

Grant Asset Management Limited

Registered number: SC288232

Directors' report and financial statements

For the year ended 31 March 2014

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GRANT ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

DIRECTORS

P C Grant
C M Grant
J I Martin
J C Moran
J K Stringer (appointed 15 August 2013)
D K Rummens (resigned 14 June 2013)

COMPANY SECRETARY

C M Grant

REGISTERED NUMBER

SC288232

REGISTERED OFFICE

14 Coates Crescent
Edinburgh
EH3 7AF

INDEPENDENT AUDITORS

Mazars LLP
Chartered Accountants & Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

BANKERS

Bank of Scotland
New Ueberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

SOLICITORS

HBJ Gateley
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

Shoosmiths
Saltire Court
20 Castle Terrace
Edinburgh
EH2 1EN

GRANT ASSET MANAGEMENT LIMITED

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GRANT ASSET MANAGEMENT LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their Strategic report for Grant Asset Management Limited and its subsidiaries for the year ended 31 March 2014.

BUSINESS REVIEW

The group continued with its principal activities throughout the current year. The directors intend to continue with these activities in the forthcoming year.

The directors are delighted to report a return to profitability. The property development and renovations division of the business experienced an increase in volume of greater than 50% on the previous year. The directors believe that this level of increase will continue into 2014/15 as investor confidence in the property market continues to grow. The property management division continues to expand as the demand for rental properties is strong and increases in rents have been achieved.

PRINCIPAL RISKS AND UNCERTAINTIES

Management continually monitor the key risks facing the group together with assessing the controls used for managing these risks. The principal risks and uncertainties facing the group are as follows:

- 1) economic downturn - the group acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties.
- 2) competitor pressure - the market in which the company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The group manages this risk by providing a quality service and maintaining strong relationships with its key customers.
- 3) loss of key personnel - this would present significant operational difficulties for the group. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

FINANCIAL KEY PERFORMANCE INDICATORS

Turnover in the year amounted to £7,094,620 (2013: £5,213,080). 60% of turnover related to property development and renovations with the remaining 40% relating to property management and interior design. The gross profit margin remained static from the prior year at 58%. As noted above, the property development and renovations division of the business experienced an increase in volume of greater than 50% on the previous year. Occupancy rates within the property management division were maintained at a high level.

Profit for the financial year (after tax) amounted to £437,095, compared to a loss in the prior year of £267,912. At the year end, the group had shareholders' funds of £603,924 (2013: £162,718).

This report was approved by the board on 20/06/14

and signed on its behalf.


P C Grant
Director

GRANT ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The company acts as a holding company for a group whose principal activities comprise property management, property development, renovation and interior design.

RESULTS

The profit for the year, after taxation, amounted to £437,095 (2013: loss £267,912).

DIRECTORS

The directors who served during the year were:

P C Grant
C M Grant
J I Martin
J C Moran
J K Stringer (appointed 15 August 2013)
D K Rummens (resigned 14 June 2013)

FINANCIAL INSTRUMENTS

The group makes no use of financial instruments and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

GRANT ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, Mazars LLP, who were appointed during the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20/06/14

and signed on its behalf.



P C Grant
Director

GRANT ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRANT ASSET MANAGEMENT LIMITED

We have audited the financial statements of Grant Asset Management Limited for the year ended 31 March 2014 which comprise the group Profit and loss account, the group and company Balance sheets, the group Consolidated cash flow statement 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).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement set out on page 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. 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2014 and of the group's 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 THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GRANT ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRANT ASSET MANAGEMENT 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



