

**Company Registration No. 02767201 (England and Wales)**

**GALAPLACE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

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# **GALAPLACE LIMITED**

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# **GALAPLACE LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MAY 2013***

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The directors present their report and financial statements for the year ended 31 May 2013

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of property investment

#### **Results and dividends**

The results for the year are set out on page 5

#### **Directors**

The following directors have held office since 1 June 2012

M R Turner

P C O'Driscoll

#### **Auditors**

Gerald Edelman were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# **GALAPLACE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2013***

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P C O'Driscoll

**Director**

23 January 2014

# **GALAPLACE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF GALAPLACE LIMITED**

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We have audited the financial statements of Galaplace Limited for the year ended 31 May 2013 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2013 and of its 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.

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

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

# **GALAPLACE LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF GALAPLACE LIMITED**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**Stephen Coleman ACA (Senior Statutory Auditor)**  
**for and on behalf of Gerald Edelman**

23 January 2014

**Chartered Accountants**  
**Statutory Auditor**

25 Harley Street  
London  
W1G 9BR

# **GALAPLACE LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MAY 2013**

	Notes	2013 £	2012 £
Turnover	2	-	8,552,331
Cost of sales		(375,525)	(375,525)
<b>Gross (loss)/profit</b>		(375,525)	8,176,806
Administrative expenses		(274,914)	(388,248)
<b>Operating (loss)/profit</b>	3	(650,439)	7,788,558
Other interest receivable and similar income	4	-	742
Interest payable and similar charges	5	(568,039)	(578,542)
<b>(Loss)/profit on ordinary activities before taxation</b>		(1,218,478)	7,210,758
Tax on (loss)/profit on ordinary activities	6	865,956	4,905
<b>(Loss)/profit for the year</b>	12	(352,522)	7,215,663

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# GALAPLACE LIMITED

## BALANCE SHEET

AS AT 31 MAY 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	7	15,000,000		5,000,000	
<b>Current assets</b>					
Debtors	8	5,707,559		5,707,559	
Cash at bank and in hand		29,876		25,997	
		<u>5,737,435</u>		<u>5,733,556</u>	
<b>Creditors, amounts falling due within one year</b>	9	<u>(7,325,303)</u>		<u>(6,607,145)</u>	
<b>Net current liabilities</b>		<u>(1,587,868)</u>		<u>(873,589)</u>	
<b>Total assets less current liabilities</b>		13,412,132		4,126,411	
<b>Provisions for liabilities</b>	10	<u>(346,611)</u>		<u>(708,368)</u>	
		<u>13,065,521</u>		<u>3,418,043</u>	
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Revaluation reserve	12	2,777,200		(7,222,800)	
Profit and loss account	12	10,288,319		10,640,841	
<b>Shareholders' funds</b>	13	<u>13,065,521</u>		<u>3,418,043</u>	

Approved by the Board and authorised for issue on 23 January 2014



P C O'Driscoll  
Director

Company Registration No. 02767201



# **GALAPLACE LIMITED**

## **CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MAY 2013**

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	£	2013 £	£	2012 £
<b>Net cash (outflow)/inflow from operating activities</b>		(571,515)		7,518,176
<b>Returns on investments and servicing of finance</b>				
Interest received	-		742	
Interest paid	(568,039)		(578,542)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(568,039)		(577,800)
<b>Taxation</b>		(231,097)		-
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(1,370,651)		6,940,376
<b>Financing</b>				
Other new short term loans	1,374,530		5,547,703	
Repayment of other short term loans	-		(12,594,819)	
<b>Net cash inflow/(outflow) from financing</b>		1,374,530		(7,047,116)
<b>Increase/(decrease) in cash in the year</b>		3,879		(106,740)

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# GALAPLACE LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2013

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2013		2012	
		£		£	
	Operating (loss)/profit	(650,439)		7,788,558	
	(Increase)/decrease in debtors	-		37,574	
	Increase/(decrease) in creditors within one year	78,924		(307,956)	
	<b>Net cash (outflow)/inflow from operating activities</b>	<b>(571,515)</b>		<b>7,518,176</b>	
2	Analysis of net debt	1 June 2012	Cash flow	Other non-cash changes	31 May 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	25,997	3,879	-	29,876
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due within one year	(5,547,703)	(1,374,530)	-	(6,922,233)
	<b>Net debt</b>	<b>(5,521,706)</b>	<b>(1,370,651)</b>	<b>-</b>	<b>(6,892,357)</b>
3	Reconciliation of net cash flow to movement in net debt	2013		2012	
		£		£	
	Increase/(decrease) in cash in the year	3,879		(106,740)	
	Cash (inflow)/outflow from (increase)/decrease in debt	(1,374,530)		7,047,116	
	<b>Movement in net debt in the year</b>	<b>(1,370,651)</b>		<b>6,940,376</b>	
	Opening net debt	(5,521,706)		(12,462,082)	
	<b>Closing net debt</b>	<b>(6,892,357)</b>		<b>(5,521,706)</b>	

# **GALAPLACE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2013**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The financial statements have been prepared on a going concern basis, notwithstanding that the fact the company's investment property is now vacant and does not generate any rental income. The company relies on the loan from the parent company repayable after more than one year. The financial statements do not include any adjustments that would result from discontinuance of the financial support. On this basis, the directors consider that it is appropriate for the financial statements to be prepared on a going concern basis.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents rent receivable from investment property. Income is recognised on an accrual basis.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### **1.5 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision is made for deferred tax on unrealised gains recognised on revaluing property to its market value.

