

**Company Registration No. SC006394 (Scotland)**

**Scottish Canadian Trust Ltd**

**Annual report and financial statements**

**for the year ended 31 March 2016**

**Pages for filing with Registrar**

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# Scottish Canadian Trust Ltd

## Company information

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<b>Directors</b>	AF Thomson LM Thomson CHW Thomson
<b>Secretary</b>	I Douglas
<b>Company number</b>	SC006394
<b>Registered office</b>	22 Meadowside Dundee DD1 1LN
<b>Auditors</b>	Henderson Loggie The Vision Building 20 Greenmarket Dundee Scotland DD1 4QB

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# Scottish Canadian Trust Ltd

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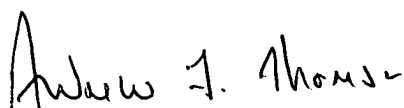
**Scottish Canadian Trust Ltd****Balance sheet****as at 31 March 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Investments	3	38,345,401		39,758,211	
<b>Current assets</b>					
Debtors	4	81,876		69,470	
Cash at bank and in hand		2,407,940		2,828,842	
		<u>2,489,816</u>		<u>2,898,312</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(379,419)</u>		<u>(608,149)</u>	
Net current assets		2,110,397		2,290,163	
<b>Total assets less current liabilities</b>		<u>40,455,798</u>		<u>42,048,374</u>	
<b>Provisions for liabilities</b>	6	<u>(4,266,468)</u>		<u>(5,502,743)</u>	
<b>Net assets</b>		<u><u>36,189,330</u></u>		<u><u>36,545,631</u></u>	
<b>Capital and reserves</b>					
Called up share capital	7	100,000		100,000	
Non-distributable reserve		25,268,208		24,995,809	
Capital redemption reserve		8,730,027		9,637,846	
Profit and loss reserves		<u>2,091,095</u>		<u>1,811,976</u>	
<b>Total equity</b>		<u><u>36,189,330</u></u>		<u><u>36,545,631</u></u>	

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

These financial statements have been prepared and delivered 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 27 May 2016 and are signed on its behalf by:



AF Thomson  
Director

**Company Registration No. SC006394**

# **Scottish Canadian Trust Ltd**

## **Notes to the financial statements**

**for the year ended 31 March 2016**

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### **1 Accounting policies**

#### **Company information**

Scottish Canadian Trust Ltd is a private company limited by shares incorporated in Scotland. The registered office is 22 Meadowside, Dundee, DD1 1LN.

#### **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 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 on 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.

These financial statements for the year ended 31 March 2016 are the first financial statements of Scottish Canadian Trust Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

#### **1.2 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed to profit or loss as incurred. Changes in fair value are recognised in other comprehensive income except to the extent that a gain reverses a loss previously recognised in profit or loss, or a loss exceeds the accumulated gains recognised in equity; such gains and loss are recognised in profit or loss.

#### **1.3 Cash and cash equivalents**

Cash and cash equivalents 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.

**Notes to the financial statements (continued)**

**for the year ended 31 March 2016**

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**1 Accounting policies (continued)**

**1.4 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 statement of financial position 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 trade and other receivables 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.

**Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# Scottish Canadian Trust Ltd

## Notes to the financial statements (continued)

for the year ended 31 March 2016

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### 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, including trade and other payables, 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables 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.

**Notes to the financial statements (continued)**

**for the year ended 31 March 2016**

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**1 Accounting policies (continued)**

**1.5 Equity instruments**

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

**1.6 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 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.

**1.7 Investment income**

Investment income receivable is recognised on an accruals basis which for franked investment income means on an XD basis. Unfranked investment income is stated on the basis of gross receipts before deduction of income tax.

Capital gains or losses are transferred net of related tax to the capital reserve.

**1.8 Management expenses**

Management expenses are stated on the basis of amounts applicable to the financial year.

**1.9 Dividends**

Dividends payable are recognised when declared or, where necessary, approved in the general meeting.



**Scottish Canadian Trust Ltd**

**Notes to the financial statements (continued)**

**for the year ended 31 March 2016**

**2 Employees**

The company has no employees.

**3 Fixed asset investments**

	2016 £	2015 £
Investments	<u>38,345,401</u>	<u>39,758,211</u>

**Movements in fixed asset investments**

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2015	39,758,211
Additions	4,189,968
Valuation changes	(963,876)
Disposals	(4,638,902)
At 31 March 2016	<u>38,345,401</u>
<b>Carrying amount</b>	
At 31 March 2016	<u>38,345,401</u>
At 31 March 2015	<u>39,758,211</u>

**4 Debtors**

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Other debtors	<u>81,876</u>	<u>69,470</u>

**Scottish Canadian Trust Ltd**

**Notes to the financial statements (continued)**  
**for the year ended 31 March 2016**

**5 Creditors: amounts falling due within one year**

	2016 £	2015 £
Corporation tax	376,660	605,449
Other creditors	2,759	2,700
	<u>379,419</u>	<u>608,149</u>

**6 Provisions for liabilities**

	2016 £	2015 £
Deferred tax liabilities	4,266,468	5,502,743
	<u>4,266,468</u>	<u>5,502,743</u>

**7 Called up share capital**

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**8 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 Stephen Cartwright.

The auditor was Henderson Loggie.

# Scottish Canadian Trust Ltd

## Notes to the financial statements (continued)

for the year ended 31 March 2016

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### 9 Related party transactions

#### Transactions with related parties

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

	Purchase of goods	
	2016	2015
	£	£
Other related parties	104,599	105,121
	<u>104,599</u>	<u>105,121</u>
	<u><u>104,599</u></u>	<u><u>105,121</u></u>

### 10 Directors' transactions

Dividends totalling £5,898 (2015 - £5,615) were paid in the year in respect of shares held by the company's directors.

# Scottish Canadian Trust Ltd

## Notes to the financial statements (continued)

for the year ended 31 March 2016

### 11 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

#### Reconciliation of equity

		1 April 2014	31 March 2015
	Notes	£	£
Equity as reported under previous UK GAAP		8,490,108	11,549,822
Adjustments arising from transition to FRS 102:			
Change in fair value of financial assets	1	30,157,387	30,498,552
Profit or loss on disposal of financial assets measured at fair value	1	-	-
Deferred taxation	1	(5,305,720)	(5,502,743)
Equity reported under FRS 102		<u>33,341,775</u>	<u>36,545,631</u>

#### Reconciliation of profit or loss

	Notes	2015 £
Profit or loss as reported under previous UK GAAP		3,792,715
Adjustments arising from transition to FRS 102:		
Change in fair value of financial assets	1	5,528,599
Profit or loss on disposal of financial assets measured at fair value	1	(5,187,434)
Deferred taxation	1	(197,023)
Profit or loss reported under FRS 102		<u>3,936,857</u>

### Notes to reconciliations on adoption of FRS 102

#### 1. Market value of investments

The revaluation gain arising on the revaluation of the investments held are included within the non-distributable reserve. Deferred tax has been applied on the previous revaluation to comply with FRS102 and this is also held in the non-distributable reserve.