

Company Registration No. 6865255 (England and Wales)

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

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EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present the strategic report for the year ended 30 September 2019.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory and we expect continued growth in the foreseeable future.

Our strategy remains to identify suitable site acquisitions for development, obtain effective planning (working closely with local authorities) and design/build quality homes that appeal to our client base. On occasion, we continue to undertake joint ventures to deliver our strategy, with parties that have a similar approach in achieving this as we do, providing the design/build phase of such operations.

In this financial year we project managed the development named 'The Ropeworks' on behalf of Teague Homes (UK) Limited for which our client company won House Builder of the Year (less than 100 units) and Starter Home of the year.

Principal risks and uncertainties

The principal risks and uncertainties facing the company continued to be the same as the previous year and are summarised as follows:-

- (i) availability of suitable land
- (ii) planning delays
- (iii) property market fluctuations
- (iv) buyer uncertainties and their funding issues
- (v) potential political upheaval
- (vi) availability of skilled labour

The directors regularly review the aforementioned risks and uncertainties and they feel that the group is well placed to mitigate their impact.

The group's activities remain Scotland based and therefore susceptible to the UK construction sector market conditions. The impact of the Brexit vote is ongoing and it has positive and negative effects. We are aware that one of the negative effects is the possible shortage of skilled labour and imported materials, the impact of which is currently uncertain. On the other hand, we are also aware that the weak sterling might attract foreign investors.

The directors maintain regular contact with customers and market specialists and review wider UK indicators adjusting the group's market approach accordingly. This is well supported by the above mentioned fact that we were one of the nominated parties for the Customer Excellence Award in last year's Scottish Home Awards.

Development and performance

We were responsible for the design and build of a site in Gullane, East Lothian named Archer House. It was acquired in May 2018 with planning permission to convert a commercial building into eight apartments all of which were completed and sold during the current financial year.

On 18 October 2017 we acquired Skyliner, a site located at the East Ocean Terminal in Leith, Edinburgh for which planning permission was granted on 5 December 2018.

During the previous financial year, TAW Developments Limited (a company in which Shane David Teague and Daniel John Teague are also directors and shareholders) acquired another site at York Place which will be converted from a listed building into six residential units with expected completion in the next accounting year.

Finally, the group will be responsible for the build of phase six at 'The Ropeworks' also in Leith, Edinburgh which will be comprising of 22 townhouses with an expected date for works to commence in June 2020.

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The position of the Group at the year end

The end of the financial year finds the group in a leading position in the small house builder's market in the area of Edinburgh. We will maintain our efforts to provide high end quality products and at the same time use materials that are more environmentally friendly. Additionally, we will continue to improve our workers' health and safety conditions by working closely with The City of Edinburgh Council's health and safety department.

On behalf of the board

Daniel John Teague

Director

24 February 2020

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and financial statements for the year ended 30 September 2019.

Principal activities

The principal activity of the group continued to be that of building contracting, property developments, property and fixed asset investments.

On 13 November 2017 the group acquired the entire share capital of Lincam Pentland Limited.

On 28 May 2019 the group acquired the entire share capital of Skyliner Teague Limited.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Shane David Teague

Daniel John Teague

Results and dividends

The results for the year are set out on .

Ordinary dividends were paid during the year amounting to £90,156 (2018: £89,232). The directors do not recommend payment of a final dividend.

Post reporting date events

On 15 November 2018 Lincam Pentland Limited completed the sale of a new 359 bed student residence on a forward funding basis. The asset, Pentland House was sold to Legal & General Investment Management (Holdings) Limited and S1 Developments Limited will be the main contractor with expected completion date in June 2020.

