

GR (Greenock) 2 Limited

Report and Financial Statements

Year Ended

31 March 2012

Company number 4720308



G R (Greenock) 2 Limited

**Report and financial statements
for the year ended 31 March 2012**

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Directors

A C Gallagher
G H Gosling

Secretary and registered office

S A Burnett, 15 Hockley Court, Stratford Road, Hockley Heath, Solihull, West Midlands, B94 6NW

Company number

4720308

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

G R (Greenock) 2 Limited

Report of the directors for the year ended 31 March 2012

The directors present their report together with the audited financial statements for the year ended 31 March 2012

Results

The profit and loss account is set out on page 5 and shows the profit for the year (2011 – profit)

The directors do not recommend the payment of a final dividend (2011 - £Nil)

Principal activities

The principal activity of the company in the year under review was that of property investment

The results for the year and financial position of the company are as shown in the annexed financial statements

Directors

The directors of the company during the year were

A C Gallagher
G H Gosling

Directors' responsibilities

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. 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.

G R (Greenock) 2 Limited

Report of the directors for the year ended 31 March 2012 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting, in accordance with section 485 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the Board



G H Gosling
Director

Date 15 February 2013

GR (Greenock) 2 Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GR (GREENOCK) 2 LIMITED

We have audited the financial statements of G R (Greenock) 2 Limited for the year ended 31 March 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 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, 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 the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

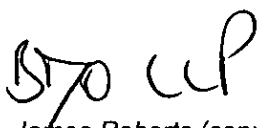
GR (Greenock) 2 Limited

Independent auditor's report (*continued*)

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 and the directors' report in accordance with the small companies' regime



*James Roberts (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick*

Date 18/2/2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

G R (Greenock) 2 Limited

Profit and loss account for the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	2	1,362,340	1,294,818
Cost of sales		117,046	90,268
		<hr/>	<hr/>
Gross profit		1,245,294	1,204,550
Administrative expenses		324,956	262,476
		<hr/>	<hr/>
Operating profit	3	920,338	942,074
Interest payable and similar charges	4	8,277	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		912,061	942,074
Taxation on profit on ordinary activities		255,377	279,810
		<hr/>	<hr/>
Profit for the financial year after taxation	10	656,684	662,264
		<hr/>	<hr/>

All amounts relate to continuing activities

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

Statement of total recognised gains and losses

	2012 £	2011 £
Profit for the year	656,684	662,264
Unrealised deficit on revaluation of properties	(640,000)	(740,000)
	<hr/>	<hr/>
Total recognised losses in the year	16,684	(77,736)
	<hr/>	<hr/>

The notes on pages 7 to 11 form part of these financial statements


G R (Greenock) 2 Limited

Balance sheet at 31 March 2012

<i>Company number 4720308</i>	Note	2012 £	2012 £	2011 £	1 £
Fixed assets					
Tangible assets	5		17,620,000		18,260,000
Current assets					
Debtors	6	31,493		85,057	
Creditors amounts falling due within one year	7	568,031		496,833	
Net current liabilities			(536,538)		(411,776)
Total assets less current liabilities			17,083,462		17,848,224
Provisions for liabilities and charges	8		(179,768)		(179,768)
Net assets			16,903,694		17,668,456
Capital and reserves					
Called up share capital	9		14,000,001		14,000,001
Profit and loss account	10		522,452		647,214
Revaluation reserve	10		2,381,241		3,021,241
Shareholders' funds	11		16,903,694		17,668,456

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board and authorised for issue on *15 February 2013*


 G H Gosling
 Director

The notes on pages 7 to 11 form part of these financial statements

G R (Greenock) 2 Limited

Notes forming part of the financial statements for the year ended 31 March 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Land and Buildings. The following principal accounting policies have been applied.

Basis of preparation

The financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern assumption, the directors have taken into consideration the company's cash flow forecasts and the company's present level of funding. The company has not breached the covenants associated with this funding and the directors are confident that they have sufficient working capital and consider that adequate longer term funding will remain in place and consequently the company will continue as a going concern. No adjustments have been made to the carrying value of both assets and liabilities, that might be required should the going concern basis be inappropriate.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

Turnover

Turnover represents the rental income receivable, service charges and other recoveries from investment properties in the United Kingdom.

In circumstances where a tenant has been given an incentive to enter into a lease by way of a payment, the incentive is treated as a reduction in rental income. The incentive is amortised on a straight-line basis over the period from term commencement to the date of the first rent review, in accordance with UITF 28. Where an incentive is given to a tenant by way of a rent free period, the total rental income receivable for the period to the first rent review is recognised on a straight-line basis from term commencement to the date of the first rent review, in accordance with UITF 28.

Investment properties

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief.

Deferred tax balances are not discounted.

