

REGISTRAR OF COMPANIES

**GAT INVESTMENTS LIMITED**

**Report and financial statements**

**31 March 2014**

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**REPORT AND FINANCIAL STATEMENTS 2014**

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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

London

**BANKERS**

National Westminster Bank Plc

Caerphilly

**ACCOUNTANTS**

Deloitte LLP

Cardiff

## DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements for the year ended 31 March 2014.

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 5. The state of affairs of the company at the year-end is shown in the balance sheet on page 6. 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 is appropriate. More information is provided in note 1 of the financial statements.

### DIRECTORS

The directors of the company, who served throughout the financial year and subsequently, are as shown on page 1.

### 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 £15,350 (2013 - £18,050).

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

B P Moss (OBE)  
Secretary

Date .....

*B P Moss*  
9 December 2014

## **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.

## **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 2014**

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 2014 which comprises the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18 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](http://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 17 October 2014. 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](http://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... *17 December 2014*

**PROFIT AND LOSS ACCOUNT**

Year ended 31 March 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	2	4,131,901	3,611,141
Administrative expenses		<u>(447,140)</u>	<u>(628,531)</u>
<b>OPERATING PROFIT</b>	3	3,684,761	2,982,610
Profit on sale of fixed assets	4	3,816,392	-
Interest receivable and similar income	5	6,943	14,083
Interest payable and similar charges	6	<u>(1,563,892)</u>	<u>(1,427,749)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		5,944,204	1,568,944
Tax on profit on ordinary activities	8	<u>(1,044,814)</u>	<u>(245,067)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	15	<u><u>4,899,390</u></u>	<u><u>1,323,877</u></u>

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.

**BALANCE SHEET**  
**As at 31 March 2014**

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	9	68,082,919	63,721,279
<b>CURRENT ASSETS</b>			
Debtors	10	481,043	413,943
Cash at bank and in hand		2,123,587	974,781
		<u>2,604,630</u>	<u>1,388,724</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(3,332,127)</u>	<u>(2,463,304)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(727,497)</u>	<u>(1,074,580)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		67,355,422	62,646,699
<b>CREDITORS: amounts falling due after more than one year</b>	12	(26,295,000)	(26,295,000)
<b>PROVISIONS FOR LIABILITIES</b>	13	<u>(502,478)</u>	<u>(693,145)</u>
<b>NET ASSETS</b>		<u>40,557,944</u>	<u>35,658,554</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	8,503,392	8,503,392
Revaluation reserve	15	296,525	296,525
Profit and loss account	15	<u>31,758,027</u>	<u>26,858,637</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u>40,557,944</u>	<u>35,658,554</u>

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of the financial statements in accordance with section 476.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements of GAT Investments Limited, registered number 00461944, were approved by the Board of Directors and authorised for issue on ..... 9 December 2014

Signed on behalf of the Board of Directors



B P Moss (OBE)  
Director



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

### 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.

#### **Basis of preparation**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standards for Smaller Entities (effective April 2008) under the historic cost convention.

#### **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 net current liabilities at 31 March 2014; however, it has sufficient financial resources and, as a consequence, the directors believe that it is well placed to manage its business risks successfully.

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.

#### **Cashflow**

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

#### **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
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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.

# NOTES TO THE FINANCIAL STATEMENTS

## Year ended 31 March 2014

### 1. ACCOUNTING POLICIES (continued)

#### Taxation

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.

### 2. TURNOVER

#### Turnover and revenue recognition

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

	2014 £	2013 £
<b>Analysis of turnover by activity</b>		
Rents receivable	<u>4,131,901</u>	<u>3,611,141</u>

### 3. OPERATING PROFIT

	2014 £	2013 £
<b>Operating profit is stated after charging the following administrative expenses</b>		
Depreciation- owned assets	<u>2,967</u>	<u>3,117</u>

### 4. PROFIT ON SALE OF FIXED ASSETS

	2014 £	2013 £
Disposal of investment property	<u>3,816,392</u>	<u>-</u>

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £	2013 £
Bank interest	<u>6,943</u>	<u>14,083</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Other interest	<u>1,563,892</u>	<u>1,427,749</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2014**

