

Company Registration No. 02767201 (England and Wales)

**GALAPLACE LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MAY 2015**

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# **GALAPLACE LIMITED**

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# **GALAPLACE LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MAY 2015**

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The directors present the strategic report and financial statements for the year ended 31 May 2015.

### **Review of the business**

#### **Year End Position**

The Directors are satisfied with the year end position for the Company.

### **Principal risks and uncertainties**

The Company operates in the property sector within the UK and as such faces the same risks as other similar businesses, including the risk of economic downturn, availability of commercial rental space and movement in rental rates and yields.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The financial risk management objectives and group policies for each of these risks are described in more detail below.

#### **Interest rate risk**

The Group has borrowings at a fixed rate of interest which mitigates any risk from changes in the economy which may impact interest rates. The position is kept under regular review by the Board.

#### **Liquidity risk**

Liquidity risk is managed centrally. The current loan facilities have been agreed at appropriate levels given the Group's forecast operating cash flows, loan repayments, expected future capital expenditure and trading income over the course of the foreseeable future.

#### **Credit risk**

Due to the nature of the Group's income streams, the exposure to credit risk is considered minimal.

### **Development and Performance**

The property remained vacant in the year and was marketed for sale. Following year end the property was sold for £31.005m.

On behalf of the board



P C O'Driscoll

Director

26 February 2016

# **GALAPLACE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2015**

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The directors present their report and financial statements for the year ended 31 May 2015.

### **Results and dividends**

The results for the year are set out on page 5.

### **Directors**

The following directors have held office since 1 June 2014:

M R Turner  
P C O'Driscoll

### **Auditors**

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

The directors are responsible for preparing the Strategic Report, 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.

### **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  
26 February 2016

# **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 2015 set out on pages 5 to 13. 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 page 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 Strategic Report and 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

25 February 2016

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

73 Cornhill  
London  
EC3V 3QQ

# **GALAPLACE LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MAY 2015**

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	Notes	2015 £	2014 £
Turnover	2	507	-
Cost of sales		(375,525)	(375,525)
<b>Gross loss</b>		(375,018)	(375,525)
Administrative expenses		(297,937)	(252,136)
<b>Operating loss</b>	3	(672,955)	(627,661)
Interest payable and similar charges	4	(767,607)	(698,243)
<b>Loss on ordinary activities before taxation</b>		(1,440,562)	(1,325,904)
Tax on loss on ordinary activities	5	(853,363)	(2,242,399)
<b>Loss for the year</b>	11	(2,293,925)	(3,568,303)

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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 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	6	31,005,000		25,000,000	
<b>Current assets</b>					
Debtors	7	3,024,651		3,599,655	
Cash at bank and in hand		329		3,808	
		<u>3,024,980</u>		<u>3,603,463</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(7,379,314)</u>		<u>(6,517,235)</u>	
<b>Net current liabilities</b>		<u>(4,354,334)</u>		<u>(2,913,772)</u>	
<b>Total assets less current liabilities</b>		<u>26,650,666</u>		<u>22,086,228</u>	
<b>Provisions for liabilities</b>	9	<u>(3,442,373)</u>		<u>(2,589,010)</u>	
		<u>23,208,293</u>		<u>19,497,218</u>	
<b>Capital and reserves</b>					
Called up share capital	10		2		2
Revaluation reserve	11	18,782,200		12,777,200	
Profit and loss account	11	4,426,091		6,720,016	
<b>Shareholders' funds</b>	12	<u>23,208,293</u>		<u>19,497,218</u>	

Approved by the Board and authorised for issue on 26 February 2016



P C O'Driscoll  
Director

Company Registration No. 02767201



# **GALAPLACE LIMITED**

## **CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MAY 2015**

	£	2015 £	£	2014 £
<b>Net cash (outflow)/inflow from operating activities</b>		(3,479)		1,240,820
<b>Returns on investments and servicing of finance</b>				
Interest paid	(767,607)		(698,243)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(767,607)		(698,243)
<b>Taxation</b>		-		(43,135)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(771,086)		499,442
<b>Financing</b>				
Other new short term loans	767,607		(525,510)	
<b>Net cash inflow/(outflow) from financing</b>		767,607		(525,510)
<b>Decrease in cash in the year</b>		(3,479)		(26,068)

# GALAPLACE LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2015

1 Reconciliation of operating loss to net cash (outflow)/inflow from operating activities	2015	2014
	£	£
Operating loss	(672,955)	(627,661)
Decrease in debtors	575,004	2,107,904
Increase/(decrease) in creditors within one year	94,472	(239,423)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(3,479)</b>	<b>1,240,820</b>

2 Analysis of net debt	1 June 2014	Cash flow	Other non-cash changes	31 May 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	3,808	(3,479)	-	329
Bank deposits	-	-	-	-
Debt:				
Debts falling due within one year	(6,396,723)	(767,607)	-	(7,164,330)
<b>Net debt</b>	<b>(6,392,915)</b>	<b>(771,086)</b>	<b>-</b>	<b>(7,164,001)</b>

3 Reconciliation of net cash flow to movement in net debt	2015	2014
	£	£
Decrease in cash in the year	(3,479)	(26,068)
Cash (inflow)/outflow from (increase)/decrease in debt	(767,607)	525,510
<b>Movement in net debt in the year</b>	<b>(771,086)</b>	<b>499,442</b>
Opening net debt	(6,392,915)	(6,892,357)
<b>Closing net debt</b>	<b>(7,164,001)</b>	<b>(6,392,915)</b>

# **GALAPLACE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2015**

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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.

