

Company Registration No. 08321265 (England and Wales)

LIDLAW ESTATES (UK) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



LIDLAW ESTATES (UK) LTD

COMPANY INFORMATION

Director	Mr M J Waugh	(Appointed 8 March 2019)
Company number	08321265	
Registered office	3rd Floor 33 Robert Adam Street London W1U 3HR	
Auditor	Campbell Dallas Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF	

LIDLAW ESTATES (UK) LTD

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LIDLAW ESTATES (UK) LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents the strategic report for the year ended 31 December 2018.

Fair review of the business

The principal activity of the company continued to be that of real estate management and contractors on property development.

The financial key performance indicators for the year show a profit before tax of £1.73m (2017 - £1.15m) on turnover of £38.15m (2017 - £17.88m). The company has a net balance sheet value of £3.43m at 31 December 2018 (2017 - £2.03m).

The director is pleased to report an increase in profitability in the year.

The outlook for 2019 appears similarly positive and the director is confident in maintaining profitability going forward.

Principal risks and uncertainties

The management of the business and execution of the company strategy is subject to a number of risks.

The company's principal financial instruments comprise of cash and short term funding, the main purpose of which is to provide finance for normal operations.

The company has various other financial instruments such as trade debtors and creditors that arise directly from its operations.

The main risk arising from these operations is liquidity risk.

Liquidity risk

The company is funded by retained profits and other short term funding sources. The company's policy is to ensure that any projected funding requirement is covered by available resources. This mix of funding offers flexibility and cost effectiveness to match the needs of the company.

On behalf of the board



Mr M J Waugh

Director

24/12/2019

LAIDLAW ESTATES (UK) LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of real estate management and contractors on property development.

Director

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

Mr S Prior	(Resigned 8 March 2019)
Mr M J Waugh	(Appointed 8 March 2019)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Campbell Dallas Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 company's auditor 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 company's auditor is aware of that information.

LIDLAW ESTATES (UK) LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

On behalf of the board



Mr M J Waugh

Director

Date: 24/9/2019

LIDLAW ESTATES (UK) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIDLAW ESTATES (UK) LTD

Opinion

We have audited the financial statements of Laidlaw Estates (UK) Ltd (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 company's affairs as at 31 December 2018 and of its 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 director is 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.

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 our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

LIDLAW ESTATES (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LIDLAW ESTATES (UK) LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director is responsible for assessing the 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 director either intends to liquidate the 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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.



Greig McKnight (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services

27/09/2019

Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

LIDLAW ESTATES (UK) LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover		38,146,448	17,880,619
Cost of sales		(32,317,807)	(14,618,362)
Gross profit		<u>5,828,641</u>	<u>3,262,257</u>
Administrative expenses		(4,101,026)	(2,114,882)
Profit before taxation		<u>1,727,615</u>	<u>1,147,375</u>
Tax on profit	6	(327,760)	(217,494)
Profit for the financial year		<u><u>1,399,855</u></u>	<u><u>929,881</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

LIDLAW ESTATES (UK) LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Profit for the year	1,399,855	929,881
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,399,855</u>	<u>929,881</u>

LAIDLAW ESTATES (UK) LTD

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	7		79		105
Current assets					
Debtors	9	4,007,712		6,342,474	
Cash at bank and in hand		3,570,361		1,024,067	
		<u>7,578,073</u>		<u>7,366,541</u>	
Creditors: amounts falling due within one year	10	<u>(4,146,220)</u>		<u>(5,334,569)</u>	
Net current assets			3,431,853		2,031,972
Total assets less current liabilities			<u>3,431,932</u>		<u>2,032,077</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss reserves			3,431,931		2,032,076
Total equity			<u>3,431,932</u>		<u>2,032,077</u>

The financial statements were approved by the board of directors and authorised for issue on 24/9/2019 and are signed on its behalf by:



Mr M J Waugh
Director

Company Registration No. 08321265

LIDLAW ESTATES (UK) LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2017	1	1,102,195	1,102,196
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	929,881	929,881
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	1	2,032,076	2,032,077
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	1,399,855	1,399,855
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	1	3,431,931	3,431,932
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LAILAW ESTATES (UK) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	15	2,717,686		264,672	
Income taxes paid		(171,392)		(232,999)	
Net cash inflow from operating activities		<u>2,546,294</u>		<u>31,673</u>	
Net cash used in investing activities		-		-	
Net cash used in financing activities		-		-	
Net increase in cash and cash equivalents		<u>2,546,294</u>		<u>31,673</u>	
Cash and cash equivalents at beginning of year		1,024,067		992,394	
Cash and cash equivalents at end of year		<u><u>3,570,361</u></u>		<u><u>1,024,067</u></u>	

LIDLAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Laidlaw Estates (UK) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, 33 Robert Adam Street, London, W1U 3HR.

