

Registered number: 03054080

## GRAINMARKET PROPERTIES LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



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**GRAINMARKET PROPERTIES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M J Crader E S Morriss
<b>Company secretary</b>	P J Hart
<b>Registered number</b>	03054080
<b>Registered office</b>	Bridewell Gate 9 Bridewell Place London EC4V 6AW
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

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**GRAINMARKET PROPERTIES LIMITED**

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## **GRAINMARKET PROPERTIES LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present their report and the financial statements for the year ended 31 March 2019.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors**

The directors who served during the year were:

M J Crader  
E S Morriss

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

#### **Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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**GRAINMARKET PROPERTIES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 15 August 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'E S Morriss', written in a cursive style.

**E S Morriss**  
Director

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## GRAINMARKET PROPERTIES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAINMARKET PROPERTIES LIMITED

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#### Opinion

We have audited the financial statements of Grainmarket Properties Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2019 and of the Group's loss 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## **GRAINMARKET PROPERTIES LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAINMARKET PROPERTIES LIMITED (CONTINUED)**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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**GRAINMARKET PROPERTIES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAINMARKET PROPERTIES LIMITED (CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

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 Auditors' 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.



John Coverdale BSc FCA (Senior statutory auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

New Bridge Street House

30-34 New Bridge Street

London

EC4V 6BJ

15 August 2019



**GRAINMARKET PROPERTIES LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	10,575,187	8,006,561
Cost of sales		(5,067,672)	(2,486,798)
<b>Gross profit</b>		<b>5,507,515</b>	<b>5,519,763</b>
Administrative expenses		(3,426,985)	(2,152,005)
Profit on disposal of investment properties	6	845,197	7,519,485
Fair value movements		(2,628,330)	14,023,981
<b>Operating profit</b>	7	<b>297,397</b>	<b>24,911,224</b>
Income from associates		455,865	530,921
Interest receivable		66,848	26,020
Interest payable	10	(1,519,258)	(1,930,128)
<b>(Loss)/profit before taxation</b>		<b>(699,148)</b>	<b>23,538,037</b>
Tax on (loss)/profit	11	40,197	(3,803,293)
<b>(Loss)/profit for the financial year</b>		<b>(658,951)</b>	<b>19,734,744</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(658,951)</b>	<b>19,734,744</b>
<b>(Loss)/profit for the year attributable to:</b>			
Non-controlling interests		(6,156)	2,164,156
Owners of the parent company		(652,795)	17,570,588
		<b>(658,951)</b>	<b>19,734,744</b>
<b>Total comprehensive income for the year attributable to:</b>			
Non-controlling interest		(6,156)	2,164,156
Owners of the parent company		(652,795)	17,570,588
		<b>(658,951)</b>	<b>19,734,744</b>

The notes on pages 16 to 42 form part of these financial statements.

**GRAINMARKET PROPERTIES LIMITED**  
**REGISTERED NUMBER: 03054080**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	1,915,884	1,588,494
Investments	15	6,733,050	6,277,202
Investment properties	16	95,187,411	97,613,643
		<u>103,836,345</u>	<u>105,479,339</u>
<b>Current assets</b>			
Stocks	17	501,397	3,571,188
Debtors	18	8,069,205	6,171,026
Current asset investments	19	1,138,990	-
Cash at bank and cash equivalents	20	4,830,899	5,515,188
		<u>14,540,491</u>	<u>15,257,402</u>
Creditors: amounts falling due within one year	21	(8,998,533)	(6,673,714)
<b>Net current assets</b>		<u>5,541,958</u>	<u>8,583,688</u>
<b>Total assets less current liabilities</b>		<u>109,378,303</u>	<u>114,063,027</u>
Creditors: amounts falling due after more than one year	22	(46,060,207)	(48,463,896)
<b>Provisions for liabilities</b>			
Deferred taxation	25	(5,344,949)	(5,828,838)
		<u>(5,344,949)</u>	<u>(5,828,838)</u>
<b>Net assets</b>		<u><u>57,973,147</u></u>	<u><u>59,770,293</u></u>

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**GRAINMARKET PROPERTIES LIMITED**  
**REGISTERED NUMBER: 03054080**

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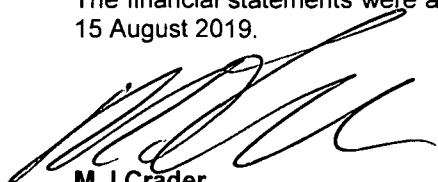
**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2019**

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	Note	2019 £	2018 £
<b>Capital and reserves</b>			
Called up share capital	26	8,268	8,268
Share premium account		39,490	39,490
Capital redemption reserve		476	476
Profit and loss account		56,823,547	58,480,338
<b>Equity attributable to owners of the parent Company</b>		<b>56,871,781</b>	<b>58,528,572</b>
Non-controlling interests		1,101,366	1,241,721
		<b>57,973,147</b>	<b>59,770,293</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 August 2019.