Auditor

A resolution proposing that P Spyrou & Co be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Daniel John Teague

Director

24 February 2020

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Total intangible assets	4		119,401		159,202
Tangible assets	5		142,868		141,571
Investment properties	6		464,540		6,964,540
			<u>726,809</u>		<u>7,265,313</u>
Current assets					
Stocks	8	7,400,670		5,537,784	
Debtors falling due after more than one year	9	-		1,889,127	
Debtors falling due within one year	9	7,558,764		1,093,668	
Cash at bank and in hand		920,770		981,843	
		<u>15,880,204</u>		<u>9,502,422</u>	
Creditors: amounts falling due within one year	10	(6,190,591)		(7,279,268)	
Net current assets			<u>9,689,613</u>		<u>2,223,154</u>
Total assets less current liabilities			10,416,422		9,488,467
Creditors: amounts falling due after more than one year	11	(607,500)		(615,786)	
Provisions for liabilities					
Deferred tax liability	12	21,656		415,745	
		<u>(21,656)</u>		<u>(415,745)</u>	
Net assets			<u>9,787,266</u>		<u>8,456,936</u>
Capital and reserves					
Called up share capital	13		100		100
Share premium account			2,758,123		2,758,123
Profit and loss reserves			7,029,043		5,698,713
Total equity			<u>9,787,266</u>		<u>8,456,936</u>

The directors of the group have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 24 February 2020 and are signed on its behalf by:

Shane David Teague
Director

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	5	-		20	
Investment properties	6	464,540		464,540	
Investments in subsidiaries		3,758,125		3,758,125	
		<u>4,222,665</u>		<u>4,222,685</u>	
Current assets					
Debtors falling due after more than one year	9	-	1,860,980		
Debtors falling due within one year	9	421,341	328		
Cash at bank and in hand		1,585	587		
		<u>422,926</u>	<u>1,861,895</u>		
Creditors: amounts falling due within one year	10	<u>(2,596,422)</u>	<u>(3,947,170)</u>		
Net current liabilities			<u>(2,173,496)</u>		<u>(2,085,275)</u>
Total assets less current liabilities			2,049,169		2,137,410
Creditors: amounts falling due after more than one year	11		(600,000)		(600,000)
Provisions for liabilities					
Deferred tax liability	12	5,699	5,699		
		<u>(5,699)</u>	<u>(5,699)</u>		
Net assets			<u>1,443,470</u>		<u>1,531,711</u>
Capital and reserves					
Called up share capital	13	100	100		
Profit and loss reserves		1,443,370	1,531,611		
Total equity		<u>1,443,470</u>	<u>1,531,711</u>		

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,915 (2018 - £18,952 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 24 February 2020 and are signed on its behalf by:

Shane David Teague

Director

Company Registration No. 6865255

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES is a private company limited by shares incorporated in England and Wales. The registered office is 1 Queens Parade, Brownlow Road, London, N11 2DN and the principal place of business is 52-54 Dundas Street, Edinburgh, EH3 6QZ.

The group consists of Eugate Investments Limited and its wholly owned subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments relating to directors' loans and gift aid.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

The consolidated financial statements incorporate those of Eugate Investments Limited and its wholly owned subsidiaries.

All financial statements are made up to 30 September 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Turnover

Rental income is recognised on a straight line basis over the term of the relevant lease.

Turnover represents amounts receivable for contracting work done and it represents the value of work invoiced during the year. Any amounts not invoiced are included in the work in progress. Work done and work in progress are recognised by reference to the stage of completion.

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost and net of depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% Straight line
Fixtures, fittings & equipment	20% Straight line
Motor vehicles	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.7 Fixed asset investments

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In the parent company's financial statements, investment in subsidiary is measured at cost.

1.8 Stocks

Work in progress is valued at the lower of cost and net realisable value, whichever is lower. The cost of work in progress comprises raw materials, direct labour, other direct costs and related overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of work in progress over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. 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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

S1 Developments Limited operates two defined contribution schemes. One for the benefit of its directors and another one for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Grants

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	9,600	9,400
Audit of the financial statements of the company's subsidiaries	17,000	15,000
	<u>26,600</u>	<u>24,400</u>

3 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Total employees	28	22	-	-
	<u>28</u>	<u>22</u>	<u>-</u>	<u>-</u>