### **2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# **GALAPLACE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2013**

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<b>3</b>	<b>Operating (loss)/profit</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Operating (loss)/profit is stated after charging		
	Auditors' remuneration		
	- Audit	2,000	2,000
	- Accounts	500	500
	- Tax	500	500
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Bank interest	-	742
		<u>          </u>	<u>          </u>
		-	742
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	568,039	578,542
		<u>          </u>	<u>          </u>

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# **GALAPLACE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2013**

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<b>6</b>	<b>Taxation</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	-	51,667
	Adjustment for prior years	(504,199)	-
		<u>(504,199)</u>	<u>51,667</u>
	<b>Total current tax</b>	<b>(504,199)</b>	<b>51,667</b>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(361,757)	(56,572)
		<u>(865,956)</u>	<u>(4,905)</u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(1,218,478)	7,210,758
		<u>(1,218,478)</u>	<u>7,210,758</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.00%)	(243,696)	1,442,152
		<u>(243,696)</u>	<u>1,442,152</u>
	Effects of		
	Other tax adjustments	(260,503)	(1,390,485)
		<u>(260,503)</u>	<u>(1,390,485)</u>
	<b>Current tax charge for the year</b>	<b>(504,199)</b>	<b>51,667</b>
		<u>(504,199)</u>	<u>51,667</u>

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# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2013

### 7 Tangible fixed assets

	Investment properties £
<b>Cost or valuation</b>	
At 1 June 2012	5,000,000
Revaluation	10,000,000
	<u>          </u>
At 31 May 2013	15,000,000
	<u>          </u>
<b>Net book value</b>	
At 31 May 2013	15,000,000
	<u>          </u>
At 31 May 2012	5,000,000
	<u>          </u>

The property was valued as at 31 May 2013 at £15,000,000 by the directors. The directors are of the opinion that the above value reflects the market value of the property. The original cost of the property was £12,222,800. Should the property be sold at the revalued amount there could be a potential tax liability of £981k.

### 8 Debtors

	2013 £	2012 £
Called up share capital not paid	2	2
Other debtors	5,707,557	5,707,557
	<u>          </u>	<u>          </u>
	5,707,559	5,707,559
	<u>          </u>	<u>          </u>

Amounts falling due after more than one year and included in the debtors above are

	2013 £	2012 £
Other debtors	-	5,707,298
	<u>          </u>	<u>          </u>

# **GALAPLACE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MAY 2013**

<b>9 Creditors' amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	6,366	-
Amounts owed to parent and fellow subsidiary undertakings	246,256	-
Corporation tax	43,135	778,431
Other creditors	6,922,233	5,547,703
Accruals and deferred income	107,313	281,011
	<u>7,325,303</u>	<u>6,607,145</u>

Included in other creditors is a loan of £6,922,233 (2012 £5,547,703) which is secured over the company's investment property. The loan attracts interest of 9% per annum during the first four months of the loan and 12% per annum thereafter.

## **10 Provisions for liabilities**

	<b>Deferred tax liability</b>
	<b>£</b>
Balance at 1 June 2012	708,368
Profit and loss account	(361,757)
	<u>346,611</u>
Balance at 31 May 2013	<u>346,611</u>

The deferred tax liability is made up as follows.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>346,611</u>	<u>708,368</u>

<b>11 Share capital</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

# **GALAPLACE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2013**

### **12 Statement of movements on reserves**

	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 June 2012	(7,222,800)	10,640,841
Loss for the year	-	(352,522)
Revaluation during the year	10,000,000	-
Balance at 31 May 2013	<u>2,777,200</u>	<u>10,288,319</u>

### **13 Reconciliation of movements in shareholders' funds**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	(352,522)	7,215,663
Other recognised gains and losses	10,000,000	(6,630,000)
Net addition to shareholders' funds	<u>9,647,478</u>	<u>585,663</u>
Opening shareholders' funds	<u>3,418,043</u>	<u>2,832,380</u>
Closing shareholders' funds	<u>13,065,521</u>	<u>3,418,043</u>

### **14 Employees**

#### **Number of employees**

There were no employees during the year apart from the directors

### **15 Control**

The company is a wholly owned subsidiary of Aldersgate Investments Limited with Landal Worldwide Corp, a company registered in the British Virgin Islands being the ultimate parent company

### **16 Related party relationships and transactions**

The amount included under other creditors falling due within one year of £6,922,233 (2012 £5,547,703) is due to TFB (Mortgages) Limited, an entity controlled by Landal Worldwide Corp, the ultimate parent company of Galaplace Limited Interest of £567,044 (2012 £56,286) was charged during the year Included in creditors is an amount of £246,256 due to Aldersgate Investments Limited, a company registered in the British Virgin Islands



# **GALAPLACE LIMITED**

## **SCHEDULE OF ADMINISTRATIVE EXPENSES**

***FOR THE YEAR ENDED 31 MAY 2013***

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	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Administrative expenses</b>		
Rates	17,430	93,248
Management charges	(50,000)	52,100
Insurance	50,388	41,620
Light and heat	185,333	35,317
Repairs and maintenance	58,260	59,212
Advertising	600	389
Legal and professional fees	8,741	31,836
Accountancy	-	8,454
Audit fees	2,500	2,500
Bank charges	92	63,572
Sundry expenses	1,570	-
	<hr/>	<hr/>
	<b>274,914</b>	<b>388,248</b>
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