**M J Crader**  
Director

The notes on pages 16 to 42 form part of these financial statements.

**GRAINMARKET PROPERTIES LIMITED**  
**REGISTERED NUMBER: 03054080**

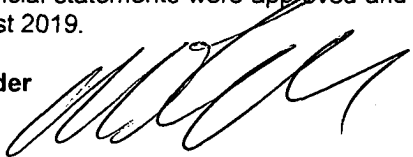
**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	1,671,316	1,302,659
Investments	15	6,718,823	6,264,412
Investment property	16	564,476	314,476
		<u>8,954,615</u>	<u>7,881,547</u>
<b>Current assets</b>			
Debtors	18	10,137,311	14,871,886
Cash and cash equivalents	20	3,319,025	22,407
		<u>13,456,336</u>	<u>14,894,293</u>
Creditors: amounts falling due within one year	21	(4,294,001)	(2,233,823)
<b>Net current assets</b>		<u>9,162,335</u>	<u>12,660,470</u>
<b>Total assets less current liabilities</b>		<u>18,116,950</u>	<u>20,542,017</u>
Creditors: amounts falling due after more than one year	22	(1,689)	(3,206)
<b>Net assets excluding pension asset</b>		<u>18,115,261</u>	<u>20,538,811</u>
<b>Net assets</b>		<u>18,115,261</u>	<u>20,538,811</u>
<b>Capital and reserves</b>			
Called up share capital	26	8,268	8,268
Share premium account		39,490	39,490
Capital redemption reserve		476	476
Profit and loss account		18,067,027	20,490,577
		<u>18,115,261</u>	<u>20,538,811</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 August 2019.

**M J Crader**  
Director



The notes on pages 16 to 42 form part of these financial statements.

GRAINMARKET PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2018	8,268	39,490	476	58,480,338	58,528,572	1,241,721	59,770,293
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	(652,795)	(652,795)	(6,156)	(658,951)
<b>Other comprehensive income for the year</b>							
	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(652,795)	(652,795)	(6,156)	(658,951)
Dividends: Equity capital	-	-	-	(850,720)	(850,720)	-	(850,720)
Amounts paid for acquisition of non-controlling interests	-	-	-	(153,276)	(153,276)	-	(153,276)
Dividends paid to non-controlling interests	-	-	-	-	-	(299,722)	(299,722)
Profit and loss reserves acquired on acquisition	-	-	-	-	-	165,523	165,523
<b>Total transactions with owners</b>	-	-	-	(1,003,996)	(1,003,996)	(134,199)	(1,138,195)
<b>At 31 March 2019</b>	<b>8,268</b>	<b>39,490</b>	<b>476</b>	<b>56,823,547</b>	<b>56,871,781</b>	<b>1,101,366</b>	<b>57,973,147</b>

The notes on pages 16 to 42 form part of these financial statements.

GRAINMARKET PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2017	4,134	39,490	476	41,688,084	41,732,184	2,636,444	44,368,628
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	17,570,588	17,570,588	2,164,156	19,734,744
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	17,570,588	17,570,588	2,164,156	19,734,744
Dividends: Equity capital	-	-	-	(774,200)	(774,200)	-	(774,200)
Bonus issue of shares	-	-	-	(4,134)	(4,134)	-	(4,134)
Shares issued during the year	4,134	-	-	-	4,134	-	4,134
Amounts paid for acquisition of non-controlling interests	-	-	-	-	-	(3,186,234)	(3,186,234)
Dividends paid to non-controlling interests	-	-	-	-	-	(372,645)	(372,645)
<b>Total transactions with owners</b>	4,134	-	-	(778,334)	(774,200)	(3,558,879)	(4,333,079)
<b>At 31 March 2018</b>	<b>8,268</b>	<b>39,490</b>	<b>476</b>	<b>58,480,338</b>	<b>58,528,572</b>	<b>1,241,721</b>	<b>59,770,293</b>

The notes on pages 16 to 42 form part of these financial statements.