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

4 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 October 2018 and 30 September 2019	199,003
Amortisation and impairment	
At 1 October 2018	39,801
Amortisation charged for the year	39,801
At 30 September 2019	79,602
Carrying amount	
At 30 September 2019	119,401
At 30 September 2018	159,202

5 Tangible fixed assets

Group	Plant and machinery etc £
Cost	
At 1 October 2018	484,838
Additions	90,126
Disposals	(63,908)
At 30 September 2019	511,056
Depreciation and impairment	
At 1 October 2018	343,267
Depreciation charged in the year	72,345
Eliminated in respect of disposals	(47,424)
At 30 September 2019	368,188
Carrying amount	
At 30 September 2019	142,868
At 30 September 2018	141,571

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

5 Tangible fixed assets (Continued)

Company	Plant and machinery etc
	£
Cost	
At 1 October 2018 and 30 September 2019	4,480
Depreciation and impairment	
At 1 October 2018	4,460
Depreciation charged in the year	20
At 30 September 2019	4,480
Carrying amount	
At 30 September 2019	-
At 30 September 2018	20

6 Investment property

	Group 2019 £	Company 2019 £
Fair value		
At 1 October 2018 and 30 September 2019	6,964,540	464,540
Disposals	(6,500,000)	-
At 30 September 2019	464,540	464,540

On 30 April 2018 the group acquired the car park area on westside of Cumberland Street South East Lane for £173,040.

On 16 July 2018 the group also acquired two car parking spaces at 19 West Tollcross for £21,500.

Investment property also includes Pentland House located at 47 Robb's Loan, Edinburgh EH14 1TY. The property was valued as at 13 November 2017 £4,420,100. The fair value of the investment property increased due to a development funding agreement signed between Legal and General Assurance (Pensions) Management Limited and Lincam Pentland Limited on 15 November 2018, when it was disposed. This, agreement valued Pentland House at £6,500,000.

The value of the remaining investment properties as at 30 September 2019 was reviewed by the directors, on an open market basis. In their opinion the market value has not significantly fluctuated.

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

7 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Lincam Pentland Limited	Scotland	Property Development	Ordinary	100	
S1 Developments Limited	England & Wales	Building, contracting and property development	Ordinary	100	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Lincam Pentland Limited	4,548,104	125,853
S1 Developments Limited	7,554,159	1,293,058

The group owned the shares of Gilmore Teague Limited from the date of its incorporation, 10 June 2019 up to 17 June 2019 with no material effect.

In addition the group owns the shares of Skyliner Teague Limited from the date of its incorporation, 28 May 2019 to date. The company will prepare accounts for the first time in the period ending 30 September 2020.

8 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Stocks	7,400,670	5,537,784	-	-

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

9 Debtors					
		Group		Company	
		2019	2018	2019	2018
		£	£	£	£
Amounts falling due within one year:					
Trade debtors		69,815	171,133	-	-
Corporation tax recoverable		5	5,765	-	-
Amounts owed by group undertakings		-	-	420,980	-
Connected parties (note 18)		7,123,786	483,895	-	-
Other debtors		89,207	61,474	-	-
Prepayments and accrued income		275,951	371,401	361	328
		<u>7,558,764</u>	<u>1,093,668</u>	<u>421,341</u>	<u>328</u>
Amounts falling due after more than one year:					
Teague Homes (UK) Limited		-	1,889,127	-	-
Lincam Pentland Limited		-	-	-	1,860,980
		<u>-</u>	<u>1,889,127</u>	<u>-</u>	<u>1,860,980</u>
Total debtors		<u>7,558,764</u>	<u>2,982,795</u>	<u>421,341</u>	<u>1,861,308</u>
10 Creditors: amounts falling due within one year					
		Group		Company	
		2019	2018	2019	2018
		£	£	£	£
	Notes				
Bank loans		3,379	1,259	-	-
Obligations under finance leases		21,786	29,362	-	-
Other borrowings		-	1,250,000	-	-
Trade creditors		398,472	288,490	-	13,193
Amounts owed to group undertakings		-	-	2,550,310	3,771,702
Corporation tax payable		489,674	176,117	454	-
Other taxation and social security		78,054	25,919	-	-
Connected parties (note 18)		5,124,306	5,311,750	-	-
Directors' current accounts		27,570	146,587	27,570	146,587
Other creditors		1,275	8,358	1,275	1,275
Accruals and deferred income		46,075	41,426	16,813	14,413
		<u>6,190,591</u>	<u>7,279,268</u>	<u>2,596,422</u>	<u>3,947,170</u>

