

GAT Investments Limited

Annual report and financial statements

for the year ended 31 March 2016

Registered number: 00461944



GAT Investments Limited

Contents

	Page
Directors' report	1
Directors' responsibilities statement	2
Chartered accountants' report	3
Profit & Loss account and Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7

GAT Investments Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the unaudited financial statements, for the year ended 31 March 2016.

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

Future developments and events after the balance sheet date

The results for the financial year are considered to be satisfactory, details of which are set out in the statement of income and retained earnings on page 4. The state of affairs of the company at the year-end is shown in the balance sheet on page 5. 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 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 annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

Dividends

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

Charitable donations

Payments made during the year amounted to £2,940 (2015 - £16,300).

Directors

The directors, who served throughout the year and subsequently to the date of this report except as noted, were as follows:

B P Moss (OBE) (deceased 2 April 2016)

J Moss


D P Moss

S J Levy

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Approved by the Board and signed on its behalf by:

 26 July 2016

D P Moss
Director

Hill House
1 Little New Street
London
EC4A 3TR

GAT Investments Limited

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), 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Chartered accountants' report to the Board of Directors on the preparation of the unaudited statutory financial statements of GAT Investments Limited for the year ended 31 March 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of GAT Investments Limited for the year ended 31 March 2016 which comprises the statement of income and retained earnings, the balance sheet and the related notes 1 to 14 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/membershandbook.

This report is made solely to the Board of Directors of GAT Investments Limited, as a body, in accordance with the terms of our engagement letter dated 6 June 2016. Our work has been undertaken solely to prepare for your approval the financial statements of GAT Investments Limited and state those matters that we have agreed to state to you in this report in accordance with AAF 02/10 as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than GAT Investments Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that GAT Investments Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of GAT Investments Limited. You consider that GAT Investments Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of GAT Investments Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants
Cardiff, United Kingdom

Date 29 August 2016

GAT Investments Limited

Profit and loss account

For the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	1&2	4,687,263	4,420,679
Administrative expenses		(460,175)	(435,850)
Operating profit		4,227,088	3,984,829
Interest receivable and similar income	3	12,776	3,189
Interest payable and similar charges	3	(1,959,713)	(1,711,125)
Profit on sale of fixed assets		3,354,624	-
Profit on ordinary activities before taxation		5,634,775	2,276,893
Tax on profit on ordinary activities	6	(827,291)	(514,801)
Profit for the financial year		4,807,484	1,762,092

All results arise from continuing operations.

Statement of comprehensive income

for the year ended 31 March 2016

	2016 £	2015 £
Profit for the financial year	4,807,484	1,762,092
Realisation of revaluation reserve	(55,363)	-
Total comprehensive income for the year	4,752,121	1,762,092

GAT Investments Limited

Balance sheet

For the year ended 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	7	71,379,578	72,631,076
Current assets:			
Debtors	8	312,371	385,266
Cash at bank and in hand		9,102,542	2,010,290
Creditors: amounts falling due within one year	9	(2,105,082)	(2,030,700)
Net current assets		7,309,831	364,856
Total assets less current liabilities		78,689,409	72,995,932
Creditors: amounts falling due after more than one year	10	(30,905,000)	(29,970,000)
Provisions for liabilities	11	(656,889)	(705,896)
Net assets		47,127,520	42,320,036
Capital and reserves			
Called up share capital	12	8,503,392	8,503,392
Revaluation reserve		351,888	296,525
Profit and loss reserve		38,272,240	33,520,119
Shareholder's funds		47,127,520	42,320,036

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of GAT Investments Limited (registered number 00461944) were approved by the Board of Directors and authorised for issue on

26 July 2016

They were signed on its behalf by:



D P Moss
Director

GAT Investments Limited

Statement of changes in equity

As at 31 March 2016

	Share capital	Revaluation reserve	Retained earnings	Total equity
At the beginning of the year	8,503,392	296,525	33,520,119	42,320,036
Profit for the financial year	-	-	4,807,484	4,807,484
Realisation of the revaluation reserve	-	55,363	(55,363)	-
At the end of the year	8,503,392	351,888	38,272,240	47,127,520

GAT Investments Limited

Notes to the financial statements

For the year ended 31 March 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

GAT Investments Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. As a consequence of adopting FRS 102, no accounting policies have changed to comply with that standard.