John McLeod (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: 8/07/14

GRANT ASSET MANAGEMENT LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
TURNOVER	1,2	7,094,620	5,213,080
Cost of sales		(2,988,106)	(2,156,106)
GROSS PROFIT		4,106,514	3,056,974
Administrative expenses		(3,628,157)	(3,383,770)
OPERATING PROFIT/(LOSS)	3	478,357	(326,796)
Share of operating profit in joint venture investment		-	8,062
TOTAL OPERATING PROFIT/(LOSS)		478,357	(318,734)
(Loss)/profit on disposal of joint venture investment		(236)	66,289
Interest receivable and similar income	6	1,520	1,954
Interest payable and similar charges	7	-	(34)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		479,641	(250,525)
Tax on profit/(loss) on ordinary activities	8	(42,546)	(17,387)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	19	437,095	(267,912)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 24 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED

Registered number: SC288232

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	10		249,085		313,949
Investments	11		50		50
Investments in joint ventures					
-Share of gross assets		-		839	
-Share of gross liabilities		-		(603)	
Share of net assets	11		-		236
			249,135		314,235
CURRENT ASSETS					
Stocks	12	260,964		66,383	
Debtors	13	1,087,064		459,605	
Cash at bank and in hand	14	2,248,910		2,013,513	
		3,596,938		2,539,501	
CREDITORS: amounts falling due within one year	15	(3,242,149)		(2,691,018)	
NET CURRENT ASSETS/(LIABILITIES)			354,789		(151,517)
NET ASSETS			603,924		162,718
CAPITAL AND RESERVES					
Called up share capital	17		1,602		1,602
Other reserves	19		32,891		28,780
Profit and loss account	19		569,431		132,336
SHAREHOLDERS' FUNDS	23		603,924		162,718

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/06/14

P C Grant
Director



The notes on pages 10 to 24 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED

Registered number: SC288232

COMPANY BALANCE SHEET AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	11		34,893		30,782
CURRENT ASSETS					
Debtors		66,560		66,560	
CREDITORS: amounts falling due within one year	15	(2)		(2)	
NET CURRENT ASSETS			66,558		66,558
NET ASSETS			101,451		97,340
CAPITAL AND RESERVES					
Called up share capital	17		1,602		1,602
Other reserves	19		32,891		28,780
Profit and loss account	19		66,958		66,958
SHAREHOLDERS' FUNDS	23		101,451		97,340

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
20/06/14

P C Grant
Director

The notes on pages 10 to 24 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	20	276,743	(1,101,485)
Returns on investments and servicing of finance	21	1,520	1,936
Capital expenditure and financial investment	21	(42,866)	(46,472)
Acquisitions and disposals	21	-	20,517
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>235,397</u>	<u>(1,125,504)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
Increase/(decrease) in cash in the year	<u>235,397</u>	<u>(1,125,504)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>235,397</u>	<u>(1,125,504)</u>
Net funds at 1 April 2013	<u>2,013,513</u>	<u>3,139,017</u>
NET FUNDS AT 31 MARCH 2014	<u>2,248,910</u>	<u>2,013,513</u>

The notes on pages 10 to 24 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements have been prepared on a going concern basis.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Grant Asset Management Limited and all of its subsidiary undertakings. No profit and loss account is presented for Grant Asset Management Limited as permitted by the Companies Act 2006.

Following a restructuring of the group in 2006 the group financial statements have been consolidated in accordance with the principles of merger accounting.

A joint venture is an undertaking in which the group has a long-term interest and over which it exercises joint control. In the prior year, the group's share of the profits less losses of joint ventures was included in the Consolidated profit and loss account and its interest in their net assets was included in investments in the Consolidated balance sheet.

The results of the group's joint venture interest, Buccleuch Grant Limited, have not been consolidated as the financial results of this company are not considered to be significant to the group as a whole.

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss account.

The Profit and loss account for the year dealt with in the financial statements of the company was £nil (2013: £nil).

1.3 Turnover

Turnover represents amounts receivable during the year in respect of the group's principal activities which include the development and renovation of property on behalf of clients, the upgrade of properties to comply with multiple occupancy regulations, interior design of properties and the management on behalf of landlords of properties to let. The group's activities are carried out wholly in the UK.

