

Grant Asset Management Limited

Registered number: SC288232

Annual Report

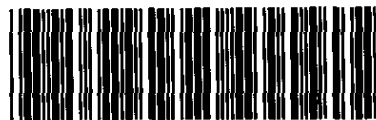
For the year ended 31 March 2018

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GRANT ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	C M Grant J C Moran R Ludwig
Company secretary	C M Grant
Registered number	SC288232
Registered office	14 Coates Crescent Edinburgh EH3 7AF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Bankers	HSBC Bank Plc 76 Hanover Street Edinburgh EH2 1EL Bank of Scotland 11 Earl Grey Street Edinburgh EH3 9BN
Solicitors	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 2018

Introduction

The directors present their Strategic Report for Grant Asset Management Limited and its subsidiaries for the year ended 31 March 2018.

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 group has seen a turnaround in its performance from last year returning to profit this year. This was achieved through a 20% increase in the investment business (property development and renovations) and stronger demand for rental properties across the UK. This trend has continued after the year end and is predicted to continue for the next financial year.

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 group 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 £11,079,455 (2017 - £9,453,317). 75% (2017 - 73%) of turnover related to property development and renovations with the remaining 25% (2017 - 27%) relating to property management and interior design. The gross profit margin increased from the prior year to 45% (2017 - 44%).

The group generated a profit for the year, before taxation, of £48,072 (2017 - incurred a loss before taxation of £524,016). At the year end the group had shareholder's funds of £213,809 (2017 - £162,376).

GRANT ASSET MANAGEMENT LIMITED

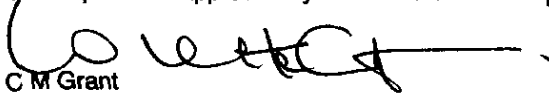
GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

Other key performance indicators

Average employee numbers increased from 87 in the prior year to 97 in the year ended 31 March 2018.

This report was approved by the board on 12/09/18

and signed on its behalf.


C M Grant
Director

GRANT ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the group's financial statements 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 to 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 activity

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

Results and dividends

The profit for the year, after taxation, amounted to £51,433 (2017 - loss £444,439).

No dividends were paid in the current or prior year.

Directors

The directors who served during the year were:

C M Grant
J C Moran

J K Stringer and J I Martin also served as directors until their resignation on 26 March 2018 and 1 April 2018 respectively. R Ludwig was appointed as a director subsequent to the year end on 1 June 2018.

GRANT ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

Future developments

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

Matters covered in the Strategic Report

Business review, principal risks and uncertainties and key performance indicators are disclosed within the Strategic Report on pages 1 and 2.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the 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 auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the group since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12/09/18

and signed on its behalf.



C M Grant
Director

GRANT ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRANT ASSET MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Grant Asset Management Limited (the parent 'company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated Statement of Comprehensive Income, the consolidated and parent company Statement of Financial Positions, the consolidated and parent company Statement of Changes in Equity and the consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

GRANT ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRANT ASSET MANAGEMENT LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

GRANT ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRANT ASSET MANAGEMENT LIMITED

Responsibilities of Directors

As explained more fully 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



Fiona Martin (Senior statutory auditor)

for and on behalf of

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

Date: 14/11/18

GRANT ASSET MANAGEMENT LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

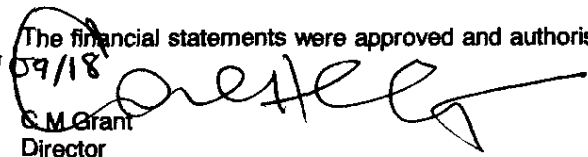
	Note	2018 £	2017 £
Turnover	4	11,079,455	9,453,317
Cost of sales		(6,049,578)	(5,247,652)
Gross profit		5,029,877	4,205,665
Administrative expenses		(4,970,918)	(4,716,496)
Other operating income	5	-	1,410
Operating profit/(loss)	6	58,959	(509,421)
Interest receivable and similar income	9	337	14
Interest payable and expenses	10	(11,224)	(14,609)
Profit/(loss) before tax		48,072	(524,016)
Tax on profit/(loss)	11	3,361	79,577
Profit/(loss) for the financial year		51,433	(444,439)
Total comprehensive income for the year		51,433	(444,439)
Profit/(loss) for the year attributable to:			
Owners of the parent company		51,433	(444,439)

The notes on pages 13 to 33 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED
REGISTERED NUMBER: SC288232