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.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents net invoiced asset management and contract charges, excluding value added tax.

Asset management charges are recognised over the relevant period. Contract costs recharged are recognised as costs are incurred.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Office equipment	25% on net book value
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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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

LIDLAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand 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.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

LIDLAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company 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 company.

1.9 Taxation

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

LIDLAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 company'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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of 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 accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

LAILAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Exchange losses	957	-
Fees payable to the company's auditor for the audit of the company's financial statements	7,250	6,250
Depreciation of owned tangible fixed assets	26	35
	<u>7,273</u>	<u>6,285</u>

4 Employees

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

2018 Number	2017 Number
4	4
<u>4</u>	<u>4</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	3,182,174	1,592,798
Social security costs	432,840	215,828
Pension costs	19,338	8,673
	<u>3,634,352</u>	<u>1,817,299</u>

5 Director's remuneration

	2018 £	2017 £
Remuneration for qualifying services	2,800,984	1,259,586
Company pension contributions to defined contribution schemes	10,703	-
	<u>2,811,687</u>	<u>1,259,586</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	2,800,984	1,259,586
Company pension contributions to defined contribution schemes	10,703	-
	<u>2,811,687</u>	<u>1,259,586</u>

LAIDLAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	327,760	223,793
Adjustments in respect of prior periods	-	(6,299)
Total current tax	<u>327,760</u>	<u>217,494</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	<u>1,727,615</u>	<u>1,147,375</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	328,247	220,870
Tax effect of expenses that are not deductible in determining taxable profit	-	2,916
Tax effect of income not taxable in determining taxable profit	(493)	-
Adjustments in respect of prior years	-	(6,299)
Deferred tax not recognised	6	7
Taxation charge for the year	<u>327,760</u>	<u>217,494</u>

7 Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2018 and 31 December 2018	<u>331</u>
Depreciation and impairment	
At 1 January 2018	226
Depreciation charged in the year	26
At 31 December 2018	<u>252</u>
Carrying amount	
At 31 December 2018	<u>79</u>
At 31 December 2017	<u>105</u>

LIDLAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	435,251	1,517,750
Carrying amount of financial liabilities		
Measured at amortised cost	576,924	3,901,244

9 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	214,138	1,432,167
Other debtors	221,113	85,583
Prepayments and accrued income	3,572,461	4,824,724
	4,007,712	6,342,474

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	6,274	16,267
Corporation tax	297,273	140,905
Other taxation and social security	271,744	92,878
Other creditors	1,633	3,605,000
Accruals and deferred income	3,569,296	1,479,519
	4,146,220	5,334,569

11 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	19,338	8,673

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

LAIDLAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

12 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

Ordinary shares rank equally for voting rights, dividends and distribution purposes. The shares are not redeemable.

13 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2018 £	2017 £
Other related parties	33,082,881	18,139,261
	<u>33,082,881</u>	<u>18,139,261</u>

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
Amounts due to related parties		
Other related parties	-	3,605,000
	<u>-</u>	<u>3,605,000</u>

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
Amounts due from related parties		
Other related parties	385,431	1,512,351
	<u>385,431</u>	<u>1,512,351</u>

Sales to related parties represent recharged management costs, charged with a mark-up of 5%. There were no purchases from related parties. All turnover is generated from companies under common control.

The amounts outstanding are unsecured and will be settled in cash.

There is no interest charged to outstanding balances.

14 Controlling party

The immediate parent company is Laidlaw Estates Limited, a company registered in the Isle of Man. It's registered office is 1st Floor, Viking House, St Pauls Square, Ramsey, Isle of Man, IM8 1GB.

The Company's ultimate controlling party is Lord I A S Laidlaw.

LIDLAW ESTATES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	1,399,855	929,881
Adjustments for:		
Taxation charged	327,760	217,494
Depreciation and impairment of tangible fixed assets	26	35
Movements in working capital:		
Decrease/(increase) in debtors	2,334,762	(317,917)
(Decrease) in creditors	(1,344,717)	(564,821)
Cash generated from operations	<u>2,717,686</u>	<u>264,672</u>