1.4 Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposal of fixed asset investments are treated as part of the result from ordinary activities.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings, furniture and equipment	-	10%/25% straight line

GRANT ASSET MANAGEMENT LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.7 Work in progress and sundry stock

Work in progress, which is stated at the lower of cost and net realisable value, relates to the costs incurred in bringing each development and renovation contract to its present condition and comprises of the cost of direct materials and labour and attributable professional fees.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Sundry stock is stated at the lower of cost and net realisable value.

1.8 Long term contracts

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the property development project and is calculated on a prudent basis by recording turnover and related costs as contract activity progresses.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.10 Amounts due to landlords and tenants

Rental income and deposits received from tenants are included in current liabilities (other creditors) until such time as payment is made to either the landlord for rent, or the deposit is repaid to the tenant.

GRANT ASSET MANAGEMENT LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.11 Share-based payments

The company issues equity settled share-based payments to certain employees (including directors). Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured using the Black-Scholes valuation model. The expected useful life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

No expense is recognised for awards that do not ultimately vest provided vesting is not dependent on market related conditions.

1.12 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The whole of the turnover is attributable to the group's principal activities which include the development and renovation of property on behalf of clients, the upgrade of properties to comply with multiple occupancy regulations, interior design of properties and the management on behalf of landlords of properties to let.

An analysis of group turnover by class of business is as follows:

	2014 £	2013 £
Property development and renovations	4,260,590	2,665,756
Property management and interior design	2,834,030	2,547,324
	<u>7,094,620</u>	<u>5,213,080</u>

All turnover arose within the United Kingdom.

GRANT ASSET MANAGEMENT LIMITED

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

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	107,730	116,433
Auditor's remuneration	5,850	13,080
Auditors' remuneration - non-audit	10,275	6,170
Operating lease rentals:		
- equipment and other items	83,815	80,903
- land and buildings	185,359	165,734
Equity settled share-based payments	4,111	4,111

Included within auditor's fees above are amounts paid in respect of the audits of various related undertakings of the company.

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	1,931,839	1,847,336
Social security costs	202,699	192,770
	<u>2,134,538</u>	<u>2,040,106</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
	<u>69</u>	<u>67</u>

5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>270,405</u>	<u>397,170</u>

The highest paid director received remuneration of £82,400 (2013: £116,599).

No pension contributions were paid by the group on behalf of any director during the current or prior year.

GRANT ASSET MANAGEMENT LIMITED

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

6. INTEREST RECEIVABLE

	2014 £	2013 £
Share of interest receivable by joint venture investments	-	18
Bank interest receivable	1,520	1,936
	<u>1,520</u>	<u>1,954</u>

7. INTEREST PAYABLE

	2014 £	2013 £
Share of interest payable by joint venture investments	-	34

8. TAXATION

	2014 £	2013 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit/(loss) for the year	22,546	29
Adjustments in respect of prior periods	-	(1,742)
Total current tax	<u>22,546</u>	<u>(1,713)</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	20,000	19,100
Tax on profit/(loss) on ordinary activities	<u>42,546</u>	<u>17,387</u>

GRANT ASSET MANAGEMENT LIMITED

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

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013: higher than) the standard rate of corporation tax in the UK of 23% (2013: 20%). The differences are explained below:

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	479,641	(250,525)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013: 20%)	110,317	(50,105)
Effects of:		
Expenses not deductible for tax purposes	15,031	19,135
Depreciation for year in excess of capital allowances	6,384	528
Utilisation of tax losses	(105,565)	-
Adjustments to tax charge in respect of prior periods	-	(1,742)
Other timing differences	(1,609)	-
Non-taxable income	-	(10,735)
Unrelieved tax losses carried forward	-	41,206
Marginal relief	(2,012)	-
Current tax charge/(credit) for the year (see note above)	22,546	(1,713)

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 April 2013 and 31 March 2014	1,079,379
Amortisation	
At 1 April 2013 and 31 March 2014	1,079,379
Net book value	
At 31 March 2014	-
At 31 March 2013	-