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible fixed assets	12	113,382	125,692
Tangible fixed assets	13	245,102	233,273
		<u>358,484</u>	<u>358,965</u>
Current assets			
Debtors: amounts falling due within one year	15	1,997,522	1,136,026
Cash and cash equivalents	16	3,594,558	3,450,148
		<u>5,592,080</u>	<u>4,586,174</u>
Creditors: amounts falling due within one year	17	(5,688,878)	(4,626,573)
Net current liabilities		<u>(96,798)</u>	<u>(40,399)</u>
Total assets less current liabilities		<u>261,686</u>	<u>318,566</u>
Creditors: amounts falling due after more than one year	18	(47,877)	(156,190)
Net assets		<u><u>213,809</u></u>	<u><u>162,376</u></u>
Capital and reserves			
Called up share capital	23	301,602	301,602
Profit and loss account	24	(87,793)	(139,226)
		<u><u>213,809</u></u>	<u><u>162,376</u></u>

12/09/18 The financial statements were approved and authorised for issue by the board and were signed on its behalf on

S.M. Grant
Director

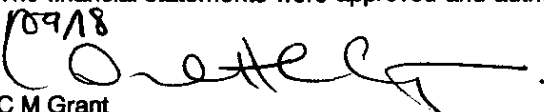
The notes on pages 13 to 33 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED
REGISTERED NUMBER: SC288232

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Fixed asset investments		302,002	302,669
Current assets			
Debtors: amounts falling due within one year	15	197,810	300,935
Creditors: amounts falling due within one year	17	(112,502)	(113,169)
Net current assets		<u>85,308</u>	<u>187,766</u>
Total assets less current liabilities		<u>387,310</u>	<u>490,435</u>
Creditors: amounts falling due after more than one year	18	(18,750)	(121,875)
Net assets		<u><u>368,560</u></u>	<u><u>368,560</u></u>
Capital and reserves			
Called up share capital	23	301,602	301,602
Profit and loss account	24	66,958	66,958
		<u><u>368,560</u></u>	<u><u>368,560</u></u>

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

12/09/18

C M Grant
Director

The notes on pages 13 to 33 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	1,602	41,113	264,100	306,815
Loss for the year	-	-	(444,439)	(444,439)
Release of other reserves	-	-	41,113	41,113
Shares issued	300,000	-	-	300,000
Release of other reserves	-	(41,113)	-	(41,113)
At 1 April 2017	301,602	-	(139,226)	162,376
Profit for the year	-	-	51,433	51,433
At 31 March 2018	301,602	-	(87,793)	213,809

The notes on pages 13 to 33 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	1,602	41,113	66,958	109,673
Shares issued	300,000	-	-	300,000
Release of other reserves	-	(41,113)	-	(41,113)
At 1 April 2017	301,602	-	66,958	368,560
At 31 March 2018	301,602	-	66,958	368,560

The notes on pages 13 to 33 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	51,433	(444,439)
Adjustments for:		
Depreciation and amortisation of fixed assets	100,149	125,457
Profit on disposal of tangible fixed assets	(1,100)	-
Interest paid	11,224	14,609
Interest received	(337)	(14)
Taxation credit	(3,361)	(79,577)
(Increase)/decrease in debtors	(916,420)	779,440
Increase in creditors	1,062,305	617,457
Corporation tax received/(paid)	58,285	(100,077)
Net cash generated from operating activities	362,178	912,856
Cash flows from investing activities		
Purchase of tangible and intangible fixed assets	(99,668)	(181,942)
Sale of tangible fixed assets	1,100	-
Interest received	337	14
Interest paid on finance leases and hire purchase contracts	(3,958)	(3,228)
Net cash from investing activities	(102,189)	(185,156)
Cash flows from financing activities		
Issue of Ordinary shares	-	200,000
Repayment of secured bank loan	(103,125)	(112,500)
Repayment of finance leases and hire purchase contracts	(5,188)	(5,188)
Interest paid	(7,266)	(11,381)
Net cash used in financing activities	(115,579)	70,931
Net increase in cash and cash equivalents	144,410	798,631
Cash and cash equivalents at beginning of year	3,450,148	2,651,517
Cash and cash equivalents at the end of year	3,594,558	3,450,148
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,594,558	3,450,148

The notes on pages 13 to 33 form part of these financial statements.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Grant Asset Management Limited is a limited company registered in Scotland. The company's registered office and the group's principal place of business is 14 Coates Crescent, Edinburgh, EH3 7AF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

The group's functional and presentational currency is GBP.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent undertaking for the current and prior year was £nil.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2015.

