

Gala Unity Limited
FINANCIAL STATEMENTS
for the year ended
31 March 2012

TUESDAY



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18/12/2012

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COMPANIES HOUSE

Gala Unity Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T Richardson
B McGurk

REGISTERED OFFICE

29 Mosley Street
Newcastle upon Tyne
NE1 1YF

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Gala Unity Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Gala Unity Limited for the year ended 31 March 2012

PRINCIPAL ACTIVITIES

The company is a ground rent investment company

DIRECTORS

The directors who served the company during the year were as follows

T Richardson
B McGurk

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

SMALL COMPANY PROVISIONS

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

On behalf of the board



T Richardson

Director

17 DECEMBER 2012

Gala Unity Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALA UNITY LIMITED

We have audited the financial statements on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the 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 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

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.



GARRY ELLIOTT (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

17/12/12

Gala Unity Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2012

		2012	2011
	<i>Notes</i>	£	£
TURNOVER		874,850	847,799
Administrative expenses		(122,621)	(116,356)
Other operating income	1	129,998	103,601
OPERATING PROFIT	2	882,227	835,044
Profit on disposal of fixed assets		8,926	24,019
		891,153	859,063
Interest receivable		41	16
		891,194	859,079
Interest payable and similar charges		(685,255)	(674,048)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		205,939	185,031
Taxation	3	(49,863)	(47,087)
PROFIT FOR THE FINANCIAL YEAR	12	156,076	137,944

Gala Unity Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2012

	2012 £	2011 £
Profit for the financial year	156,076	137,944
Unrealised surplus/(deficit) on revaluation of certain fixed assets	1,738,710	(20,020)
Reversal of deferred tax provided in previous periods on revaluation of certain fixed assets	—	884,531
Total recognised gains and losses since the last financial statements	<u>1,894,786</u>	<u>1,002,455</u>

Gala Unity Limited

BALANCE SHEET

31 March 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	5	<u>19,145,250</u>	<u>17,123,887</u>
CURRENT ASSETS			
Debtors	6	399,700	301,419
Cash at bank and in hand		<u>351,850</u>	<u>362,072</u>
		751,550	663,491
CREDITORS			
Amounts falling due within one year	7	(1,078,662)	(933,038)
NET CURRENT LIABILITIES		<u>(327,112)</u>	<u>(269,547)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,818,138	16,854,340
CREDITORS			
Amounts falling due after more than one year	8	(12,475,315)	(12,310,303)
		<u>6,342,823</u>	<u>4,544,037</u>
CAPITAL AND RESERVES			
Called up share capital	10	101	101
Revaluation reserve	11	5,925,137	4,187,924
Profit and loss account	12	<u>417,585</u>	<u>356,012</u>
SHAREHOLDERS' FUNDS		<u>6,342,823</u>	<u>4,544,037</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 5 to 11 were approved by the board of directors and authorised for issue on **17 DECEMBER 2012** and are signed on their behalf by

T. J. Richardson

T Richardson
Director

Gala Unity Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

TURNOVER

Turnover represents the total invoice value, excluding value added tax, of ground rents and related income during the year

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or revaluation

Freehold reversions are revalued in accordance with FRS 15. Surpluses on revaluation are credited to the revaluation reserve. Freehold reversions are not depreciated as the directors believe their carrying value is not less than their estimated market value and as such are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Gala Unity Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

1 OTHER OPERATING INCOME

	2012	2011
	£	£
Other operating income	<u>129,998</u>	<u>103,601</u>

Other operating income relates to insurance commissions received

2 OPERATING PROFIT

Operating profit is stated after charging

	2012	2011
	£	£
Directors' remuneration	-	-
Auditors' remuneration	-	-
Audit fees	5,000	5,000
Non-audit fees	<u>7,869</u>	<u>5,610</u>