The functional currency of GAT Investments Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

GAT Investments Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are as follows:

– Preparation of cash flow statement

b. Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report.

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 of accounting in preparing the annual financial statements.

The directors consider the results for the financial year to be satisfactory. The company has recorded a profit of £4,807,484 for the year ended 31 March 2016 (2015 - £1,762,092) and has net current assets of £7,309,831 at 31 March 2016 (2015 - £364,856). The directors have assessed the balance sheet of GAT Investments Limited at the date of approving the financial statements.

The directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future, and continue to adopt the going concern basis in preparing the financial statements.

c. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery	25% per annum
---------------------	---------------

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

GAT Investments Limited

Notes to the financial statements

For the year ended 31 March 2016

1. Accounting policies (continued)

d. Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the statement of income and retained earnings.

e. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

GAT Investments Limited

Notes to the financial statements

For the year ended 31 March 2016

1. Accounting policies (continued)

g. Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

h. Turnover

Turnover is the amount derived from the collection of rents and falls within the company's ordinary activities. Revenue is recognised in the period in which the rents are receivable. All revenue arises in the United Kingdom.

GAT Investments Limited

Notes to the financial statements For the year ended 31 March 2016

2. Turnover

	2016 £	2015 £
Turnover		
Rent receivable	<u>4,682,606</u>	<u>4,420,679</u>

3. Finance costs (net)

	2016 £	2015 £
Interest payable and similar charges	1,959,713	1,711,125
Interest receivable and similar income	<u>(12,776)</u>	<u>(3,189)</u>
	<u>1,946,937</u>	<u>1,707,936</u>

4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets (note 7)	1,261	3,371
Gain on disposal of fixed assets (note 7)	<u>(3,354,624)</u>	<u>-</u>

5. Directors' remuneration and transactions

	2016 £	2015 £
<i>Directors' remuneration</i>		
Emoluments	<u>25,331</u>	<u>-</u>

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

GAT Investments Limited

Notes to the financial statements For the year ended 31 March 2016

6. Tax on profit on ordinary activities

The tax charge comprises:

	2016 £	2015 £
Current tax on profit on ordinary activities		
UK corporation tax	876,298	375,677
Adjustments in respect of prior years	-	(64,294)
Total current tax	876,298	311,383
Deferred tax		
Origination and reversal of timing differences	23,981	102,469
Adjustment in respect of prior years	-	105,828
Effect of changes in tax rates	(72,988)	(4,879)
Total deferred tax (see note 11)	(49,007)	203,418
Total tax on profit on ordinary activities	827,291	514,801

The standard rate of tax applied to the reported profit on ordinary activities is 20% (2015: 21%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2015.

There is no expiry date on timing differences, unused tax losses or tax credits.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. It has also been announced that there will be a further reduction to 17% in future years. This is not anticipated to materially affect the company's future current tax charge.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	£	£
Profit on ordinary activities before tax	5,634,775	2,276,893
Tax on profit on ordinary activities at standard UK corporation tax rate of 20% (2015: 21%)	1,126,955	478,146
Effects of:		
Income not taxable	(226,676)	-
Tax rate changes	(72,988)	(4,879)
Adjustments to tax charge in respect of previous periods	-	41,534
Total tax charge for period	827,291	514,801

GAT Investments Limited

Notes to the financial statements For the year ended 31 March 2016

7. Tangible fixed assets

	Investment properties £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2015	72,629,309	13,483	72,642,792
Additions	1,739,394	1,206	1,740,600
Disposals	(2,990,837)	(9,643)	(3,000,480)
At 31 March 2016	<u>71,377,866</u>	<u>5,046</u>	<u>71,382,912</u>
Depreciation			
At 1 April 2015	-	11,716	11,716
Charge for the year	-	1,261	1,261
Disposals	-	(9,643)	(9,643)
At 31 March 2016	<u>-</u>	<u>3,334</u>	<u>3,334</u>
Net book value			
At 31 March 2016	<u>71,377,866</u>	<u>1,712</u>	<u>71,379,578</u>
At 31 March 2015	<u>72,629,309</u>	<u>1,767</u>	<u>72,631,076</u>

i. Investment properties

Investment properties, which are all freehold, were revalued to fair value at 31 December 1999, based on a valuation undertaken by Allsop & Co. Property Consultants, an independent valuer with recent experience in the location and class of the investment property being valued.