**7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2014 £	2013 £
Directors' emoluments	143,069	143,251

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

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2014 £	2013 £
i) Analysis of tax charge on ordinary activities		
United Kingdom corporation tax at 23% (2013 - 24%)	1,102,752	222,652
Adjustment in respect of prior years	132,729	(5)
Total current tax	1,235,481	222,647
Deferred tax		
Timing differences, origination and reversal	(84,890)	150,801
Adjustment in respect of prior years	(30,406)	(98,244)
Effect of changes in tax rates	(75,371)	(30,137)
Total deferred tax	(190,667)	22,420
Tax on profit on ordinary activities	1,044,814	245,067
ii) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	5,944,204	1,568,944
Tax at 23% (2013 - 24%) thereon	1,367,166	376,547
Expenses not deductible for tax purposes	-	2,400
Capital allowances in excess of depreciation	(15,853)	(52,557)
Movement in short-term timing differences	6,592	(98,244)
Prior year adjustments	132,729	(5)
Effects of other tax rates/credits	(255,153)	(5,494)
Current tax charge	1,235,481	222,647

The forthcoming change in the corporation tax rate to 20% in future years will not materially affect the future tax charge.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2014**

**9. TANGIBLE FIXED ASSETS**

	Investment properties	Plant and machinery	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2013	63,714,788	13,519	63,728,307
Additions	7,153,006	-	7,153,006
Disposals	(2,788,399)	(1,650)	(2,790,049)
At 31 March 2014	68,079,395	11,869	68,091,264
At valuation	10,386,198	-	10,386,198
At cost	57,693,197	11,869	57,705,066
	68,079,395	11,869	68,091,264
<b>Accumulated depreciation</b>			
At 1 April 2013	-	7,028	7,028
Charge for the year	-	2,967	2,967
Disposals	-	(1,650)	(1,650)
At 31 March 2014	-	8,345	8,345
<b>Net book value</b>			
At 31 March 2014	68,079,395	3,524	68,082,919
At 31 March 2013	63,714,788	6,491	63,721,279
<b>Comparable amounts determined according to the historical cost convention</b>			
	£	£	£
Cost	63,418,263	11,869	63,430,132
Additions	7,153,006	-	7,153,006
Disposals	(2,788,399)	-	(2,788,399)
Accumulated depreciation	-	(8,345)	(8,345)
Net book value			
At 31 March 2014	67,782,870	3,524	67,786,394
At 31 March 2013	63,417,263	6,491	63,423,754

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 materially in excess of cost and the previous valuation.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2014**

**10. DEBTORS**

	2014 £	2013 £
Trade debtors	13,556	13,556
Amounts owed by group undertakings	57,235	57,235
Prepayments and other debtors	410,252	343,152
	<u>481,043</u>	<u>413,943</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Corporation tax	619,291	222,810
Other creditors including taxation and social security	1,771,439	1,225,187
Accruals and deferred income	941,397	1,015,307
	<u>3,332,127</u>	<u>2,463,304</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014 £	2013 £
Other loans	26,295,000	26,295,000

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 15 for details.

**13. PROVISIONS FOR LIABILITIES**

	2014 £	2013 £
<b>Deferred taxation</b>		
Balance at 1 April	693,145	670,725
(Credited)/charged to profit and loss account	(190,667)	22,420
Balance at 31 March	<u>502,478</u>	<u>693,145</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Year ended 31 March 2014

### 14. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Called up, allotted and fully paid Ordinary £1 shares	<u>8,503,392</u>	<u>8,503,392</u>

### 15. STATEMENT OF MOVEMENTS ON RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 April 2013	296,525	26,858,637
Profit for the financial year	-	<u>4,899,390</u>
At 31 March 2014	<u>296,525</u>	<u>31,758,027</u>

### 16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Shareholders' funds at beginning of financial year	35,658,554	34,334,677
Profit for the financial year	<u>4,899,390</u>	<u>1,323,877</u>
Shareholders' funds at end of financial year	<u>40,557,944</u>	<u>35,658,554</u>

### 17. RELATED PARTY TRANSACTIONS

As at 31 March 2014, loans of £17,995,000, where the maximum amount outstanding was £17,995,000 during the year (2013 - £17,995,000) was due to trusts for which the director B P Moss acts jointly as trustee with the directors D P Moss and S J Levy. Accrued interest of £1,455,042 (2013 - £818,700) was due to the trusts at the year-end.

A joint loan of £1,300,000, which was the maximum amount outstanding (2013 - £1,300,000) was due to the directors B P Moss and J Moss personally. A loan of £3,500,000 which was the maximum amount outstanding (2013 - £3,500,000) was to due to the director D P Moss jointly with his wife. A loan of £3,500,000 which was the maximum amount outstanding (2013 - £3,500,000) was due to the director S Levy personally.

Total loans and accrued interest in which the directors' held either a direct or a non-beneficial interest at 31 March 2014 amounted to £27,874,541 (2013 - £27,113,700).

### 18. 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, Maindy, Cardiff CF14 3UZ.

There is no ultimate controlling party.