#### **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.

#### **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.

Included within the deferred tax figure is £594,272 (2014: £591,131) which represents the full reversal of capital allowances claimed on plant and machinery inherent within the property. This amount would only become payable if the company sold the property and failed to elect an advantageous disposal value for those capital allowances.

### **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 2015

<b>3</b>	<b>Operating loss</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging:		
	Fees payable to the company's auditor for the audit of the company's annual accounts	5,700	5,640
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	767,607	698,243
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Total current tax</b>	-	-
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	853,363	2,242,399
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(1,440,562)	(1,325,904)
		<u>          </u>	<u>          </u>
	Loss on ordinary activities before taxation multiplied by the applicable rate of UK corporation tax of 21.00% (2014 - 23.00%)	(302,518)	(304,958)
		<u>          </u>	<u>          </u>
	Effects of:		
	Non deductible expenses	17,086	-
	Capital allowances in excess of depreciation	(1,074)	(1,433)
	Deferred tax impact of losses arising in the period	286,506	306,391
		<u>          </u>	<u>          </u>
		302,518	304,958
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the year</b>	-	-
		<u>          </u>	<u>          </u>

# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

### 6 Tangible fixed assets

	Investment properties £
<b>Cost or valuation</b>	
At 1 June 2014	25,000,000
Revaluation	6,005,000
	<hr/>
At 31 May 2015	31,005,000
	<hr/>
<b>Net book value</b>	
At 31 May 2015	31,005,000
	<hr/> <hr/>
At 31 May 2014	25,000,000
	<hr/> <hr/>

The property was valued as at 31 May 2015 at £31,005,000 by the directors. The directors are of the opinion that the above value reflects the market value of the property which is based on the selling price of the property post balance sheet date. Deferred tax has been provided for in the accounts.

7 Debtors	2015 £	2014 £
Called up share capital not paid	2	2
Other debtors	2,971,289	3,577,548
Prepayments and accrued income	53,360	22,105
	<hr/>	<hr/>
	3,024,651	3,599,655
	<hr/> <hr/>	<hr/> <hr/>

8 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	185,906	41,016
Other creditors	7,164,593	6,396,723
Accruals and deferred income	28,815	79,496
	<hr/>	<hr/>
	7,379,314	6,517,235
	<hr/> <hr/>	<hr/> <hr/>

Included in other creditors is a loan of £7,164,330 (2014: £6,396,723) which is secured over the company's investment property. The loan attracts interest at 12% per annum.

# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

### 9 Provisions for liabilities

	Deferred tax liability £
Balance at 1 June 2014	2,589,010
Profit and loss account	853,363
Balance at 31 May 2015	<u>3,442,373</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	594,272	591,859
Other timing differences	2,848,101	1,997,151
	<u>3,442,373</u>	<u>2,589,010</u>

### 10 Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 11 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 June 2014	12,777,200	6,720,016
Loss for the year	-	(2,293,925)
Revaluation during the year	6,005,000	-
Balance at 31 May 2015	<u>18,782,200</u>	<u>4,426,091</u>

# **GALAPLACE LIMITED**

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

**FOR THE YEAR ENDED 31 MAY 2015**

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<b>12 Reconciliation of movements in Shareholders' funds</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(2,293,925)	(3,568,303)
Other recognised gains and losses	6,005,000	10,000,000
	<hr/>	<hr/>
Net addition to shareholders' funds	3,711,075	6,431,697
Opening Shareholders' funds	19,497,218	13,065,521
	<hr/>	<hr/>
Closing Shareholders' funds	23,208,293	19,497,218
	<hr/>	<hr/>

### **13 Employees**

#### **Number of employees**

There were no employees during the year apart from the directors.

### **14 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.

### **15 Related party relationships and transactions**

The amount included under other creditors falling due within one year of £7,164,330 (2014: £6,396,723) is due to TFB (Mortgages) Limited, an entity controlled by Landal Worldwide Corp, the ultimate parent company of Galaplace Limited. Interest at 12% per annum of £767,607 (2014: £698,243) was charged during the year.

Included in debtors is an amount of £2,971,289 (2014: £3,577,289) due from Aldersgate Investments Limited, a company registered in the British Virgin Islands.