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

11 Creditors: amounts falling due after more than one year

	Group 2019	2018	Company 2019	2018
Notes	£	£	£	£
Obligations under finance lease	7,500	15,786	-	-
Long term directors' loans	600,000	600,000	600,000	600,000
	<u>607,500</u>	<u>615,786</u>	<u>600,000</u>	<u>600,000</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

The long term directors' loans represent loans from the directors, £300,000 (2018: £300,000) from Shane David Teague and £300,000 (2018: £300,000) from Daniel John Teague.

12 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019	Liabilities 2018
	£	£
Group		
Accelerated capital allowances	15,957	14,865
Fair value gains and losses on investment properties	5,699	400,880
	<u>21,656</u>	<u>415,745</u>
	<u>21,656</u>	<u>415,745</u>
	Liabilities	Liabilities
	2019	2018
	£	£
Company		
Fair value gains and losses on investment properties	5,699	5,699
	<u>5,699</u>	<u>5,699</u>

13 Share capital

	Group and company 2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
98 Ordinary shares of £1 each	98	98
2 B' Ordinary shares of £1 each	2	2
	<u>100</u>	<u>100</u>

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Polycarpus Spyrou.

The auditor was P Spyrou & Co.

15 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

Group		Company	
2019	2018	2019	2018
£	£	£	£
256,027	286,027	-	-
<u>256,027</u>	<u>286,027</u>	<u>-</u>	<u>-</u>

16 Events after the reporting date

See 'Post reporting date events' section included in the Directors' Report.

17 Controlling party

The company was controlled throughout the current and previous year by the two directors, Shane David Teague and Daniel John Teague, by virtue of the fact that they own 98% (2018: 98%) of the issued share capital of the company. The remaining 2% of the shares is owned by James Francis Teague, Daniel John Teague and Shane David Teague as Trustees of the James Francis Teague Trust for Grandchildren.

EUGATE INVESTMENTS LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

18 Related party transactions

During the previous year, the group carried out work for Daniel John Teague ,arm's length, for £963,494 in connection with Inverleith Terrace.

Included in debtors-connected parties (note9) there is an amount of £6,434,642 due from Gilmore Teague Limited, a company in which both Shane David Teague and Daniel John Teague are the only directors and shareholders.

Also included in debtors-connected parties (note9) there is an amount of £689,144 due from Teague Homes (UK) Limited, a company in which both Shane David Teague and Daniel John Teague are directors.

Last year, the group was owed £483,895 from Taw Developments Limited (note9). Taw Developments Limited is controlled by both Shane David Teague and Daniel John Teague. In this year's accounts, no amount is due from or to Taw Developments Limited.

In the previous year, included in creditors-other borrowings (note10) there was an amount of £1,250,000. This consisted of £500,000 owed to Shane David Teague, director of the Company, and £750,000 which was owed to James Francis Teague, father of the two directors.

Included in creditors-connected parties (note10) there is £3,259,655 (2018: £3,447,099) owed from S1 Developments Limited to Oilmews Limited. In addition, in creditors-connected parties (note10) there is an amount of £1,864,651 (2018: £1,864,651) owed to Carlindean Developments (Scotland) Limited. Both companies are also controlled by the directors, Shane and Daniel Teague.

On 2 December 2016 Shane David Teague and Daniel John Teague remortgaged one of their personal properties to fund the company's projects (note10). The loan amounted to £550,000. The loan was used exclusively for business purposes and it was repaid in full on 31 July 2018.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.