

Greenock Retail Limited

Report and Financial Statements

Year Ended

31 March 2015

Company Number 5007689



Greenock Retail Limited

**Report and financial statements
for the year ended 31 March 2015**

Contents

Page:

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

A C Gallagher
G H Gosling
Lord Harris of Peckham
P J Saunders

Secretary and registered office

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

Company number

5007689

Auditors

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

Greenock Retail Limited

Report of the directors for the year ended 31 March 2015

The directors present their report together with the audited financial statements for the year ended 31 March 2015.

Results

The profit and loss account is set out on page 5 and shows the loss for the year (2014 - profit).

The directors do not recommend the payment of a final dividend (2014 - £Nil).

Principal activities

The company's principal activity during the year was that of a holding company for a property investment company, which remained the case until the disposal of the property during the financial year ended 31 March 2015. However on 30 October 2015, the directors took the decision to create a step plan to liquidate the Company. As the directors intend to liquidate the company they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Directors

The directors of the company during the year were:

A C Gallagher
G H Gosling
Lord Harris of Peckham
P J Saunders

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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

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.

Greenock Retail Limited

Report of the directors for the year ended 31 March 2015 (*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



P J Saunders
Director

Date 6 November 2015

Greenock Retail Limited

Independent auditor's report

TO THE MEMBERS OF GREENOCK RETAIL LIMITED

We have audited the financial statements of Greenock Retail Limited for the year ended 31 March 2015 which comprise the profit and loss account, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 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.

Emphasis of matter - going concern

We draw attention to note 1 in the financial statements which explains that the financial statements have not been prepared on a going concern basis as the directors intend to liquidate the company.

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.

Greenock Retail 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 and to the exemption from the requirement to prepare a strategic report.

BDO LLP

*Anna Draper (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom*

Date 10 November 2015

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

Greenock Retail Limited

Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
Administrative expenses		23,216,101	357,360
Operating loss	2	(23,216,101)	(357,360)
Interest receivable and similar income	3	640,221	622,156
Income from fixed asset investment		-	734,606
Interest payable and similar charges	4	(106,760)	(652,778)
(Loss)/profit on ordinary activities before taxation		(22,682,640)	346,624
Taxation on (loss)/profit from ordinary activities	5	(94,076)	89,135
(Loss)/profit for the financial year after taxation	11	(22,776,716)	435,759

All amounts relate to discontinued activities.

The company has no recognised gains and losses other than the profit for the current and previous year.

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

Greenock Retail Limited

Balance sheet at 31 March 2015

Company number: 5007689	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Investments	6		-		1,232,437
Current assets					
Debtors	7	-		21,483,720	
Cash at bank and in hand		9,957		378,860	
			9,957		21,862,580
Creditors: amounts falling due within one year	8	16,665,687		16,974,031	
Net current assets			(16,655,730)		4,888,549
Net assets			(16,655,730)		6,120,986
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		(16,655,732)		6,120,984
Shareholders' funds	11		(16,655,730)		6,120,986

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 6 November 2015


P J Saunders
Director

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

Greenock Retail Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Basis of preparation

At 31 March 2015 the company had net liabilities of £16,655,730 (2014 - net assets of £6,120,986) and a net loss of £22,776,716 (2014 - profit of £435,759).

The Directors have taken the decision to liquidate the company within the 2016 calendar year. Therefore, as required by FRS 18.21 and as permitted by the Companies Act 2006, the directors have prepared the financial statements on the basis that the company is no longer a going concern. Based upon the nature of the assets and the liabilities contained in the financial statements, no adjustments to the carrying value of assets and liabilities are required to be made on account of the basis for accounting.

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.

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 the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Amortisation of loan issue costs

Costs incurred in respect of obtaining loan finance are included in other debtors and are amortised over the period of repayment of the loan in proportion to the outstanding loan.

Consolidated accounts

Consolidated accounts have not been prepared for the company and its subsidiaries as the exemption in respect of a small group has been taken.

Valuation of investments

Investments held as assets are stated at cost less any provision for impairment.