As set out in note 2, property rental income earned during the year was £4,682,606 (2015 - £4,420,679). No contingent rents have been recognised as income in the current or prior year.

At the balance sheet date, the company had contracted with tenants for the following future minimum lease payments:

	2016 £	2015 £
Within one year	3,747,400	4,133,380
In the second to fifth years inclusive	11,995,375	12,553,232
After five years	<u>29,185,302</u>	<u>29,420,002</u>

If land and buildings had not been revalued they would have been included at the following amounts:

	£	£
Cost	<u>71,022,017</u>	<u>72,332,784</u>

GAT Investments Limited

Notes to the financial statements

For the year ended 31 March 2016

8. Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	16,977	19,167
Amounts owed by group undertakings	57,235	57,235
Prepayments and other debtors	238,159	308,864
	<u>312,371</u>	<u>385,266</u>

9. Creditors: amounts falling due within one year

	2016 £	2015 £
Corporation tax	361,582	81,245
Other creditors including other taxation and social security	761,155	934,349
Accruals and deferred income	982,345	1,015,106
	<u>2,105,082</u>	<u>2,030,700</u>

10. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other loans	<u>30,905,000</u>	<u>29,970,000</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 13 for details.

GAT Investments Limited

Notes to the financial statements For the year ended 31 March 2016

11. Provisions for liabilities

	2016 £	2015 £
Deferred taxation		
At 1 April	705,896	502,478
Charged to profit and loss account	(49,007)	97,590
Adjustment in respect of prior years	-	105,828
	<u>656,889</u>	<u>705,896</u>
At 31 March		

Deferred tax

Deferred tax is provided as follows:

	£	£
Fixed asset timing differences	656,889	713,996
Non trading timing differences	-	(8,100)
	<u>656,889</u>	<u>705,896</u>
Provision for deferred tax		

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the tax group.

12. Called up share capital and reserves

	2016 £	2015 £
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>8,503,392</u>	<u>8,503,392</u>

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the re-measurement of investment properties, net of dividends paid and other adjustments.

GAT Investments Limited

Notes to the financial statements **For the year ended 31 March 2016**

13. Related party transactions

Directors' transactions

Loan to director:

An unsecured loan of £1,738, was outstanding during the year from Mr B P Moss OBE (deceased). The amount of the liability at the beginning of the year was £5,423 and the maximum outstanding during the year was £5,423. It is expected that this loan will be repayable by the estate within one year and is repayable on demand.

Other related party transactions

1. As at 31 March 2016, loans of £21,605,000 (2015 - £20,670,000), where the maximum amount outstanding was £21,605,000 during the year (2015 - £20,670,000), were due to trusts for which director B P Moss acted jointly as trustee with the directors J Moss, D P Moss and S J Levy. Accrued interest of £324,075 (2015 - £284,329) was due to the trusts at the year-end.
2. A joint loan of £2,300,000, which was the maximum amount outstanding (2015 - £2,300,000), was due to the directors B P Moss and J Moss personally. A loan of £3,500,000 which was the maximum amount outstanding (2015 - £3,500,000), was due to the director D P Moss jointly with his wife. A loan of £3,500,000, which was the maximum amount outstanding (2015 - £3,500,000), was due to the director S Levy personally. Accrued interest of £139,500 (2015 - £111,843).

Total loans and accrued interest in which the directors' held either a direct or a non-beneficial interest at 31 March 2016 amounted to £31,368,575 (2015 - £30,366,172).

14. Controlling party

The ultimate controlling party is D P Moss.