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**GRAINMARKET PROPERTIES LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

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	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	8,268	39,490	476	20,490,577	20,538,811
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(2,039,282)	(2,039,282)
Fair value gain on investment in associate	-	-	-	466,452	466,452
<b>Other comprehensive income for the year</b>	-	-	-	466,452	466,452
<b>Total comprehensive income for the year</b>	-	-	-	(1,572,830)	(1,572,830)
Dividends: Equity capital	-	-	-	(850,720)	(850,720)
<b>Total transactions with owners</b>	-	-	-	(850,720)	(850,720)
<b>At 31 March 2019</b>	<b>8,268</b>	<b>39,490</b>	<b>476</b>	<b>18,067,027</b>	<b>18,115,261</b>

The notes on pages 16 to 42 form part of these financial statements.

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**GRAINMARKET PROPERTIES LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

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	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2017	4,134	39,490	476	20,846,852	20,890,952
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(4,166)	(4,166)
Fair value gain on investment in associate	-	-	-	426,225	426,225
<b>Other comprehensive income for the year</b>	-	-	-	426,225	426,225
<b>Total comprehensive income for the year</b>	-	-	-	422,059	422,059
Dividends: Equity capital	-	-	-	(774,200)	(774,200)
Bonus issue of shares	-	-	-	(4,134)	(4,134)
Shares issued during the year	4,134	-	-	-	4,134
<b>Total transactions with owners</b>	4,134	-	-	(778,334)	(774,200)
<b>At 31 March 2018</b>	<b>8,268</b>	<b>39,490</b>	<b>476</b>	<b>20,490,577</b>	<b>20,538,811</b>

The notes on pages 16 to 42 form part of these financial statements.



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**GRAINMARKET PROPERTIES LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

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	2019 £	2018 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(658,951)	19,734,744
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	244,343	150,287
Profit on disposal of tangible fixed assets	(1,529)	(29,846)
Interest payable	1,519,258	1,930,128
Interest receivable	(66,848)	(26,020)
Tax charge	(40,197)	3,803,293
Decrease in stocks	3,069,791	1,399,573
Decrease/(increase) in debtors	445,181	(90,974)
Increase/(decrease) in creditors	1,420,713	(1,298,026)
Fair value losses/(gains) on investment properties	2,687,386	(12,940,741)
Share of profits of associates	(455,865)	(530,921)
Tax paid	(1,563,594)	(1,538,924)
Fair value loss/(gain) on derivative financial instrument	79,934	(1,083,240)
Profit on disposal of investment properties	(845,197)	(7,519,485)
Fair value gain on listed investments	(138,990)	-
Profit and loss reserve acquired on business combination	165,542	-
Negative goodwill	(146,248)	-
<b>Net cash generated from / (used in) operating activities</b>	<b>5,714,729</b>	<b>1,959,848</b>
<b>Cash flows from investing activities</b>		
Payments to acquire of tangible fixed assets	(620,205)	(392,360)
Proceeds from disposal tangible fixed assets	50,000	107,546
Payments to acquire investment properties	(261,154)	-
Proceeds from disposal of investment properties	845,197	18,523,235
Payments to acquire non-controlling interests	-	(3,186,234)
Interest received	66,848	26,020
Interest payable	(1,519,258)	(1,930,128)
Payments to acquire listed investments	(1,000,000)	-
Payments to acquire non-controlling interests	(153,276)	-
Payments to acquire subsidiary	(515,829)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(3,107,677)</b>	<b>13,148,079</b>

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**GRAINMARKET PROPERTIES LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	2019 £	2018 £
<b>Cash flows from financing activities</b>		
Repayment of loans from associate entities	-	178,000
Dividends paid	(1,150,442)	(1,146,845)
Repayments of bank loans	(2,372,980)	(10,307,782)
<b>Net cash used in financing activities</b>	<b>(3,523,422)</b>	<b>(11,276,627)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(916,370)</b>	<b>3,831,300</b>
Cash and cash equivalents at beginning of year	5,515,188	1,683,888
<b>Cash and cash equivalents at the end of year</b>	<b>4,598,818</b>	<b>5,515,188</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,830,899	5,515,188
Bank overdrafts	(232,081)	-
	<b>4,598,818</b>	<b>5,515,188</b>

The notes on pages 16 to 42 form part of these financial statements.

