

Company Registration No. 02767201 (England and Wales)

GALAPLACE LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2016

TUESDAY



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# **GALAPLACE LIMITED**

## **CONTENTS**

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	<b>Page</b>
Directors' report	1
Independent auditor's report	2 - 3
Profit and loss account	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7 - 13

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# **GALAPLACE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2016**

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The directors present their annual report and financial statements for the year ended 31 May 2016.

### **Principal activities**

The principal activity of the company continued to be that of property investment. In June 2015 the investment property was sold for £31.005 million, its market value, to an unconnected party.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M R Turner  
P C O'Driscoll

### **Auditor**

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 annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



P C O'Driscoll  
Director  
20 February 2017

# **GALAPLACE LIMITED**

## **INDEPENDENT AUDITOR'S 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 2016 set out on pages 4 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out 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. 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 2016 and of its profit 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 matters prescribed by the Companies Act 2006**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

# **GALAPLACE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

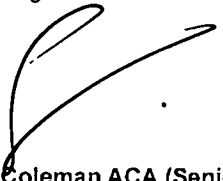
### **TO THE MEMBERS OF GALAPLACE LIMITED**

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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; 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' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

20 February 2017

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

73 Cornhill  
London  
EC3V 3QQ

# GALAPLACE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	2015 £
Turnover		18	507
Cost of sales		(15,475)	(375,525)
<b>Gross loss</b>		<b>(15,457)</b>	<b>(375,018)</b>
Administrative expenses		(261,765)	(297,937)
<b>Operating loss</b>	<b>2</b>	<b>(277,222)</b>	<b>(672,955)</b>
Interest receivable and similar income		981	-
Interest payable and similar expenses		(37,620)	(767,607)
Fair value gains on investment properties		-	6,005,000
<b>(Loss)/profit before taxation</b>		<b>(313,861)</b>	<b>4,564,438</b>
Taxation	<b>4</b>	3,442,373	(853,363)
<b>Profit for the financial year</b>		<b>3,128,512</b>	<b>3,711,075</b>

# GALAPLACE LIMITED

## BALANCE SHEET

AS AT 31 MAY 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Investment properties	5		-	31,005,000	
<b>Current assets</b>					
Debtors	6	2		3,024,651	
Cash at bank and in hand		-		329	
		2		3,024,980	
<b>Creditors: amounts falling due within one year</b>	7	-		(7,379,314)	
<b>Net current assets/(liabilities)</b>			2	(4,354,334)	
<b>Total assets less current liabilities</b>			2	26,650,666	
<b>Provisions for liabilities</b>	8		-	(3,442,373)	
<b>Net assets</b>			2	23,208,293	
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Profit and loss reserves			-	23,208,291	
<b>Total equity</b>			2	23,208,293	

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

The financial statements were approved by the board of directors and authorised for issue on 20 February 2017 and are signed on its behalf by:



P C O'Driscoll  
Director

Company Registration No. 02767201

# GALAPLACE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2014	2	12,777,200		6,720,016	19,497,218
Effect of transition to FRS 102		(12,777,200)		12,777,200	-
As restated	2	-	-	19,497,216	19,497,218
Year ended 31 May 2015:					
Profit and total comprehensive income for the year		-	-	3,711,075	3,711,075
Balance at 31 May 2015	2	-	-	23,208,291	23,208,293
Year ended 31 May 2016:					
Profit and total comprehensive income for the year		-	-	3,128,512	3,128,512
Dividends		-	-	(26,336,803)	(26,336,803)
Balance at 31 May 2016	2	-	-	-	2



# **GALAPLACE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2016**

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### **1 Accounting policies**

#### **Company information**

Galaplace Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor Millbank Tower, 21-24 Millbank, London SW1P 4QP.

#### **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 are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2016 are the first financial statements of Galaplace Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

#### **1.2 Turnover**

Turnover represents rent receivable from investment property.

#### **1.3 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

#### **1.4 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.5 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

### 1 Accounting policies (Continued)

#### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Operating loss

	2016	2015
	£	£
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	2,400	5,700

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2015 - 2).

