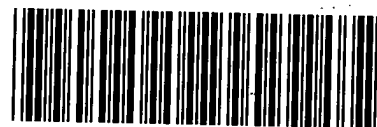


Company Registration No. 02767201 (England and Wales)

GALAPLACE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MAY 2014

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GALAPLACE LIMITED

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GALAPLACE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2014

The directors present the strategic report and financial statements for the year ended 31 May 2014.

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 various development options have been considered. Following year end the property has been offered for sale on the open market with offers due in March 2015.

On behalf of the board



P C O'Driscoll

Director

25 February 2015

GALAPLACE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2014

The directors present their report and financial statements for the year ended 31 May 2014.

Principal activities

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 2013:

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

25 February 2015

GALAPLACE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GALAPLACE LIMITED

We have audited the financial statements of Galaplace Limited for the year ended 31 May 2014 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 pages 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 2014 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

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 2015

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

GALAPLACE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2014

	Notes	2014 £	2013 £
Cost of sales		(375,525)	(375,525)
Administrative expenses		(252,136)	(274,914)
Operating loss	2	(627,661)	(650,439)
Interest payable and similar charges	3	(698,243)	(568,039)
Loss on ordinary activities before taxation		(1,325,904)	(1,218,478)
Tax on loss on ordinary activities	4	(2,242,399)	865,956
Loss for the year	10	(3,568,303)	(352,522)

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 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	5	25,000,000		15,000,000	
Current assets					
Debtors	6	3,599,655		5,707,559	
Cash at bank and in hand		3,808		29,876	
		<u>3,603,463</u>		<u>5,737,435</u>	
Creditors: amounts falling due within one year	7	<u>(6,517,235)</u>		<u>(7,325,303)</u>	
Net current liabilities			<u>(2,913,772)</u>		<u>(1,587,868)</u>
Total assets less current liabilities			22,086,228		13,412,132
Provisions for liabilities	8		<u>(2,589,010)</u>		<u>(346,611)</u>
			<u>19,497,218</u>		<u>13,065,521</u>
Capital and reserves					
Called up share capital	9		2		2
Revaluation reserve	10		12,777,200		2,777,200
Profit and loss account	10		6,720,016		10,288,319
Shareholders' funds	11		<u>19,497,218</u>		<u>13,065,521</u>

Approved by the Board and authorised for issue on 25 February 2015



P C O'Driscoll
Director

Company Registration No. 02767201

GALAPLACE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2014

	£	2014 £	£	2013 £
Net cash inflow/(outflow) from operating activities		1,240,820		(571,515)
Returns on investments and servicing of finance				
Interest paid	(698,243)		(568,039)	
	<u></u>		<u></u>	
Net cash outflow for returns on investments and servicing of finance		(698,243)		(568,039)
Taxation		(43,135)		(231,097)
		<u></u>		<u></u>
Net cash inflow/(outflow) before management of liquid resources and financing		499,442		(1,370,651)
Financing				
Other new short term loans and repayments	(525,510)		1,374,530	
	<u></u>		<u></u>	
Net cash (outflow)/inflow from financing		(525,510)		1,374,530
		<u></u>		<u></u>
(Decrease)/increase in cash in the year		<u>(26,068)</u>		<u>3,879</u>

GALAPLACE LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2014

1 Reconciliation of operating loss to net cash (outflow)/inflow from operating activities	2014	2013
	£	£
Operating loss	(627,661)	(650,439)
Decrease/(increase) in debtors	2,107,904	-
(Decrease)/Increase in creditors within one year	(239,423)	78,924
Net cash inflow/(outflow) from operating activities	1,240,820	(571,515)

2 Analysis of net debt	1 June 2013	Cash flow	Other non-cash changes	31 May 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	29,876	(26,068)	-	3,808
Bank deposits	-	-	-	-
Debt:				
Debts falling due within one year	(6,922,233)	525,510	-	(6,396,723)
Net debt	(6,892,357)	499,442	-	(6,392,915)

3 Reconciliation of net cash flow to movement in net debt	2014	2013
	£	£
(Decrease)/increase in cash in the year	(26,068)	3,879
Cash outflow/(inflow) from decrease/(increase) in debt	525,510	(1,374,530)
Movement in net debt in the year	499,442	(1,370,651)
Opening net debt	(6,892,357)	(5,521,706)
Closing net debt	(6,392,915)	(6,892,357)

GALAPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2014

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 within 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 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.