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## GRAINMARKET PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 1. General information

Grainmarket Properties Limited is a private company limited by shares and incorporated in England and Wales, registration number 03054080. The registered office is Bridewell Gate, 9 Bridewell Place, London, EC4V 6AW.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

##### Parent Company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Company and the parent Company would be identical; and
- No Statement of cash flows has been presented for the parent Company.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

##### 2.3 Jointly controlled assets

In respect of its interest in jointly controlled assets held, the group recognises the following:

- (a) its share of the jointly controlled assets, classified according to the nature of the assets;
- (b) any liabilities it has incurred;
- (c) its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;
- (d) any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- (e) any expenses that it has incurred in respect of its interests in the joint venture.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.5 Revenue**

Turnover represents rent receivable, dilapidations receivable, boat charter fees receivable, office management fees receivable, sponsorship fees, sales of developed properties and expenses recoverable from tenants. All income is stated net of VAT.

Rentals receivable under operating leases are recognised as income in the statement of comprehensive income on a straight line basis over the course of the lease.

Boat charter fees are recognised as income in the statement of comprehensive income on a straight line basis over the course of the charter period.

Office management and sponsorship fees and expenses recoverable from tenants are recognised as income in the statement of comprehensive income on a straight line basis over the period they relate to.

Income from the sale of properties under development are recognised as income in the statement of comprehensive income on a unit by unit basis upon completion of legal contracts.

Income from dilapidations are recognised as income in the statement of comprehensive income when due and considered receivable.

**2.6 Operating leases: Lessor**

Rentals received under operating leases are recognised as income in the Statement of Comprehensive Income on a straight line basis over the lease term.

**2.7 Operating leases: Lessee**

Rentals paid under operating leases are charged to the Consolidated statement of Comprehensive Income on a straight line basis over the lease term.

**2.8 Interest income**

Interest income is recognised in the Consolidated statement of Comprehensive Income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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**2. Accounting policies (continued)**

**2.9 Finance costs**

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Borrowing costs**

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

**2.11 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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## GRAINMARKET PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.13 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 5%/15%/25% reducing balance
Fixtures and fittings	- 15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

##### 2.14 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

##### 2.15 Valuation of investments

Investments in subsidiaries and associates at the company level are measured at fair value, with changes in fair value recognised in comprehensive income. Fair value is estimated by using a valuation technique.

Investments in listed investments are measured at fair value, with changes recognised in profit or loss. Fair value is based on the traded stock exchange price of the listed investment.

Unlisted investments comprise investments in unquoted equity instruments and measured at cost less impairment, where fair value cannot be reliably measured.

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## GRAINMARKET PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.16 Associates

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

##### 2.17 Stocks

Inventories are measured at the lower of cost and selling price less cost to complete and sell. Investment properties that will be developed prior to sale are transferred to inventory when the building is vacated and redevelopment commences. The fair value of the property at the transfer date is the deemed cost on transfer. Direct costs incurred relating to the development of property inventories, less a proportion relating to sold units, is included in the inventory amount.

##### 2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## GRAINMARKET PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position. date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position..

##### 2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives. The group uses net present value of the future cash-flows calculated using market data at the reporting



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## GRAINMARKET PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.22 Financial instruments (continued)

date to estimate fair value of its derivative financial instruments.

##### 2.23 Business combination

The assets and liabilities of the entity acquired as part of a business combination are introduced at the fair value of those assets and liabilities at the acquisition date. The difference between the fair value of the assets and liabilities and the consideration payable for the entity is treated as goodwill.

##### 2.24 Negative goodwill

When there is no future benefit derived from negative goodwill this is then written off to the profit and loss account.

##### 2.25 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Determining the carrying amount of some assets and liabilities requires estimation of the effect of uncertain future events. The major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities are noted below.

Investment properties and investments in associates are carried at fair value and based on estimated valuations by external valuers which are derived from the current market rents and investment property yields for comparable real estate. The valuation method is described in the investment property note in the financial statements. The associated deferred tax impact of the fair value adjustments of investment properties are measured in accordance with management's proposed intention for those properties.

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Rental income and expenses recharged to tenants	6,480,464	5,983,837
Dilapidations receivable	307,104	30,000
Sale of residential development properties	3,744,000	1,534,450
Performance fees receivable	-	458,274
Boat charter fees	43,619	-
	<u>10,575,187</u>	<u>8,006,561</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	10,575,187	8,006,561
	<u>10,575,187</u>	<u>8,006,561</u>

**5. Fair value movements**

	2019 £	2018 £
Fair value (loss)/gain on revaluation of investment properties	(2,687,386)	12,940,741
Fair value (loss)/gain on derivative financial instruments	(79,934)	1,083,240
Fair value gain on listed investments	138,990	-
	<u>(2,628,330)</u>	<u>14,023,981</u>

**6. Profit on disposal of investment properties**

	2019 £	2018 £
Profit on disposal of investment properties	845,197	7,519,485
	<u>845,197</u>	<u>7,519,485</u>

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**7. Operating profit**

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	244,343	150,287
Exchange differences	362	1,055
Operating lease rentals	(272,351)	101,725
Defined contribution pension cost	41,913	151,130

During the year, no director received any remuneration (2018: £nil).