3 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012	2011
	£	£
Current tax		
UK Corporation tax based on the results for the year at 26% (2011 - 25%)	49,900	46,400
(Over)/under provision in prior year	(37)	687
Total current tax	<u>49,863</u>	<u>47,087</u>

4 DIVIDENDS

Equity dividends

	2012	2011
	£	£
Paid during the year		
Dividends on equity shares £475 25 (2011 £475 25)	<u>96,000</u>	<u>96,000</u>

5 TANGIBLE FIXED ASSETS

	Freehold reversions £
Cost or valuation	
At 1 April 2011	17,123,887
Additions	291,751
Disposals	(9,098)
Revaluation	1,738,710
At 31 March 2012	<u>19,145,250</u>
Net book value	
At 31 March 2012	<u>19,145,250</u>
At 31 March 2011	<u>17,123,887</u>

Gala Unity Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

5 TANGIBLE FIXED ASSETS *(continued)*

The historical cost of the freehold reversions is £13,220,113 (2011 £12,935,963)

At 31 March 2012 the directors have taken into consideration a professional valuation by Mr R M Spiers, MRCIS, of King Sturge LLP, undertaken post year end, together with professional valuations carried out in respect of additions during the year, in arriving at a directors' valuation of £19,145,250. The directors believe that this accurately reflects the open market value of the freehold reversions at the balance sheet date.

6 DEBTORS

	2012	2011
	£	£
Trade debtors	118,345	137,014
Amounts owed by connected company	176,107	162,231
Other debtors	2,600	2,174
Prepayments and accrued income	102,648	—
	<u>399,700</u>	<u>301,419</u>

7 CREDITORS Amounts falling due within one year

	2012	2011
	£	£
Bank loans (secured – see note 8)	50,000	50,000
Trade creditors	37,336	36,744
Corporation tax	92,829	58,709
Other taxes and social security	2,341	2,349
Other creditors	19,340	13,035
Accruals and deferred income	876,816	772,201
	<u>1,078,662</u>	<u>933,038</u>

8 CREDITORS Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	<u>12,475,315</u>	<u>12,310,303</u>

The bank loans are secured over the company's investment property portfolio and incur interest at various rates above bank base rate and LIBOR. The bank loans are also supported by guarantees totalling £100,000, £50,000 from Mr BJ McGurk and £50,000 from Mr TJ Richardson.

Included within creditors falling due after more than one year is an amount of £12,475,315 (2011 - £12,160,303) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

Gala Unity Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

9 RELATED PARTY TRANSACTIONS

During the year under review the company was under the joint control of Mr BJ McGurk, director, and Mr TJ Richardson, director

Included within amounts owed by connected company is £176,107 (2011 £162,231) due from Gala Due Limited, a company in which Mr TJ Richardson and Mr BJ McGurk are directors and shareholders

Included within administrative expenses are office overhead costs of £18,000 (2011 £18,000) charged by Allendale Securities and Investments Limited, a company in which Mr TJ Richardson and Mr BJ McGurk are directors and shareholders

During the year under review dividends of £48,000 (2011 £48,000) were paid to each of the directors, Mr TJ Richardson and Mr BJ McGurk, in their capacity as company shareholders

10 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid 202 Ordinary shares of £0.50 each	<u>101</u>	<u>101</u>

11 REVALUATION RESERVE

	2012 £	2011 £
At the beginning of the year	4,187,924	3,327,526
Revaluation of fixed assets	1,738,710	(20,020)
Reversal of deferred tax provided in previous periods on revaluation of certain fixed assets	-	884,531
Transfer to the profit and loss account on realisation	<u>(1,497)</u>	<u>(4,113)</u>
At the end of the year	<u>5,925,137</u>	<u>4,187,924</u>

12 PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
At the beginning of the year	356,012	309,955
Profit for the financial year	156,076	137,944
Dividends	(96,000)	(96,000)
Transfer from revaluation reserve	<u>1,497</u>	<u>4,113</u>
At the end of the year	<u>417,585</u>	<u>356,012</u>