2 Operating loss

	2015 £	2014 £
This has been arrived at after charging:		
Impairment of fixed asset investment	1,232,437	-
Impairment of inter-company receivable	21,976,136	-
Auditors' remuneration	5,400	6,500
	<u> </u>	<u> </u>

Greenock Retail Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

3 Interest receivable and similar income

	2015 £	2014 £
Deposit account interest	139	718
Interest receivable from group undertakings	640,082	621,438
	<u>640,221</u>	<u>622,156</u>

4 Interest payable and similar charges

	2015 £	2014 £
Bank interest	106,760	643,665
Amortisation of loan interest costs	-	9,113
	<u>106,760</u>	<u>652,778</u>

5 Taxation on (loss)/profit from ordinary activities

	2015 £	2014 £
Taxation on profit on ordinary activities – current tax	(94,076)	89,135

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	<u>(22,682,640)</u>	<u>346,624</u>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014 - 23%)	<u>(4,763,354)</u>	<u>79,724</u>
Effects of:		
Expenses not deductible	4,873,800	(168,959)
Group relief surrendered / (claimed)	(94,076)	(89,135)
Payment / (receipt) for group relief	94,076	89,135
Utilisation of tax losses	(16,370)	-
Losses carried forward	-	101
	<u>(94,076)</u>	<u>89,135</u>
Current tax charge for year	<u>(94,076)</u>	<u>89,135</u>

Greenock Retail Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

6 Investments

	Shares in Group Undertakings £
<i>Cost</i>	
At 1 April 2014 and at 31 March 2015	1,232,437
<i>Impairment</i>	
At 1 April 2014	-
Provision in year	1,232,437
At 31 March 2015	1,232,437
<i>Net book value</i>	
At 31 March 2015	-
At 31 March 2014	1,232,437

The investment represents all of the ordinary shares of GR (Greenock) Limited, an intermediate holding company, which holds all of the ordinary shares of GR (Greenock) 1 Limited, an intermediate holding company, which holds all of the ordinary shares of GR (Greenock) 2 Limited, a property investment company.

The profit after tax and net assets of these subsidiaries are as follows:

Company name	Profit/(loss) after tax		Net assets/(liabilities)	
	2015 £	2014 £	2015 £	2014 £
GR (Greenock) Limited	(14,640,083)	(621,438)	(21,976,136)	(7,336,053)
GR (Greenock) 1 Limited	(14,000,001)	-	-	14,000,001
GR (Greenock) 2 Limited	(15,095,530)	681,268	(299,870)	14,795,660

Greenock Retail Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

7 Debtors

	2015 £	2014 £
Amounts owed by group undertakings	-	21,336,054
Amounts owed by related parties	-	147,666
	<u>-</u>	<u>21,483,720</u>

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

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans (secured)	-	16,650,000
Amounts owed to group undertakings	15,173,403	-
Amounts owed to related parties	1,486,134	-
Accruals and deferred income	6,150	324,031
	<u>16,665,687</u>	<u>16,974,031</u>

At 31 March 2014 the bank loan was due on demand and secured by way of a fixed charge over the assets GR (Greenock) 2 Limited. The loan was repaid in full on 4 July 2014.

9 Share capital

	Allotted, called up and fully paid 2015 £	2014 £
'A' ordinary shares of £1 each	1	1
'B' ordinary shares of £1 each	1	1
	<u>2</u>	<u>2</u>

10 Reserves

	Profit and loss account £
At 1 April 2014	6,120,984
Profit for the year	(22,776,716)
	<u>(16,655,732)</u>
At 31 March 2015	

Greenock Retail Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

11 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
(Loss)/profit for the financial year	(22,776,716)	435,759
Net (reduction)/addition to shareholders' funds	(22,776,716)	435,759
Opening shareholders' funds	6,120,986	5,685,227
Closing shareholders' (deficit)/funds	(16,655,730)	6,120,986

12 Guarantees

The bank loan in the prior year 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.

13 Related party disclosures

Related party transactions and balances

	Loan interest received		Due (to)/from related parties at 31 March	
	2015 £	2014 £	2015 £	2014 £
Harris Ventures Limited	-	-	(739,533)	77,367
Ashflame Properties Limited	-	-	(746,601)	70,299
GR (Greenock) Limited	(640,082)	(621,438)	-	21,336,054

All balances due stated above are loan balances as there is no trading between the company and the joint venture companies.

Ashflame Properties Limited and Harris Ventures Limited own the entire share capital under a joint venture agreement. All related party loans are subordinate to the bank loan.

During the year, rent and fees of £65,368 (2014 - £255,864) were received from Carpetright plc, a company in which the ultimate controlling party of one of the joint venture partners held a material shareholding and interest.

14 Subsequent events

Subsequent to the balance sheet date, the directors took the decision to create a step plan to liquidate the Company. As the directors intend to liquidate the company they have not prepared the financial statements on a going concern basis. Based upon the nature of the assets and the liabilities contained in the financial statements, no adjustments to the carrying value of assets and liabilities are required to be made on account of the basis for accounting.