2.3 Going concern

The financial statements have been prepared on a going concern basis.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue recognised by the group includes insurance broking services supplied during the year. It is customary that insurance brokers act as agents in placing the insurable risks of their clients with insurance companies and, as such, generally are not liable as principals for the amounts arising on such transactions. Premiums received and paid and debtors and creditors arising from insurance broking transactions are therefore not reflected in the group's consolidated Statement of Comprehensive Income and the consolidated Statement of Financial Position.

Long term contracts

Amounts recoverable on long term contracts includes 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.

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.

2.5 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.6 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Interest income

Interest income is recognised in the consolidated Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Intangible fixed assets

Intangible fixed assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible fixed assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Intangible fixed assets represent software costs which are being amortised over a period of 2 to 5 years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	10%
Motor vehicles	-	25%
Fixtures, fittings, furniture and equipment	-	10% to 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the consolidated Statement of Comprehensive Income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated Statement of Comprehensive Income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.20 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgments, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to account estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The calculation of accruals contains an inherent level of subjectivity. Management considers that the current level of accruals represents management's best estimate of the likely exposure.

4. Turnover

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

	2018 £	2017 £
Property development and renovations	8,267,098	6,904,567
Property management	2,812,357	2,548,750
	<u>11,079,455</u>	<u>9,453,317</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	<u>11,079,455</u>	<u>9,453,317</u>

5. Other operating income

	2018 £	2017 £
Insurance claims receivable	<u>-</u>	<u>1,410</u>

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6. Operating profit/(loss)

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

	2018 £	2017 £
Auditor's remuneration	12,540	8,050
Auditor's remuneration - taxation	7,350	2,675
Auditor's remuneration - other services	4,600	6,430
Depreciation of tangible fixed assets	67,323	66,302
Amortisation of intangible fixed assets	32,826	59,155

7. Employees

Staff costs, including key management remuneration, were as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	2,814,397	2,613,993	-	-
Social security costs	291,428	261,498	-	-
Cost of defined contribution scheme	17,461	15,873	-	-
	<u>3,123,286</u>	<u>2,891,364</u>	<u>-</u>	<u>-</u>

The group also incurred health insurance costs in respect of employees during the year amounting to £52,592 (2017 - £34,015).

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

2018 No.	2017 No.
<u>97</u>	<u>87</u>

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. Key management remuneration

Key management remuneration for the group during the year amounted to £352,393 (2017 - £342,671). Group pension contributions to defined contribution schemes in respect of key management during the year amounted to £1,174 (2017 - £1,116).

During the year retirement benefits were accruing to 3 members of key management (2017 - 3) in respect of defined contribution schemes.

The highest paid member of key management received remuneration of £134,162 (2017 - £131,514). The value of the groups's contributions paid to a defined contribution pension scheme in respect of the highest paid member of key management amounted to £391 (2017 - £372).

The directors of the company are considered to be key management.

9. Interest receivable

	2018 £	2017 £
Bank interest receivable	337	14

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	7,266	11,381
Finance leases and hire purchase contracts	3,958	3,228
	11,224	14,609

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profit/(loss) for the year	-	(53,017)
Adjustments in respect of previous periods	(361)	2,440
	<u>(361)</u>	<u>(50,577)</u>
Deferred tax		
Origination and reversal of timing differences	<u>(3,000)</u>	<u>(29,000)</u>
Taxation on profit/(loss) on ordinary activities	<u>(3,361)</u>	<u>(79,577)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	<u>48,072</u>	<u>(524,016)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	9,134	(104,803)
Effects of:		
Expenses not deductible for tax purposes	14,417	15,972
Fixed asset timing differences	9	886
Utilisation of tax losses	(26,555)	-
Adjustments to tax charge in respect of prior periods	(361)	2,440
Other differences leading to a (decrease)/increase in the tax charge	(5)	5,928
Total tax credit for the year	<u>(3,361)</u>	<u>(79,577)</u>

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Intangible assets

Group and Company

	Software costs £
Cost	
At 1 April 2017	734,653
Additions	20,516
Disposals	(577,948)
At 31 March 2018	<u>177,221</u>
Amortisation	
At 1 April 2017	608,961
Charge for the year	32,826
On disposals	(577,948)
At 31 March 2018	<u>63,839</u>
Net book value	
At 31 March 2018	<u><u>113,382</u></u>
At 31 March 2017	<u><u>125,692</u></u>

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13. Tangible fixed assets

Group

	Leasehold improvements £	Motor vehicles £	Fixtures, fittings, furniture and equipment £	Total £
Cost				
At 1 April 2017	248,197	61,817	500,850	810,864
Additions	35,551	-	43,601	79,152
Disposals	(43,739)	(3,100)	(335,269)	(382,108)
At 31 March 2018	240,009	58,717	209,182	507,908
Depreciation				
At 1 April 2017	117,876	13,328	446,387	577,591
Charge for the year	18,727	7,938	40,658	67,323
Disposals	(43,739)	(3,100)	(335,269)	(382,108)
At 31 March 2018	92,864	18,166	151,776	262,806
Net book value				
At 31 March 2018	147,145	40,551	57,406	245,102
At 31 March 2017	130,321	48,489	54,463	233,273

