



**GROVES-RAINES PROPERTIES LIMITED**

**Company registration number SC152187**

**FILING FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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GROVES-RAINES PROPERTIES LIMITED

COMPANY INFORMATION

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Directors	N R P Groves-Raines K H Hannesdottir G R Groves-Raines
Company secretary	AS Company Services Limited
Registered number	SC152187
Registered office	1 Rutland Court Edinburgh EH3 8EY
Accountants	Azets Exchange Place 3 Semple Street Edinburgh EH3 8BL

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STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	11,160	2,205,763
Fixed asset investments	6	-	-
Investment property	7	2,500,000	-
		<u>2,511,160</u>	<u>2,205,763</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	103,705	494,174
Cash at bank and in hand		35,721	38,977
		<u>139,426</u>	<u>533,151</u>
Creditors: amounts falling due within one year	9	(160,995)	(69,160)
<b>Net current (liabilities)/assets</b>		<u>(21,569)</u>	<u>463,991</u>
<b>Total assets less current liabilities</b>		<u>2,489,591</u>	<u>2,669,754</u>
Creditors: amounts falling due after more than one year	10	(291,394)	(335,684)
<b>Provisions for liabilities</b>			
Deferred tax	12	(2,878)	-
		<u>(2,878)</u>	<u>-</u>
<b>Net assets</b>		<u><u>2,195,319</u></u>	<u><u>2,334,070</u></u>
<b>Capital and reserves</b>			
Called up share capital		34,002	34,002
Other reserve	13	309,686	-
Capital redemption reserve	13	71,600	71,600
Profit and loss account	13	1,780,031	2,228,468
		<u><u>2,195,319</u></u>	<u><u>2,334,070</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

As permitted by Section 444 of the Companies Act 2006, the directors have not delivered to the Registrar a copy of the company's Statement of Income and Retained Earnings for the year ended 31 August 2020.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**N R P Groves-Raines**  
Director

Date: 27 August 2021

The notes on pages 4 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. General information**

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 August 2020.

The company traded as Groves-Raines Architects Limited in the year and changed its name to Groves-Raines Properties Limited on 4 March 2020.

The continuing activities of Groves-Raines Properties Limited ('the company') is an investment property company. The activities of the company in the prior year was the provision of architectural services.

The company is a private company limited by shares and is incorporated in United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC152187.

**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 applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies.

The following principal accounting policies have been applied:

**2.2 Exemption from preparing consolidated financial statements**

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

**2.3 Going concern**

The directors have considered a period of at least twelve months from the date on which these financial statements have been signed and having considered all relevant information available to them, believe it appropriate to prepare the financial statements on a going concern basis. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.6 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

**2.7 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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**2. Accounting policies (continued)**

**2.9 Finance costs**

Finance costs are charged to profit or loss 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 profit or loss in the year in which they are incurred.

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 reporting date.

**2.12 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.

**2.13 Tangible fixed assets**

Tangible fixed assets under the cost model 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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**2. Accounting policies (continued)**

**2.13 Tangible fixed assets (continued)**

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 25% on cost
Motor vehicles	- 25% on cost
Fixtures and fittings	- 20% on cost

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 profit or loss.

**2.14 Investment property**

Investment property is carried at fair value 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 profit or loss.

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.16 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.

**2.17 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**2. Accounting policies (continued)**

**2.18 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.

**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company 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 Statement of Comprehensive Income in the year that the company 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.

**2.20 Financial instruments**

The company 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 ordinary shares.

**2.21 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**3. Employees**

The average monthly number of employees, including directors, during the year was 3 (2019 - 33).

**4. Dividends**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Dividends	20,000	4,000
	<u>20,000</u>	<u>4,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

## 5. Tangible fixed assets

	Freehold land and property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	2,190,314	13,845	75,033	21,872	2,301,064
Disposals	-	-	-	(17,229)	(17,229)
Transfer to Investment property	(2,190,314)	-	-	-	(2,190,314)
At 31 August 2020	-	13,845	75,033	4,643	93,521
<b>Depreciation</b>					
At 1 September 2019	-	-	75,033	20,268	95,301
Charge for the year on owned assets	-	3,461	-	828	4,289
Disposals	-	-	-	(17,229)	(17,229)
At 31 August 2020	-	3,461	75,033	3,867	82,361
<b>Net book value</b>					
At 31 August 2020	-	10,384	-	776	11,160
<b>At 31 August 2019</b>	<u>2,190,314</u>	<u>13,845</u>	<u>-</u>	<u>1,604</u>	<u>2,205,763</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	10,384	13,845
	<u>10,384</u>	<u>13,845</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