1.4 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 £591,859 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 Operating loss	2014	2013
	£	£
Operating loss is stated after charging:		
Auditors' remuneration		
- Audit	2,000	2,000
- Accounts	500	500
- Tax	500	500
	<u> </u>	<u> </u>

GALAPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2014

3	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	698,243	568,039
		<u> </u>	<u> </u>
4	Taxation	2014	2013
		£	£
	Domestic current year tax		
	Adjustment for prior years	-	(504,199)
		<u> </u>	<u> </u>
	Total current tax	-	(504,199)
	Deferred tax		
	Origination and reversal of timing differences	2,242,399	(361,757)
		<u> </u>	<u> </u>
		2,242,399	(865,956)
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(1,325,904)	(1,218,478)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 20.00%)	(265,181)	(243,696)
		<u> </u>	<u> </u>
	Effects of:		
	Other tax adjustments	265,181	(260,503)
		<u> </u>	<u> </u>
		265,181	(260,503)
		<u> </u>	<u> </u>
	Current tax charge for the year	-	(504,199)
		<u> </u>	<u> </u>

GALAPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2014

5 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 June 2013	15,000,000
Revaluation	10,000,000
	<hr/>
At 31 May 2014	25,000,000
	<hr/>
Net book value	
At 31 May 2014	25,000,000
	<hr/>
At 31 May 2013	15,000,000
	<hr/>

The property was valued as at 31 May 2014 at £25,000,000 by the directors. The directors are of the opinion that the above value reflects the market value of the property. Deferred tax has been provided for in the accounts.

6 Debtors	2014 £	2013 £
Called up share capital not paid	2	2
Other debtors	3,577,548	5,707,557
Prepayments and accrued income	22,105	-
	<hr/>	<hr/>
	3,599,655	5,707,559
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	41,016	6,366
Amounts owed to parent and fellow subsidiary undertakings	-	246,256
Corporation tax	-	43,135
Other creditors	6,396,723	6,922,233
Accruals and deferred income	79,496	107,313
	<hr/>	<hr/>
	6,517,235	7,325,303
	<hr/>	<hr/>

Included in other creditors is a loan of £6,396,723 (2013: £6,922,233) 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 2014

8 Provisions for liabilities

	Deferred tax liability £
Balance at 1 June 2013	346,611
Profit and loss account	2,242,399
	<hr/>
Balance at 31 May 2014	2,589,010
	<hr/>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	591,859	346,611
Other timing differences	1,997,151	-
	<hr/>	<hr/>
	2,589,010	346,611
	<hr/>	<hr/>

9 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

10 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 June 2013	2,777,200	10,288,319
Loss for the year	-	(3,568,303)
Revaluation during the year	10,000,000	-
	<hr/>	<hr/>
Balance at 31 May 2014	12,777,200	6,720,016
	<hr/>	<hr/>

GALAPLACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MAY 2014**

11 Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Loss for the financial year	(3,568,303)	(352,522)
Other recognised gains and losses	10,000,000	10,000,000
	<hr/>	<hr/>
Net addition to shareholders' funds	6,431,697	9,647,478
Opening shareholders' funds	13,065,521	3,418,043
	<hr/>	<hr/>
Closing shareholders' funds	19,497,218	13,065,521
	<hr/>	<hr/>

12 Employees

Number of employees

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

13 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.

14 Related party relationships and transactions

The amount included under other creditors falling due within one year of £6,396,723 (2013: £6,922,233) 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 £698,243 (2013: £567,044) was charged during the year.

Included in debtors is an amount of £3,577,548 (2013: creditor balance of £246,256) due from Aldersgate Investments Limited, a company registered in the British Virgin Islands.