**8. Auditors' remuneration**

	2019 £	2018 £
Auditors' remuneration for the group	57,971	66,000

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## GRAINMARKET PROPERTIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 9. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
Directors	2	2	2	2
Administration	4	4	4	4
	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>

An incentive salary scheme exists with the partners of Grainmarket Asset Management LLP (GAM), an LLP controlled by the director and beneficial owner of the company, M J Crader.

The partners of GAM will receive a performance fee based on 20% of the increase of the fair value of the investment properties from the date these were acquired by the subsidiaries, GPL 2014 Limited and Zeena Ventures Limited through to 31 March 2020. The partners of GAM will only receive their share of the performance fee if they are still partners of GAM at 31 March 2020.

The 20% is allocated to the partners of GAM as follows: M J Crader 18%, E S Morriss 1%, P J Hart 0.5% and P Mallon 0.5%. M J Crader and E S Morriss are directors of the company.

E S Morriss, a director, received pension contributions of £40,000 (2018: £100,000) from the company in the year.

#### 10. Interest payable

	2019 £	2018 £
Bank interest payable	1,513,613	1,930,128
Interest on overdue corporation tax	5,645	-
	<u>1,519,258</u>	<u>1,930,128</u>

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**11. Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>468,645</b>	1,736,266
Adjustments in respect of previous periods	<b>(24,953)</b>	(21,330)
	<b>443,692</b>	1,714,936
<b>Total current tax</b>	<b>443,692</b>	1,714,936
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(483,889)</b>	2,088,357
<b>Total deferred tax</b>	<b>(483,889)</b>	2,088,357
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>(40,197)</b>	3,803,293

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<b>(699,148)</b>	23,538,037
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>(132,838)</b>	4,472,227
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>93,384</b>	36,121
Capital allowances for year in excess of depreciation	<b>(14,209)</b>	(33,937)
Profit on disposal of tangible fixed assets	<b>(291)</b>	(1,434,665)
Taxable losses/(profits) on trading activities structured through investments in limited partnerships	<b>10,437</b>	(20,488)
Fair value loss/(gain) on derivative financial instrument	<b>15,188</b>	(205,815)
Fair value gain on investment properties	<b>(47,048)</b>	(775,010)
Fair value gain on listed investments	<b>(26,408)</b>	-
Share of associate profits	<b>(14,866)</b>	323,969
Negative goodwill	<b>(27,787)</b>	-
Restated tax base of stock disposed	<b>129,193</b>	-
Capital gains subject to tax	-	1,429,151
Trading tax losses	-	33,070
Overprovision in prior years	<b>(24,952)</b>	(21,330)
<b>Total tax charge for the year</b>	<b>(40,197)</b>	3,803,293

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**12. Dividends**

	2019 £	2018 £
<b>'A' Ordinary</b>		
Interim dividends	-	704,200
<b>'B' Ordinary</b>		
Interim dividends	360	10,000
<b>'C' Ordinary</b>		
Interim dividends	850,000	50,000
<b>'D' Ordinary</b>		
Interim dividends	360	10,000
	<u>850,720</u>	<u>774,200</u>

**13. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £2,039,282 (2018 - £4,166).

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**14. Tangible fixed assets****Group**

	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2018	1,972,695	441,232	2,413,927
Additions	620,205	-	620,205
Disposals	(75,136)	-	(75,136)
At 31 March 2019	<u>2,517,764</u>	<u>441,232</u>	<u>2,958,996</u>
<b>Depreciation</b>			
At 1 April 2018	697,507	127,926	825,433
Charge for the year	203,076	41,267	244,343
Disposals	(26,664)	-	(26,664)
At 31 March 2019	<u>873,919</u>	<u>169,193</u>	<u>1,043,112</u>
<b>Net book value</b>			
At 31 March 2019	<u>1,643,845</u>	<u>272,039</u>	<u>1,915,884</u>
At 31 March 2018	<u>1,275,188</u>	<u>313,306</u>	<u>1,588,494</u>

The tangible fixed assets are secured against the bank loan.



