	1,422,098
Historical cost profit for the year retained after taxation	1,757,164	1,077,941



# GAT INVESTMENTS LIMITED

## BALANCE SHEET 31 March 2012

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Tangible assets	7		56,191,620		56,234,859
<b>CURRENT ASSETS</b>					
Debtors	8	399,103		718,844	
Current asset investments	9	2,377,230		782,962	
Cash at bank and in hand		1,335,207		1,010,151	
		<u>4,111,540</u>		<u>2,511,957</u>	
<b>CREDITORS</b> amounts falling due within one year	10	(2,102,758)		(1,865,634)	
<b>NET CURRENT ASSETS</b>			<u>2,008,782</u>		<u>646,323</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			58,200,402		56,881,182
<b>CREDITORS:</b> amounts falling due after more than one year	11		(23,195,000)		(23,195,000)
<b>PROVISIONS FOR LIABILITIES</b>	12		<u>(670,725)</u>		<u>(642,927)</u>
<b>NET ASSETS</b>			<u>34,334,677</u>		<u>33,043,255</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		8,503,392		8,503,392
Revaluation reserve	14		296,525		762,267
Profit and loss account	14		<u>25,534,760</u>		<u>23,777,596</u>
<b>SHAREHOLDERS' FUNDS</b>	15		<u>34,334,677</u>		<u>33,043,255</u>

The financial statements of GAT Investments Limited, registered number 00461944, were approved by the Board of Directors and authorised for issue on 20 December 2012

Signed on behalf of the Board of Directors



B P Moss (OBE)  
Director

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2012****1 ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties.

**Going concern**

The directors have assessed the balance sheet and likely future cash flows of the company at the date of approving the financial statements.

The company has considerable financial resources and the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

**Tangible fixed assets**

Tangible fixed assets are calculated to write off their cost, other than freehold and long leasehold property, over their estimated useful lives. The rates of depreciation are as follows:

Plant and machinery	-	4 to 8 years straight-line
Motor vehicles	-	4 years reducing balance

Under the requirements of SSAP19, Accounting for Investment Properties, investment properties are required to be revalued at the balance sheet date at open market value. Any surplus or deficit arising from revaluation is to be transferred to a revaluation reserve. The last revaluation for properties owned was made at 31 December 1999 and properties purchased later have been recorded at cost although, in the opinion of the directors, the current market value of the properties is in excess of cost and the previous valuation.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. No depreciation is provided in respect of investment properties, as the directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the year would have been decreased by depreciation. However, the amount of depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**1 ACCOUNTING POLICIES (continued)**

**Cash flow statement**

Under Financial Reporting Standard 1, the company is not required to prepare a cash flow statement as it qualifies as a small company

**Revenue recognition**

Revenue is recognised in the period to which the rental income relates

**2 TURNOVER**

The turnover, all of which arises in the United Kingdom, represents the invoiced value of goods and services, exclusive of value added tax

	2012 £	2011 £
<b>Analysis of turnover by activity</b>		
Rents receivable	3,458,589	3,426,095

**3. ADMINISTRATIVE EXPENSES AND OPERATING PROFIT**

	2012 £	2011 £
<b>Operating profit is stated after charging the following administrative expenses</b>		
Employment costs (note 5)	143,037	141,839
Depreciation	2,824	412
Other operating charges	452,664	474,719
	<u>598,525</u>	<u>616,970</u>
<b>Included in other operating charges</b>		
Audit fee	<u>10,000</u>	<u>9,500</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2012 £	2011 £
Other interest	<u>1,391,700</u>	<u>1,391,700</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2012 £	2011 £
Directors' emoluments	143,037	141,839

The directors were the only employees of the company during the current and the prior financial year

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2012 £	2011 £
i) Analysis of tax charge on ordinary activities		
United Kingdom corporation tax at 26% (2011 – 28%)	508,598	361,346
Adjustment in respect of prior years	(39,502)	(1,125)
Total current tax	469,096	360,221
Deferred tax		
Timing differences, origination and reversal	49,229	(16,064)
Adjustment in respect of prior years	34,463	-
Effect of changes in tax rates	(55,894)	-
Total deferred tax	27,798	(16,064)
Tax on profit on ordinary activities	496,894	344,157
ii) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	1,788,316	1,422,098
Tax at 26% (2011 – 28%) thereon	464,962	398,187
Expenses not deductible for tax purposes	29,007	-
Capital allowances in excess of depreciation	(49,229)	(33,391)
Chargeable gains	63,858	-
Marginal relief	-	(3,450)
Prior year adjustments	(39,502)	(1,125)
Current tax charge	469,096	360,221