Dividends

Equity dividends and dividends in specie are recognised when they become legally payable. All dividends are approved by the shareholders at the AGM.

G R (Greenock) 2 Limited

Notes forming part of the financial statements
for the year ended 31 March 2012 *(continued)*

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Operating profit

The auditors' remuneration is borne by another group company, Greenock Retail Limited

4 Interest payable and similar charges

	2012 £	2011 £
Interest payable on loans from group and related undertakings	8,277	-

5 Tangible fixed assets

	Freehold investment property £
<i>Valuation</i>	
At 1 April 2011	18,260,000
Revaluation	(640,000)
	<hr/>
At 31 March 2012	17,620,000
<i>Net book value</i>	
At 31 March 2012	17,620,000
	<hr/>
At 31 March 2011	18,260,000
	<hr/>

The directors are of the opinion that the value of the investment properties stated above is not materially different to the open market value

On an historical cost basis these would have been included at an original cost of £15,238,759 (2011 - £15,238,759)

If the investment property had been sold at 31 March 2012, the company would crystallise a tax liability of £Nil (2011 - £Nil)

G R (Greenock) 2 Limited

Notes forming part of the financial statements
for the year ended 31 March 2012 (*continued*)

6 Debtors

	2012 £	2011 £
Other debtors	31,493	85,057

All amounts shown under debtors fall due for payment within one year

7 Creditors amounts falling due within one year

	2012 £	2011 £
Other creditors	-	13,280
Tax and social security	64,667	-
Accruals and deferred income	503,364	202,857
Amounts owed to group undertakings	-	275,900
Corporation tax	-	4,796
	568,031	496,833

8 Provision for liabilities and charges

	Deferred tax £
Balance at 1 April 2011 and 31 March 2012	179,768

	2012 £	2011 £
<i>Deferred tax</i>		
Capital allowances in excess of depreciation	179,768	179,768

G R (Greenock) 2 Limited

**Notes forming part of the financial statements
for the year ended 31 March 2012 (continued)**

9 Called up share capital

	2012 £	Allotted, called up and fully paid 2011 £
Ordinary shares of £1 each	<u>14,000,001</u>	<u>14,000,001</u>

10 Reserves

	Revaluation Reserve £	Profit and loss account £
At 1 April 2011	3,021,241	647,214
Profit for the year	-	656,684
Dividend in specie	-	(781,446)
Revaluation	(640,000)	-
	<u>2,381,241</u>	<u>522,452</u>
At 31 March 2012		

The dividend in specie is in relation to the waiver of inter-company debt owed by Greenock Retail Limited, a company which indirectly owns 100% of GR (Greenock) 2 Limited's share capital

11 Reconciliation of movement in shareholder's funds

	2012 £	2011 £
Profit for the financial year	656,684	662,264
Distribution	(781,446)	(1,040,962)
Other net recognised gains and losses relating to the year	(640,000)	(740,000)
	<u>(764,762)</u>	<u>(1,118,698)</u>
Net reduction to shareholder's funds		
Opening shareholder's funds	<u>17,668,456</u>	<u>18,787,154</u>
Closing shareholder's funds	<u>16,903,694</u>	<u>17,668,456</u>

12 Guarantees

The bank loan within Greenock Retail Limited, the ultimate parent company, is on normal commercial terms and is secured by way of a fixed charge over the assets of its subsidiaries, including GR (Greenock) 2

G R (Greenock) 2 Limited

Notes forming part of the financial statements for the year ended 31 March 2012 (*continued*)

13 Ultimate parent company

The share capital of the company is owned by GR (Greenock) 1 Limited, a company registered in England

The ultimate holding company is Greenock Retail Limited, which is controlled as a joint venture by Harris Ventures Limited and Ashflame Properties Limited, who each own one share of the issued share capital

14 Related party disclosures

Lord Harris of Peckham is a director of the company's ultimate parent company, Greenock Retail Limited. During the year, the company leased a retail park unit to Carpetright plc, a company of which Lord Harris of Peckham is a director. Annual rent of £226,148 (2011 - £226,148) was received on an arms' length basis.

During the year the amount owed of £781,446 (2011 - £1,040,962) from its ultimate parent company Greenock Retail Limited was waived which led to a charge to the profit and loss account.

15 Subsequent events

Subsequent to the balance sheet date, a tenant of the Company's property entered administration. In the opinion of the directors, this has led to deterioration in the valuation of the Company's investment property of some £1,060,000 to £16,560,000.

As these conditions did not exist as at 31 March 2012, the directors believe that this event is non-adjusting and therefore has been reported as such. Non-adjusting events are events which arise after the balance sheet date and concern conditions which did not exist at that time. Consequently they do not result in changes in amounts in these financial statements.