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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**14. Tangible fixed assets (continued)****Company**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 April 2018	1,972,695
Additions	620,205
Disposals	(75,136)
At 31 March 2019	<u>2,517,764</u>
<b>Depreciation</b>	
At 1 April 2018	670,036
Charge for the year	203,076
Disposals	(26,664)
At 31 March 2019	<u>846,448</u>
<b>Net book value</b>	
At 31 March 2019	<u><u>1,671,316</u></u>
At 31 March 2018	<u><u>1,302,659</u></u>

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**15. Fixed asset investments**

**Group**

	Investments in associates £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2018	5,396,660	880,542	6,277,202
Fair value gain	455,865	-	455,865
Reclassification	-	(17)	(17)
At 31 March 2019	5,852,525	880,525	6,733,050
<b>Net book value</b>			
At 31 March 2019	5,852,525	880,525	6,733,050
At 31 March 2018	5,396,660	880,542	6,277,202

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding	Principal activity
GPL (Holdings) 2014 Ltd	UK	Ordinary	100 %	Dormant
Zomon Limited	UK	Ordinary	100 %	Dormant
GPL 2014 Limited	UK	Ordinary	100 %	Property investment
Zeena Ventures Limited	UK	Ordinary	97.12 %	Property investment
Jexstor Limited	UK	Ordinary	97.12 %	Dormant
Netta Enterprises (Ireland) Limited	Republic of Ireland	Ordinary	100 %	Dormant
Plymouth Investments Limited	UK	Ordinary	100 %	Dormant
Netta Property Investments Limited	Republic of Ireland	Ordinary	100 %	Dormant Property development
Bluecoats JV LP	UK	N/A	100 %	

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**15. Fixed asset investments (continued)**

**Associates**

The following were associates of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Castlegate 721 Limited	UK	Ordinary	49.9 %	Property investment
Slough JV LP	UK	N/A	35 %	Property development

**Company**

	<b>Investments in subsidiary companies £</b>	<b>Investments in associates £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 April 2018	1,617	5,371,104	891,691	6,264,412
Additions	515,829	-	-	515,829
Fair value gain/(loss)	-	466,452	(10,587)	455,865
Reclassification	17	-	(17)	-
At 31 March 2019	<u>517,463</u>	<u>5,837,556</u>	<u>881,087</u>	<u>7,236,106</u>
<b>Impairment</b>				
Charge for the year	517,283	-	-	517,283
At 31 March 2019	<u>517,283</u>	<u>-</u>	<u>-</u>	<u>517,283</u>
<b>Net book value</b>				
At 31 March 2019	<u>180</u>	<u>5,837,556</u>	<u>881,087</u>	<u>6,718,823</u>
At 31 March 2018	<u>1,617</u>	<u>5,371,104</u>	<u>891,691</u>	<u>6,264,412</u>

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**16. Investment properties**

Group	Investment properties £
<b>Valuation</b>	
At 1 April 2018	97,613,643
Additions at cost	261,154
Deficit on revaluation	(2,687,386)
<b>At 31 March 2019</b>	<b>95,187,411</b>

The valuation of the group's freehold investment properties are based on a professional valuation. The valuers are professionally qualified members of RICS. The properties have been revalued to fair value. Fair value is determined by an appraisal of market based evidence on which a willing buyer and seller would be prepared to settle.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	61,307,178	61,046,024
Accumulated depreciation and impairments	(4,905,910)	(3,679,766)
	<b>56,401,268</b>	<b>57,366,258</b>

Investment properties are secured against the bank loan.

**Company**

	Investment properties £
<b>Valuation</b>	
At 1 April 2018	314,476
Additions at cost	261,154
Deficit on revaluation	(11,154)
<b>At 31 March 2019</b>	<b>564,476</b>

The valuations were made by the directors, at fair value. Fair value is determined by an appraisal of market based evidence on which a willing buyer and seller would be prepared to settle.