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	40,551	48,489

14. Fixed asset investments

Details of the subsidiary undertakings of the company can be found under note 30. The opening cost of investments is £302,669. The company's investment in Sandstone (Scotland) Limited of £667 has been written off as the company was dissolved subsequent to the year end. The company's closing cost of investments is therefore £302,002.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	256,417	49,560	-	-
Amounts owed by subsidiary undertaking (note 27)	-	-	97,810	200,935
Amounts owed by related undertakings (note 27)	8,195	7,000	-	-
Other debtors (note 27)	682,739	257,409	-	-
Called up share capital not paid (note 23)	100,000	100,000	100,000	100,000
Prepayments and accrued income	127,783	109,090	-	-
Amounts recoverable on long term contracts	801,388	594,967	-	-
Deferred taxation (note 22)	21,000	18,000	-	-
	<u>1,997,522</u>	<u>1,136,026</u>	<u>197,810</u>	<u>300,935</u>

16. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	<u>3,594,558</u>	<u>3,450,148</u>	<u>-</u>	<u>-</u>

Included within cash at bank and in hand are client cash and bank balances of £3,258,404 (2017 - £2,802,514) which are offset by an equal and opposite liability, which is included within other creditors (note 17), owed to landlords and tenants in respect of sums arising from the normal course of trading.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loan (note 19)	112,500	112,500	112,500	112,500
Amounts owed to related undertakings (note 27)	7,589	79,990	-	-
Trade creditors	775,412	570,948	-	-
Amounts owed to subsidiary undertaking (note 27)	-	-	2	669
Taxation and social security	106,325	135,251	-	-
Net obligations under finance leases and hire purchase contracts (note 20)	5,188	5,188	-	-
Director's loan account (note 27)	-	6,933	-	-
Other creditors	3,287,067	2,820,640	-	-
Accruals and deferred income	1,394,797	895,123	-	-
	<u>5,688,878</u>	<u>4,626,573</u>	<u>112,502</u>	<u>113,169</u>

18. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loan (note 19)	18,750	121,875	18,750	121,875
Net obligations under finance leases and hire purchase contracts (note 20)	29,127	34,315	-	-
	<u>47,877</u>	<u>156,190</u>	<u>18,750</u>	<u>121,875</u>

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. Bank loan

The bank loan is repayable as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts falling due within one year				
Bank loan	112,500	112,500	112,500	112,500
Amounts falling due 1-2 years				
Bank loan	18,750	112,500	18,750	112,500
Amounts falling due 2-5 years				
Bank loan	-	9,375	-	9,375
	<u>131,250</u>	<u>234,375</u>	<u>131,250</u>	<u>234,375</u>

The group's bank facilities are secured by way of a floating charge and an unlimited multilateral guarantee given by Grant Asset Management Limited, Grant Property Solutions Ltd, Grant Management and Interiors Limited, Grant Corporate Finance Limited and Central Letting Limited.

The bank loan incurs interest at a rate of 3.5% per annum over the Bank of England Base Rate and is repayable in monthly instalments of £9,375 over a period of 4 years.

20. Finance leases and hire purchase contracts

Minimum lease payments under finance leases and hire purchase contracts fall due as follows:

	Group 2018 £	Group 2017 £
Within one year	5,188	5,188
Between 1-2 years	5,188	5,188
Between 2-5 years	23,939	29,127
	<u>34,315</u>	<u>39,503</u>

Amounts due under finance lease and hire purchase contract creditors are secured on the assets financed under these arrangements.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21. Financial Instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets representing cash and cash equivalents	3,594,558	3,450,148	-	-
Financial assets that are equity instruments measured at cost less impairment	-	-	302,002	302,669
Financial assets that are debt instruments measured at amortised cost	1,830,809	933,082	197,810	300,935
	<u>5,425,367</u>	<u>4,383,230</u>	<u>499,812</u>	<u>603,604</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(4,235,633)</u>	<u>(3,752,389)</u>	<u>(131,252)</u>	<u>(235,044)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by subsidiary and related undertakings, other debtors (excluding corporation tax recoverable), called up share capital not paid and amounts recoverable on contracts.

Financial liabilities measured at amortised cost comprise bank loan, trade creditors, amounts owed to related and subsidiary undertakings, obligations under hire purchase and finance lease contracts, director's loan account and other creditors.