GRANT ASSET MANAGEMENT LIMITED

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

10. TANGIBLE FIXED ASSETS

Group	Leasehold improve- ments £	Motor vehicles £	Fixtures, fittings, furniture and equipment £	Total £
Cost				
At 1 April 2013	95,564	3,100	1,475,328	1,573,992
Additions	21,583	-	21,283	42,866
Disposals	-	-	(505,352)	(505,352)
At 31 March 2014	117,147	3,100	991,259	1,111,506
Depreciation				
At 1 April 2013	72,036	1,228	1,186,779	1,260,043
Charge for the year	5,659	774	101,297	107,730
On disposals	-	-	(505,352)	(505,352)
At 31 March 2014	77,695	2,002	782,724	862,421
Net book value				
At 31 March 2014	39,452	1,098	208,535	249,085
At 31 March 2013	23,528	1,872	288,549	313,949

11. FIXED ASSET INVESTMENTS

Group	Other investment £	Investment in joint venture £	Total £
Cost			
At 1 April 2013	50	236	286
Disposals	-	(236)	(236)
At 31 March 2014	50	-	50
Net book value			
At 31 March 2014	50	-	50
At 31 March 2013	50	236	286

During the year, the group's remaining joint venture investment, Pender Grant Limited, was disposed of.

Through Grant Property Solutions Ltd the group owns 50% of the issued Ordinary share capital of Buccleuch Grant Limited, a dormant company which is registered in Scotland. At 31 March 2014 and 31 March 2013 Buccleuch Grant Limited had net assets of £100. The results of the group's joint venture interest, in Buccleuch Grant Limited, have not been consolidated as the financial statements of this company are not considered to be significant to the group as a whole.

GRANT ASSET MANAGEMENT LIMITED

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

11. FIXED ASSET INVESTMENTS (continued)

	Investments in subsidiary under- takings £
Company	
Cost	
At 1 April 2013	30,782
Additions	4,111
At 31 March 2014	34,893
Net book value	
At 31 March 2014	34,893
At 31 March 2013	30,782

Details of the principal subsidiaries can be found under note number 27. The investment in Grant Management and Interiors Limited is owned indirectly through Grant Property Solutions Ltd.

12. STOCKS

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Work in progress	255,177	56,861	-	-
Sundry stock	5,787	9,522	-	-
	260,964	66,383	-	-

GRANT ASSET MANAGEMENT LIMITED

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

13. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	192,611	151,006	-	-
Amounts owed by subsidiary undertaking (see note 25)	-	-	66,560	66,560
Amounts owed by related undertakings (see note 25)	229,253	93,766	-	-
Directors' loan accounts (see note 25)	231,334	-	-	-
Other debtors	251,609	27,549	-	-
Prepayments and accrued income	142,257	127,284	-	-
Deferred tax asset (see note 16)	40,000	60,000	-	-
	<u>1,087,064</u>	<u>459,605</u>	<u>66,560</u>	<u>66,560</u>

The deferred tax asset of £40,000 (2013: £60,000) is considered to be recoverable after more than one year from the balance sheet date.

14. CASH AT BANK AND IN HAND

	2014	2013
	£	£
Group cash and bank balances	233,186	218,264
Client cash and bank balances	2,015,724	1,795,249
	<u>2,248,910</u>	<u>2,013,513</u>

Client cash and bank balances are offset by an equal and opposite liability, which is included within other creditors (note 15), owed to landlords and tenants in respect of sums arising from the normal course of trading.

15. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	350,122	190,398	-	-
Amounts owed to subsidiary undertaking (see note 25)	-	-	2	2
Corporation tax	22,546	-	-	-
Other taxation and social security (see below)	153,311	113,870	-	-
Other creditors	2,239,947	1,963,123	-	-
Accruals and deferred income	476,223	423,627	-	-
	<u>3,242,149</u>	<u>2,691,018</u>	<u>2</u>	<u>2</u>

GRANT ASSET MANAGEMENT LIMITED

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

15. CREDITORS: Amounts falling due within one year (continued)

Other taxation and social security

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
PAYE/NI	67,976	51,643	-	-
VAT	85,335	62,227	-	-
	153,311	113,870	-	-

16. DEFERRED TAXATION

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	60,000	-	-	-
Movement in the year	(20,000)	60,000	-	-
At end of year	40,000	60,000	-	-

The deferred taxation balance is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Tax losses brought forward	40,000	60,000	-	-

The deferred tax asset, which relates to tax losses available, is considered to be recoverable after more than one year from the balance sheet date as it will be utilised against future taxable profits. On the basis of projected levels of profitability, the directors have formed a view of the likely recoverability of the deferred tax asset which, in their opinion, makes it appropriate to recognise this balance within the financial statements at 31 March 2014.

At the prior year end, the group had an unprovided deferred tax asset of approximately £70,000, relating primarily to tax losses carried forward.

Deferred tax has been calculated based on a tax rate of 20% (2013: 20%).

17. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
1,602 Ordinary shares of £1 each	1,602	1,602

GRANT ASSET MANAGEMENT LIMITED

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

18. SHARE-BASED PAYMENTS

The company has a share option scheme for certain employees (including directors) of Grant Property Solutions Ltd. Options are exercisable at a price equal to the average market price of Grant Asset Management Limited's shares on the date of grant. The vesting condition for each individual is that they must be an eligible employee/director up until the vesting date which is the earlier of:

i) the date falling two months prior to the tenth anniversary of the grant date (and any date thereafter up to the tenth anniversary of the grant date); ii) a disposal, flotation or change of control in Grant Asset Management Limited.

If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

At the balance sheet date 44 (2013: 44) share options remained outstanding at an exercise price of £1,136.36 (2013: £1,136.36). The share options outstanding at the year end have a remaining contractual life of 3 years (2013: 4 years) and have an exercise price of £1,136.36. The share options were granted on 4 July 2006.

The fair value of the share options was calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

Share price - £1,136
Exercise price - £1,136
Expected volatility - 75%
Option life - 10 years

A risk free rate of return of 5.23% was used.

Expected volatility was calculated based on historical share price volatility of AIM listed companies of a similar trading nature to Grant Property Solutions Ltd. The expected life used in the model has been determined, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The contribution to capital in the current year is £4,111 (2013: £4,111).

19. RESERVES

Group	Other reserves £	Profit and loss account £
At 1 April 2013	28,780	132,336
Profit for the financial year	-	437,095
Equity settled share-based payment transactions (see note 18)	4,111	-
At 31 March 2014	32,891	569,431

Other reserves of £32,891 (2013: £28,780) represents the share based payment reserve. The relevant disclosures relating to the share options issued that give rise to this reserve are given in note 18.

GRANT ASSET MANAGEMENT LIMITED

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

19. RESERVES (continued)

Company	Other reserves £	Profit and loss account £
At 1 April 2013	28,780	66,958
Equity settled share-based payment transactions (see note 18)	4,111	-
	<u>32,891</u>	<u>66,958</u>
At 31 March 2014	<u>32,891</u>	<u>66,958</u>

Other reserves of £32,891 (2013: £28,780) represents the share based payment reserve. The relevant disclosures relating to the share options issued that give rise to this reserve are given in note 18.

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit/(loss)	478,357	(326,796)
Equity settled share-based payments	4,111	4,111
Depreciation of tangible fixed assets	107,730	116,433
Profit on disposal of tangible fixed assets	-	(1,000)
(Increase)/decrease in stocks	(194,581)	47,277
(Increase)/decrease in debtors	(647,459)	87
Increase/(decrease) in creditors	528,585	(941,597)
	<u>276,743</u>	<u>(1,101,485)</u>
Net cash inflow/(outflow) from operating activities	<u>276,743</u>	<u>(1,101,485)</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>1,520</u>	<u>1,936</u>
	<u>1,520</u>	<u>1,936</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(42,866)	(47,472)
Sale of tangible fixed assets	-	1,000
	<u>(42,866)</u>	<u>(46,472)</u>
Net cash outflow from capital expenditure	<u>(42,866)</u>	<u>(46,472)</u>
	<u>(42,866)</u>	<u>(46,472)</u>
	<u>2014 £</u>	<u>2013 £</u>
Acquisitions and disposals		
Proceeds on disposal of joint venture investment	<u>-</u>	<u>20,517</u>
	<u>-</u>	<u>20,517</u>