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**17. Stocks**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Properties under construction	-	2,469,988
Completed properties held for sale	<b>501,397</b>	<b>1,101,200</b>
	<b><u>501,397</u></b>	<b><u>3,571,188</u></b>

**18. Debtors**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	<b>5,119,675</b>	11,839,814
Other debtors	<b>514,530</b>	625,137	-	-
	<b><u>514,530</u></b>	<u>625,137</u>	<b><u>5,119,675</u></b>	<u>11,839,814</u>
<b>Due within one year</b>				
Trade debtors	<b>586,685</b>	276,225	<b>93,000</b>	-
Amounts owed by associates	<b>1,489,900</b>	1,811,700	<b>1,489,900</b>	1,811,700
Other debtors	<b>4,569,101</b>	3,122,312	<b>3,342,121</b>	1,156,940
Prepayments and accrued income	<b>908,989</b>	335,652	<b>92,615</b>	63,432
	<b><u>8,069,205</u></b>	<u>6,171,026</u>	<b><u>10,137,311</u></b>	<u>14,871,886</u>

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**19. Current asset investments**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Listed investments	<b>1,138,990</b>	-
	<b><u>1,138,990</u></b>	<b><u>-</u></b>
	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Additions	<b>1,000,000</b>	-
Fair value gain	<b>138,990</b>	-
	<b><u>1,138,990</u></b>	<b><u>-</u></b>

**20. Cash and cash equivalents**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Cash at bank and in hand	<b>4,830,899</b>	5,515,188	<b>3,319,025</b>	22,407
Less: bank overdrafts	<b>(232,081)</b>	-	-	-
	<b><u>4,598,818</u></b>	<b><u>5,515,188</u></b>	<b><u>3,319,025</u></b>	<b><u>22,407</u></b>

# GRAINMARKET PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 21. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	232,081	-	-	-
Bank loans	722,980	722,980	-	-
Trade creditors	394,753	112,788	53,394	68,604
Amounts owed to group undertakings	-	-	700,000	-
Corporation tax	1,523,030	961,649	592,194	-
Other taxation and social security	918,096	290,342	2,852	10,357
Other creditors	3,264,066	2,474,147	2,861,363	2,033,117
Accruals and deferred income	1,943,527	2,111,808	84,198	121,745
	<u>8,998,533</u>	<u>6,673,714</u>	<u>4,294,001</u>	<u>2,233,823</u>

### 22. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	45,118,834	47,491,814	-	-
Amounts owed to group undertakings	-	-	-	1,517
Other creditors	516,182	626,826	1,689	1,689
Derivative financial instruments	425,191	345,256	-	-
	<u>46,060,207</u>	<u>48,463,896</u>	<u>1,689</u>	<u>3,206</u>

The group has entered into an interest rate swap to fix the interest rate payable on the loan to mitigate the impact of any changes in the base rate. The loan is repayable at the rate of £722,980 per annum with the balance of the loan payable on 4 November 2020.

In accordance with the interest rate swap at the year end £39,242,123 of the loan balance has a fixed interest rate of 1.66% and £6,950,642 of the loan balance has a fixed rate of interest of 0.874%.

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**23. Loans**

An analysis of the maturity of loans is given below:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	<b>722,980</b>	722,980
	<b>722,980</b>	722,980
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>45,118,834</b>	47,491,814
	<b>45,118,834</b>	47,491,814
	<b>45,841,814</b>	48,214,794



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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**24. Financial instruments**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>5,238,931</b>	5,432,931	<b>9,210,999</b>	16,364,394
Financial assets that are equity instruments measured at cost less impairment	<b>880,525</b>	880,542	<b>881,087</b>	891,691
Financial assets that are listed equity instruments measured at fair value	<b>1,138,990</b>	-	-	-
	<b><u>7,258,446</u></b>	<u>6,313,473</u>	<b><u>10,092,086</u></b>	<u>17,256,085</u>
<b>Financial liabilities</b>				
Derivative financial instruments measured at fair value through profit or loss	<b>(425,191)</b>	(345,256)	-	-
Financial liabilities measured at amortised cost	<b>(50,109,903)</b>	(51,426,245)	<b>(3,586,380)</b>	(2,104,927)
	<b><u>(50,535,094)</u></b>	<u>(51,771,501)</u>	<b><u>(3,586,380)</u></b>	<u>(2,104,927)</u>

Financial assets measured at fair value through profit or loss relates to listed investments.

Debt instruments measured at amortised cost comprises trade debtors, amounts owed to group companies and associates and other debtors.

Derivative financial instruments measured at fair value through profit or loss relates to an interest rate swap.

Financial liabilities measured at amortised cost comprises bank loans and overdrafts, trade creditors, other creditors and amounts owed to group companies.

