

WESTERN HERITABLE LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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WESTERN HERITABLE LIMITED

COMPANY INFORMATION

Directors	Sir J A Mactaggart Bt. R H H Peto R J Clarke P A Mactaggart W K D Laxton I V Ninov
Company secretary	W J Cane
Registered number	9760540
Registered office	2 Babmaes Street London SW1Y 6HD
Accountants	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

WESTERN HERITABLE LIMITED

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WESTERN HERITABLE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company'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 Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Sir J A Mactaggart Bt.
R H H Peto
R J Clarke
P A Mactaggart
W K D Laxton
I V Ninov

Post balance sheet events

Since the year end, Covid-19 was declared a global pandemic. This represented a non-adjusting post balance sheet event for the purposes of these financial statements. The impact on the directors' assessment on going concern is set out in note 2.2 to the financial statements.

WESTERN HERITABLE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13 October 2020 and signed on its behalf.



W K D Laxton
Director

WESTERN HERITABLE LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF WESTERN HERITABLE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Western Heritable Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 Western Heritable Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Western Heritable Limited and state those matters that we have agreed to state to the Board of Directors of Western Heritable 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 Western Heritable Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Western Heritable Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Western Heritable Limited. You consider that Western Heritable Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Western Heritable 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 financial statements.

Haysmacintyre LLP

Haysmacintyre LLP

10 Queen Street Place
London
EC4R 1AG
Date: 13 October 2020

WESTERN HERITABLE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Turnover	432,938	420,772
Cost of sales	(1,840,314)	(1,612,098)
Gross loss	(1,407,376)	(1,191,326)
Administrative expenses	(502,009)	(113,624)
Fair value movements	293,389	19,848
Operating loss	(1,615,996)	(1,285,102)
Interest receivable and similar income	19,086	27,802
Loss before tax	(1,596,910)	(1,257,300)
Tax on loss	(778,360)	-
Loss for the financial year	(2,375,270)	(1,257,300)

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 7 to 12 form part of these financial statements.

WESTERN HERITABLE LIMITED
REGISTERED NUMBER: 9760540

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	5	9,482,353	7,495,485
Current assets			
Debtors: amounts falling due within one year	6	40,516,212	46,472,624
Cash at bank and in hand	7	43,956,624	9,346,655
		<u>84,472,836</u>	<u>55,819,279</u>
Creditors: amounts falling due within one year	8	<u>(92,186,502)</u>	<u>(56,941,907)</u>
Net current liabilities		(7,713,666)	(1,122,628)
Net assets		<u>1,768,687</u>	<u>6,372,857</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		1,768,686	6,372,856
		<u>1,768,687</u>	<u>6,372,857</u>

The directors consider 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 the Companies Act 2006.

The directors acknowledge their 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 on 13 October 2020.



W K D Laxton
Director

The notes on pages 7 to 12 form part of these financial statements.

WESTERN HERITABLE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	1	10,422,343	10,422,344
Loss for the year	-	(1,257,300)	(1,257,300)
Total comprehensive income for the year	-	(1,257,300)	(1,257,300)
Dividends	-	(2,792,187)	(2,792,187)
At 1 January 2019	1	6,372,856	6,372,857
Loss for the year	-	(2,375,270)	(2,375,270)
Total comprehensive income for the year	-	(2,375,270)	(2,375,270)
Dividends	-	(2,228,900)	(2,228,900)
At 31 December 2019	1	1,768,686	1,768,687

The notes on pages 7 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Western Heritable Limited is a private company, limited by shares, registered in England and Wales. Its registered and trading address is 2 Babmaes Street, London, SW1Y 6HD.

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 presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements for the Company have been prepared on a going concern basis. The Company recorded a loss after tax for the financial year of £2,375,270 and had net assets of £1,768,687 at the balance sheet date.

The Covid-19 pandemic represents an emerging risk for the Company. This includes potential business interruptions (including suspended or reduced operations) and reductions in asset values relating to Covid-19 and other such events outside the Company's control, which could have a material adverse impact on the company's operating results and financial condition. As at the date of approval of these financial statements, the duration of the business interruptions and related financial impact of Covid-19 on the Company are uncertain.

After reviewing the Company's forecasts and projections, including taking account of the business impact of Covid-19, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next twelve months following approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

2.5 Interest income

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

2.6 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 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.

2.8 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 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.

2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.11 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.

2.12 Financial instruments

The Company only enters into basic financial instrument 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 ordinary shares.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The directors consider the valuation of unlisted investments to be a critical estimate and judgement applicable to the financial statements.

4. Employees

The average monthly number of employees, during the year was 9 (2018 - 9).

5. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2019	7,495,485
Additions	1,921,271
Disposals	(227,792)
Revaluations	293,389
At 31 December 2019	<u>9,482,353</u>

WESTERN HERITABLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	34,235,412	46,052,555
Other debtors	6,280,800	420,069
	<u>40,516,212</u>	<u>46,472,624</u>

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	43,956,624	9,346,655
	<u>43,956,624</u>	<u>9,346,655</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	90,985,297	56,753,050
Corporation tax	778,360	-
Other taxation and social security	236,503	127,905
Other creditors	85,162	50,952
Accruals and deferred income	101,180	10,000
	<u>92,186,502</u>	<u>56,941,907</u>

9. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £77,782 (2018 - £46,228).

10. Related party transactions

Advantage has been taken by the company of the exemptions provided by Section 33.1A of FRS 102 not to disclose group transactions because it is a wholly owned subsidiary of a company preparing consolidated accounts.

Included within other debtors are amounts totalling £4,134,622 (2018: £64,000) due from Mactaggart Hotel Holdings Limited, a company under common control.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Post balance sheet events

Since the year end, the Covid-19 pandemic has resulted in severe restrictions being imposed on business operations across all industries with a corresponding adverse impact on economic activity.

The emergence and spread of the virus took place in February and March 2020 which is why it is considered a non-adjusting event and therefore does not provide information about conditions that existed at the balance sheet date.

At the time of reporting, the financial impact on the Company remains uncertain. The Company will continue to closely monitor the pandemic as an increase in magnitude and duration may lead to a long term general economic downturn. This includes, but is not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment and broad declines in consumer discretionary spending.

There were no other events subsequent to the reporting date and up to the date of signing that require disclosure in these financial statements.

12. Controlling party

The immediate and ultimate parent company is Mactaggart Heritable Limited which is registered in England and Wales. Mactaggart Heritable Limited produces consolidated financial statements that are available to the public, from the Registrar of Companies at Companies House.

There is no single ultimate controlling party.