## 6. Fixed asset investments

**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
NGRA (James Morrison) Limited	Ordinary	100 %

During the year 25,000 ordinary shares of £1 in the subsidiary company were acquired for nil consideration. The aggregate of the share capital and reserves as at 31 August 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves</b>	<b>Profit</b>
NGRA (James Morrison) Limited	276,037	495,377

## 7. Investment property

	<b>Freehold investment property</b>
	<b>£</b>
<b>Valuation</b>	
Surplus on revaluation	309,686
Transfer from Freehold land and property	2,190,314
<b>At 31 August 2020</b>	<u><u>2,500,000</u></u>

The property has been revalued by the directors on an open market value for existing use basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**
**8. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	7,731	-
Other debtors	85,594	493,187
Prepayments and accrued income	3,997	987
Tax recoverable	6,383	-
	<u>103,705</u>	<u>494,174</u>

**9. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans	30,976	25,675
Trade creditors	192	-
Corporation tax	4,851	-
Other taxation and social security	559	-
Obligations under finance lease and hire purchase contracts	19,456	16,487
Other creditors	99,621	-
Accruals and deferred income	5,340	26,998
	<u>160,995</u>	<u>69,160</u>

Santander UK PLC hold a floating charge over the general assets of the company and a legal security over the investment property owned by the company to the extent of the company's indebtedness to the bank.

Net obligations under finance lease and hire purchase contracts are secured on the assets held under contract.

Secured creditors at the year end total £50,432 (2019 - £42,162).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**10. Creditors: Amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans	286,749	311,646
Net obligations under finance leases and hire purchase contracts	4,645	24,038
	<u>291,394</u>	<u>335,684</u>

Secured creditors at the year end total £291,394 (2019 - £335,684).

**11. Loans**

Analysis of the maturity of loans is given below:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Bank loans	30,976	25,675
	<u>30,976</u>	<u>25,675</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	33,793	25,675
	<u>33,793</u>	<u>25,675</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	252,956	285,971
	<u>252,956</u>	<u>285,971</u>
	<u>317,725</u>	<u>337,321</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

**12. Deferred taxation**

	2020 £	2019 £
At beginning of year	-	(1,447)
Charged to profit or loss	(2,878)	1,447
<b>At end of year</b>	<u>(2,878)</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(2,878)	(1,447)
Charged to profit or loss	-	1,447
	<u>(2,878)</u>	<u>-</u>

**13. Reserves****Capital redemption reserve**

The capital redemption reserve records the nominal value of shares repurchased by the company.

**Other reserves**

The other reserve arises on changes in fair value of the investment property. Distributions from this reserve are not permitted as the balance does not represent a realised profit.

**Profit and loss account**

The profit and loss account includes current and prior year retained profits and dividends declared and paid.

**14. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £nil (2019 - £15,822). Contributions totalling £nil (2019 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**
**15. Commitments under operating leases**

At 31 August 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Not later than 1 year	7,629	8,105
Later than 1 year and not later than 5 years	3,814	11,443
	<u>11,443</u>	<u>19,548</u>

**16. Transactions with directors**

Included within other creditors is £94,525 (*2019 - other debtors £5,531*) due from Nicholas Groves-Raines, and Kristin Hannesdottir, directors of the company. The loan is interest free and repayable on demand.

**17. Related party transactions**

Included within other debtors is £732 (*2019 - £nil*) due from Custom (Leith) Limited, a company with a director in common with Groves-Raines Properties Limited. The balance due from Custom (Leith) Limited attracts interest at 6% per annum and is repayable on demand. The interest charge was suspended due to COVID-19.

Also included in other debtors is a balance of £60,450 (*2019 - £170,000*) due from Groves-Raines Architects Studios Ltd which is a company also owned by the directors. The balance due from Groves-Raines Architects Studios Ltd is interest free and is repayable on demand.



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