**25. Deferred taxation**

**Group**

	<b>2019 £</b>
At beginning of year	<b>(5,828,838)</b>
Credit to profit or loss	<b>483,889</b>
<b>At end of year</b>	<b><u>(5,344,949)</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. Deferred taxation (continued)****At end of year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Fixed asset timing differences	<b>38,434</b>	49,220
Stocks timing differences	-	(115,594)
Share of profits of associates	<b>(934,108)</b>	(860,348)
Revaluation gains on assets carried at valuation	<b>(4,449,275)</b>	(4,902,116)
	<b><u>(5,344,949)</u></b>	<b><u>(5,828,838)</u></b>

**26. Share capital**

	<b>2019 £</b>	<b>2018 £</b>
<b>Allotted, called up and fully paid</b>		
4,024 (2018 - 4,024) 'A' Ordinary shares of £1 each	<b>4,024</b>	4,024
50 (2018 - 50) 'B' Ordinary shares of £1 each	<b>50</b>	50
10 (2018 - 10) 'C' Ordinary shares of £1 each	<b>10</b>	10
50 (2018 - 50) 'D' Ordinary shares of £1 each	<b>50</b>	50
4,134 (2018 - 4,134) Growth shares of £1 each	<b>4,134</b>	4,134
	<b><u>8,268</u></b>	<b><u>8,268</u></b>

The holders of 'B', 'D' and growth shares may be entitled to a dividend on their shares at the option of the 'A' and 'C' shareholders.

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. Acquisition in the year**

At 14 November 2018 the company completed the acquisition of 62% of the ordinary shares of Grainmarket Basildon Limited for cash consideration of £515,829.

The assets and liabilities acquired at the acquisition and related goodwill were as follows:

	2019 £	2018 £
Assets	881,966	-
Liabilities	(219,889)	-
Consideration	(515,829)	-
<b>Negative goodwill</b>	<b>146,248</b>	<b>-</b>

Negative goodwill is recognised immediately in profit or loss.

**28. Capital commitments**

At 31 March 2019 the Group and Company had capital commitments as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Contracted for but not provided in these financial statements	-	(95,561)	-	(74,794)
	<b>-</b>	<b>(95,561)</b>	<b>-</b>	<b>(74,794)</b>

**29. Commitments under operating leases as a lessee**

At 31 March 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Land and buildings</b>		
Not later than 1 year	185,673	187,965
Later than 1 year and not later than 5 years	695,494	328,939
	<b>881,167</b>	<b>516,904</b>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 30. Commitments under operating leases as a lessor

At 31 March 2019 the Group had future minimum lease payments receivable under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Land and buildings</b>		
Not later than 1 year	5,371,885	5,397,340
Later than 1 year and not later than 5 years	12,528,647	14,326,281
Later than 5 years	8,738,682	10,234,653
	<u>26,639,214</u>	<u>29,958,274</u>

#### 31. Transactions with directors

At the beginning of the year the director, M J Crader owed the company £109,565. During the year the company loaned the director £4,147,414 and the director repaid the company £2,350,109. At the year end the director owed the company £1,931,700. Interest has been charged on the loan to the director at a rate of 3.25% per annum totalling £24,830 (2018: £9,572). The loan is repayable on demand.

#### 32. Related party transactions

£1,034,312 (2018: £369,736) was incurred during the year to Grainmarket Asset Management LLP, a limited liability partnership of which M J Crader is the controlling partner, in respect of property services. At the year end the company owed Grainmarket Asset Management LLP £1,300,000 (2018: £500,000).

At the year end the company owed Chiswick JV LP £1,532,986 (2018: £1,532,986), an LP controlled by M J Crader.

At the year end the company owed its subsidiary, Zeena Ventures Limited, £700,000 (2018: £nil).

During the year a dividend of £850,000 (2018: £637,475) was paid to M J Crader, director and beneficial owner of the group.

During the year dividends of £360 (2018: £39,225) was paid to E Crader and A Crader, shareholders and daughters of M J Crader, director and beneficial owner of the group.

M J Crader has a controlling interest in its associated entity, Castlegate 721 Limited. At the year end the company was owed £1,489,900 (2017: £1,811,700) from Castlegate 721 Limited.

All the above related party loan balances are payable on demand.

#### 33. Post balance sheet events

Subsequent to the year end the company invested a further £300,000 capital contribution into its unlisted investments.

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**GRAINMARKET PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**34. Controlling party**

The company was under the control of M J Crader, a director and majority shareholder, throughout the year.

**35. Subsidiary exemptions**

The subsidiary entity, Bluecoats JV LP, is exempt from the requirement to have an audit of its financial statements in accordance with section 479A of the Companies Act 2006.