22. Deferred taxation

Group

	2018 £
At beginning of year	18,000
Movement for the year	3,000
At end of year	<u>21,000</u>

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

22. Deferred taxation (continued)

The provision for deferred taxation, which is calculated based on a tax rate of 17% (2017 - 17%), is made up as follows:

	Group 2018 £	Group 2017 £
Accelerated capital allowances	(8,000)	(6,000)
Tax losses carried forward	29,000	24,000
	<u>21,000</u>	<u>18,000</u>

23. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100,801 (2017 - 201,602) A Ordinary shares of £1 each	100,801	201,602
100,801 B Ordinary shares of £1 each	100,801	-
	<u>201,602</u>	<u>201,602</u>
Allotted, called up and unpaid		
50,000 (2017 - 100,000) A Ordinary shares of £1 each	50,000	100,000
50,000 B Ordinary shares of £1 each	50,000	-
	<u>100,000</u>	<u>100,000</u>

On 15 March 2018, 150,801 of the A Ordinary shares of £1 each were redesignated as 150,801 B Ordinary shares of £1 each. The A and B Ordinary shares rank equally in terms of voting rights and dividends.

24. Reserves

Profit & loss account

This reserve includes all current and prior periods retained profits and losses, net of dividends paid.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

25. Pension commitments

The group makes payments to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £17,461 (2017 - £15,873). £3,404 (2017 - £3,426) of outstanding contributions were payable to the fund at the reporting date and are included in other creditors.

26. Commitments under operating leases

At 31 March 2018 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	215,508	229,325
Later than 1 year and not later than 5 years	807,000	800,758
Later than 5 years	1,147,438	1,251,688
Land and buildings	2,169,946	2,281,771
	Group 2018 £	Group 2017 £
Not later than 1 year	41,188	41,250
Later than 1 year and not later than 5 years	51,185	92,372
Other operating leases	92,373	133,622

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

27. Related party transactions

The group has taken advantage of the exemption granted by FRS 102 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/(by) the group by/(to) the following related undertakings:

	2018 £	2017 £
Global Trees	4,842	4,102
Optimise Your Potential Limited	(7,400)	(79,801)
IBI Partners Limited	1,200	1,200
Grant Investments 2	(189)	(189)
Grant Caledonia Limited	2,153	1,698
	<u>606</u>	<u>(72,990)</u>

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

The balance due from/(to) Grant Caledonia Limited is stated after a provision of £39,352 (2017 - £39,352).

During the year, rent of £78,000 (2017 - £78,000) and £40,500 (2017 - £54,000) was paid to Grant Investments 2 and GM Sailing respectively. During the year, payments of £87,715 (2017 - £325,217) were made to IBI Partners Limited in relation to fees for the services of P C Grant, a shareholder of Grant Asset Management Limited.

P C Grant has an interest in GM Sailing. P C Grant is also a director of Global Trees, Grant Caledonia Limited and IBI Partners Limited. Grant Investments 2 is an entity under the control of C M Grant. C M Grant is also a director of Grant Caledonia Limited.

During the year, the group purchased services from Optimise Your Potential Limited at a value of £93,266 (2017 - £99,149). C M Grant is the director and sole shareholder of Optimise Your Potential Limited.

During the year, the group made sales to C M Grant, a director of Grant Asset Management Limited, of £nil (2017 - £65,760). At the year end, the group was due £718 from (2017 - £6,933 to) C M Grant. The loan, which is unsecured and interest free, is repayable on demand and is included in other debtors in the financial statements. The highest balance outstanding from C M Grant during the year was £718 (2017 - £275,763).

At the year end, the group was due £509,070 (2017 - £67,090) from P C Grant. The loan, which is unsecured and interest free, is repayable on demand and is included in other debtors in the financial statements.

Details of key management remuneration are provided in note 8 to the financial statements.

GRANT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

28. Post balance sheet events

There have been no significant events affecting the group since the year end.

29. Controlling party

In the directors' opinion, the group has no ultimate controlling party.

30. Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Grant Property Solutions Ltd	Ordinary	100 %	Property development, management and interior design
Grant Management and Interiors Limited	Ordinary	100 %	Insurance activities
Grant Corporate Finance Limited	Ordinary	100 %	Dormant
Central Letting Limited	Ordinary	100 %	Dormant

Grant Management and Interiors Limited is a subsidiary undertaking of Grant Property Solutions Ltd.

Central Letting Limited is a subsidiary undertaking of Grant Management and Interiors Limited.

Fixed asset investments details are provided in note 14 of the financial statements.