The forthcoming change in the corporation tax rate to 24% in future years will not materially affect the future tax charge

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**7 TANGIBLE FIXED ASSETS**

	Investment properties - freehold land and buildings £	Plant, machinery and motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 April 2011	56,234,295	1,650	56,235,945
Additions	1,214,941	9,644	1,224,585
Disposals	(1,265,000)	-	(1,265,000)
At 31 March 2012	56,184,236	11,294	56,195,530
At valuation	10,242,390	-	10,242,390
At cost	45,941,846	11,294	45,953,140
	56,184,236	11,294	56,195,530
<b>Accumulated depreciation</b>			
At 1 April 2011	-	1,086	1,086
Charge for the year	-	2,824	2,824
At 31 March 2012	-	3,910	3,910
<b>Net book value</b>			
At 31 March 2012	56,184,236	7,384	56,191,620
At 31 March 2011	56,234,295	564	56,234,859
<b>Comparable amounts determined according to the historical cost convention</b>			
	£	£	£
Cost	55,472,028	1,650	55,473,678
Additions	1,214,941	9,644	1,224,585
Disposals	(799,258)	-	(799,258)
Accumulated depreciation	-	(3,910)	(3,910)
Net book value			
At 31 March 2012	55,887,711	7,384	55,895,095
At 31 March 2011	55,472,028	564	55,472,592

Investment properties were last valued by Allsop & Co Property Consultants, independent of the company, at open market value on 31 December 1999. Property values have been reviewed by the directors, who consider that their open market value at the balance sheet date is in excess of cost and the previous valuation.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**8. DEBTORS**

	2012 £	2011 £
Trade debtors	13,556	2,750
Amounts owed by group undertakings	57,235	57,235
Prepayments and other debtors	328,312	658,859
	<u>399,103</u>	<u>718,844</u>

**9. CURRENT ASSET INVESTMENTS**

	2012 £	2011 £
30-day notice deposit accounts	2,377,230	782,962
	<u>2,377,230</u>	<u>782,962</u>

**10. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Corporation tax	469,180	361,414
Other creditors including taxation and social security	706,781	509,644
Accruals and deferred income	926,797	994,576
	<u>2,102,758</u>	<u>1,865,634</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2012 £	2011 £
Other loans	23,195,000	23,195,000
	<u>23,195,000</u>	<u>23,195,000</u>

Loans received are long-term and unsecured with no fixed repayment date, for which interest at a market rate is paid by the company quarterly in arrears

All lenders are related parties Refer to note 16 for details

**12 PROVISIONS FOR LIABILITIES**

	2012 £	2011 £
<b>Deferred taxation</b>		
Balance at 1 April	642,927	658,991
Charged/(credited) to profit and loss account	27,798	(16,064)
	<u>670,725</u>	<u>642,927</u>
Balance at 31 March	<u>670,725</u>	<u>642,927</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**13 CALLED UP SHARE CAPITAL**

	2012 £	2011 £
Called up, allotted and fully paid Ordinary £1 shares	8,503,392	8,503,392

**14. STATEMENT OF MOVEMENTS ON RESERVES**

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2011	762,267	23,777,596
Disposal	(465,742)	465,742
Profit for the financial year	-	1,291,422
Balance at 31 March 2012	296,525	25,534,760

**15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2012 £	2011 £
Shareholders' funds at 1 April	33,043,255	31,965,314
Profit for the financial year	1,291,422	1,077,941
Shareholders' funds at 31 March	34,334,677	33,043,255

**16 RELATED PARTY TRANSACTIONS**

As at 31 March 2012, a loan of £1,250,000 (2011 - £1,250,000) was due to a trust for which B P Moss and J Moss act as trustees. As at 31 March 2012, loans of £13,645,000 (2011 - £13,645,000) were due to trusts for which B P Moss acts as trustee. Accrued interest of £409,350 (2011 - £nil) was due to the trusts at the year-end.

A loan of £1,300,000 (2011 - £1,300,000) was due to the directors personally, and equal amounts of £3,500,000 (2011 - £3,500,000) are due to each of the directors' two children.

Total loans and accrued interest in which the directors' family held either a direct or a non-beneficial interest at 31 March 2012 amounted to £23,604,350 (2011 - £23,195,000).

**17. PARENT COMPANY AND ULTIMATE CONTROLLING PARTY**

The immediate and ultimate parent company is GAT Holdings Limited, which heads the smallest and largest group of which the company is a member and for which group financial statements have been prepared. The consolidated financial statements of the group are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

There is no ultimate controlling party.