

14 - 16 GPS Limited

Director's Report and Unaudited

Financial Statements

Year Ended

31 December 2016

Company Number 09563712

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14 - 16 GPS Limited

Company Information

Director	Mr E Efthymiou
Registered number	09563712
Registered office	55 Baker Street London W1U 7EU
Accountants	BDO LLP 55 Baker Street London W1U 7EU

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Director's Report For the Year Ended 31 December 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is that of property development.

Director

The director who served during the year was:

Mr E Efthymiou

Post balance sheet events

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

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. The company has also taken advantage of the exemption from preparing a Strategic Report.

This report was approved by the board and signed on its behalf.



.....
Mr E Efthymiou
Director

Date: 22/12/2017

14 - 16 GPS Limited

Chartered Accountants' Report to the Director on the Unaudited Financial Statements of 14 - 16 GPS Limited For the Year Ended 31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of 14-16 GPS Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

This report is made solely to the board of directors of 14-16 GPS Limited, as a body, in accordance with the terms of our engagement letter dated 31 March 2016. Our work has been undertaken solely to prepare for your approval the accounts of 14-16 GPS Limited and state those matters that we have agreed to state to the board of directors of 14-16 GPS Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than 14-16 GPS Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that 14-16 GPS Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of 14-16 GPS Limited. You consider that 14-16 GPS Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of 14-16 GPS Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

BDO LLP

BDO LLP
London
United Kingdom

Date: 22/12/2017

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

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Statement of Comprehensive Income For the Year Ended 31 December 2016

		31 December 2016 £	Six month period ended 31 December 2015 £
	Note		
Administrative expenses		(6,993)	(3,373)
Other operating income	4	304,038	196,253
Operating profit		297,045	192,880
Interest receivable and similar income		367	166
Interest payable and similar charges	6	(1,062,555)	(676,579)
Loss before tax		(765,143)	(483,533)
Tax on loss	7	-	-
Loss for the year		(765,143)	(483,533)

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 5 to 10 form part of these financial statements.

14 - 16 GPS Limited
Registered number: 09563712

Statement of Financial Position
As at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Stocks		18,060,768	17,217,946
Debtors	8	145,429	189,291
Cash at bank	9	580,976	814,719
		<u>18,787,173</u>	<u>18,221,956</u>
Creditors: amounts falling due within one year	10	(8,828,767)	(7,973,168)
Net current assets		<u>9,958,406</u>	<u>10,248,788</u>
Total assets less current liabilities		<u>9,958,406</u>	<u>10,248,788</u>
Creditors: amounts falling due after more than one year	11	(11,207,080)	(10,732,320)
Net liabilities		<u>(1,248,674)</u>	<u>(483,532)</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account		(1,248,675)	(483,533)
		<u>(1,248,674)</u>	<u>(483,532)</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



.....
Mr E Efthymiou
Director

Date: 22/12/2017

The notes on pages 5 to 10 form part of these financial statements.

14 - 16 GPS Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. General information

14-16 GPS Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is 55 Baker Street, London, W1U 7EU.

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 Section 1A of 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Statement of Financial Position on page 4 of the financial statements shows net liabilities of £1,248,674 at 31 December 2016 (2015: £483,532). The shareholders have confirmed their intention to continue to provide financial support to enable the company to meet its obligations in the foreseeable future. Accordingly, the director is satisfied that it is appropriate to prepare the accounts on a going concern basis.

2.3 Stocks

Stocks are valued at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct purchase costs of the property and costs relating to obtaining planning permission for property development.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.4 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.

2.5 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.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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

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Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.6 Financial instruments (continued)

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 debtors and creditors, 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 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.

2.7 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.

2.8 Finance costs

Finance costs are charged to the 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 Interest income

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

2.10 Borrowing costs

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

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Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in the 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

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

In preparing these financial statements, the director has had to make the following judgments:

- Determine whether there are indicators of impairment in the company's line of stock, and to determine whether a provision be included in the financial statements.

4. Other operating income

	31 December 2016 £	Six month period ended 31 December 2015 £
Net rents receivable	304,038	196,253
	<u>304,038</u>	<u>196,253</u>

5. Employees

The average monthly number of employees, including directors, during the year was Nil (2015 - Nil).

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Notes to the Financial Statements For the Year Ended 31 December 2016

6. Interest payable and similar charges

	31 December 2016 £	Six month period ended 31 December 2015 £
On bank loans and overdrafts	590,545	276,025
On unsecured shareholder loans	405,850	367,474
Bank loan fees	66,160	33,080
	<u>1,062,555</u>	<u>676,579</u>

7. Taxation

The company has trading losses amounting to £1,248,676 (2015: £483,533) of which £131,566 (2015: £Nil) has been utilised under group loss relief leaving a balance of £1,117,110 (2015: £483,533) available for offset against future taxable profits. The company has a potential deferred tax asset of £212,251 (2015: £96,706) representing tax losses available to offset against future profits from the same trade, after adjusting for capital allowances. The potential asset has not been recognised in these financial statements because there is insufficient certainty as to the incidence and timing of future taxable profits against which the losses might be offset.

8. Debtors

	2016 £	2015 £
Due after more than one year		
Other debtors	-	33,080
		<u>33,080</u>
Due within one year		
Trade debtors	49,704	89,550
Amounts owed by group undertakings	62,644	-
Other debtors	33,081	66,661
	<u>145,429</u>	<u>189,291</u>

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Notes to the Financial Statements For the Year Ended 31 December 2016

9. Cash and cash equivalents

	2016 £	2015 £
Cash at bank	580,976	814,719
	<u>580,976</u>	<u>814,719</u>

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	143,903	62,339
Unsecured shareholder loans	8,522,846	7,716,957
Other taxation and social security	13,457	13,765
Other creditors	148,561	180,107
	<u>8,828,767</u>	<u>7,973,168</u>

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

	2016 £	2015 £
Bank loans	11,207,080	10,732,320
	<u>11,207,080</u>	<u>10,732,320</u>

Secured loans

Bank loans are secured on the company's development property and on the director's personal guarantee.

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Notes to the Financial Statements For the Year Ended 31 December 2016

12. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due 2-5 years		
Bank loans	11,207,080	10,732,320
	<u>11,207,080</u>	<u>10,732,320</u>
	<u>11,207,080</u>	<u>10,732,320</u>

13. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary Shares share of £1	<u>1</u>	<u>1</u>

14. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with other wholly owned members of the group.

15. Controlling party

The parent company is Arcadia Developments Limited, a UK registered company, who own 100% of the shares. The ultimate controlling party is Mr E Efthymiou.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.