### 4 Taxation

	2016	2015
	£	£
Deferred tax		
Origination and reversal of timing differences	(3,442,373)	853,363

# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

### 4 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
(Loss)/profit before taxation	(313,861)	4,564,438
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	(62,772)	958,532
Tax effect of expenses that are not deductible in determining taxable profit	-	17,086
Gains not taxable	-	(86,176)
Capital allowances in excess of depreciation	-	(1,074)
Accelerated capital allowances	-	2,413
Deferred tax impact of losses arising in the period	-	(37,418)
Loss relief not provided for	(2,785,329)	-
Reversal of ACA provision previously recognised	(594,272)	-
Taxation for the year	(3,442,373)	853,363

### 5 Investment property

	2016 £
Fair value	
At 1 June 2015	31,005,000
Disposals	(31,005,000)
At 31 May 2016	-

### 6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Other debtors	2	3,024,651

# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

### 7 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	-	185,906
Other creditors	-	7,193,408
	<u>-</u>	<u>7,379,314</u>

### 8 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	-	3,442,373
	<u>-</u>	<u>3,442,373</u>

### 9 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid 2 Ordinary shares of £1 each	2	2

### 10 Related party transactions

The amount included under other creditors falling due within one year is £nil (2015: £7,164,330) due to TFB (Mortgages) Designated Activity Company, an entity under common control. Interest at 12% per annum of £36,945 (2015: £767,607) was charged during the year.

Included in debtors is an amount of £2 (2015: £2,971,289) due from Aldersgate Investments Limited, a company registered in British Virgin Islands, under common control.

### 11 Parent company

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

# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

### 12 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of equity

Notes	At 1 June 2014			At 31 May 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>						
Investment properties	25,000,000	-	25,000,000	31,005,000	-	31,005,000
<b>Current assets</b>						
Debtors	3,599,655	-	3,599,655	3,024,651	-	3,024,651
Bank and cash	3,808	-	3,808	329	-	329
	3,603,463	-	3,603,463	3,024,980	-	3,024,980
<b>Creditors due within one year</b>						
Loans and overdrafts	(6,396,723)	-	(6,396,723)	(7,164,330)	-	(7,164,330)
Other creditors	(120,512)	-	(120,512)	(214,984)	-	(214,984)
	(6,517,235)	-	(6,517,235)	(7,379,314)	-	(7,379,314)
Net current liabilities	(2,913,772)	-	(2,913,772)	(4,354,334)	-	(4,354,334)
Total assets less current liabilities	22,086,228	-	22,086,228	26,650,666	-	26,650,666
<b>Provisions for liabilities</b>						
Deferred tax	(2,589,010)	-	(2,589,010)	(3,442,373)	-	(3,442,373)
Net assets	19,497,218	-	19,497,218	23,208,293	-	23,208,293
<b>Capital and reserves</b>						
Share capital	2	-	2	2	-	2
Revaluation reserve	1 12,777,200	(12,777,200)	-	18,782,200	(18,782,200)	-
Profit and loss	1 6,720,016	12,777,200	19,497,216	4,426,091	18,782,200	23,208,291
Total equity	19,497,218	-	19,497,218	23,208,293	-	23,208,293

# GALAPLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

### 12 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of (loss)/profit for the financial period

Notes	Year ended 31 May 2015		FRS 102 £
	Previous UK GAAP £	Effect of transition £	
Turnover	507	-	507
Cost of sales	(375,525)	-	(375,525)
Gross loss	(375,018)	-	(375,018)
Administrative expenses	(297,937)	-	(297,937)
Fair value gain on investment properties	(767,607)	-	(767,607)
Amounts written off investments	-	6,005,000	6,005,000
(Loss)/profit before taxation	(1,440,562)	6,005,000	4,564,438
Taxation	(853,363)	-	(853,363)
(Loss)/profit for the financial period	(2,293,925)	6,005,000	3,711,075

#### Notes to reconciliations on adoption of FRS 102

##### 1. Investment property revaluation

Under previous UK GAAP the company revalued investment properties to a revaluation reserve. On transition to FRS102, changes in the fair value have been made through profit and loss. The revaluation reserve has been credited to the profit and loss reserve. The comparative year revaluation of £6,005,000 has been made through the profit and loss account.