GRANT ASSET MANAGEMENT LIMITED

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

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand	2,013,513	235,397	-	2,248,910
Net funds	2,013,513	235,397	-	2,248,910

23. RECONCILIATION OF SHAREHOLDERS' FUNDS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Profit/(loss) for the financial year	437,095	(267,912)	-	-
Equity settled share-based payments	4,111	4,111	4,111	4,111
Increase/(decrease) in shareholders' funds	441,206	(263,801)	4,111	4,111
Opening shareholders' funds	162,718	426,519	97,340	93,229
Closing shareholders' funds	603,924	162,718	101,451	97,340

The relevant disclosures relating to the equity settled share-based payments are given in note 18.

24. OPERATING LEASE COMMITMENTS

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	10,145	12,000	6,297	7,464
Between 1 and 5 years	22,500	10,000	38,300	24,340
After more than 5 years	163,875	188,925	-	61,417

GRANT ASSET MANAGEMENT LIMITED

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

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by FRS 8 not to report details of the transactions with entities which are 100% controlled by a common parent undertaking.

At the year end, amounts were owed to the company by the following related undertakings:

	2014 £	2013 £
Grant Caledonia Limited	16,501	18,128
Grant Investments	123,424	42,248
Global Trees	2,124	2,064
Grant Investment 2	26,511	26,481
SB Business Help Ltd	1,830	930
GM Sailing	33,708	3,915
Sandstone Investments (UK) Limited	25,155	-
	<u>229,253</u>	<u>93,766</u>

Amounts due from related party undertakings are unsecured, interest free and have no fixed terms of repayment.

During the year, the group provided a loan to Grant Caledonia Limited of £128,000. This loan was repaid to the group prior to the year end.

During the year, rent of £70,125 (2013: £70,125) and £54,000 (2013: £54,000) was paid to Grant Investment 2 and GM Sailing respectively.

Certain directors of this company have an interest in GM Sailing, a partnership. Grant Investments and Grant Investment 2 are partnerships under the control of P C Grant and C M Grant. Certain of the directors of this company are also directors of Global Trees, Grant Caledonia Limited, SB Business Help Limited and Sandstone Investments (UK) Limited.

During the year, the group made sales to J K Stringer, a director of Grant Asset Management Limited, of £84,165. No balances were outstanding from J K Stringer at the year end date.

At the year end, the group was due £1,853 (2013: £nil) from C M Grant, a director of Grant Asset Management Limited and Grant Property Solutions Limited. The loan, which is unsecured and interest free, is repayable on demand. The highest balance outstanding from C M Grant during the year was £1,853.

During the year, the group made to sales to P C Grant, a director of Grant Asset Management Limited and Grant Property Solutions Limited, of £285,224. At the year end, the group was due £229,481 (2013: £nil) from P C Grant. The loan, which is unsecured and interest free, is repayable on demand. The highest balance outstanding from P C Grant during the year was £229,481.

26. CONTROLLING PARTY

In the directors' opinion, P C Grant and C M Grant are the company's ultimate controlling party by virtue of their combined shareholding in the company.

GRANT ASSET MANAGEMENT LIMITED

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

27. PRINCIPAL SUBSIDIARIES

Company name	Country of registration	Percentage	Description of activities
		Shareholding	
Grant Property Solutions Ltd	Scotland	100	Property development & management, interior design
Grant Management and Interiors Limited	Scotland	100	Insurance activities
Grant Corporate Finance Limited	Scotland	100	Dormant

For the year ending 31 March 2014, Grant Corporate Finance Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.