



# Lithgows Limited



Abbreviated Accounts 2015

**LITHGOWS LIMITED**  
**ABBREVIATED BALANCE SHEET AT DECEMBER 29, 2015**

	<u>Notes</u>	<u>£'000</u>	<u>29.12.15</u> <u>£'000</u>	<u>31.12.14</u> <u>£'000</u>
Fixed assets:				
Tangible assets	2	61		66
Investments:				
Subsidiary undertakings	3a	2,319		2,312
Joint venture	3b	105		105
Unlisted investments	3c	1,775		1,776
			4,260	4,259
Current assets:				
Debtors: amounts falling due within one year		123		479
Debtors: amounts falling due after more than one year	4	5,769		5,768
Cash at bank and in hand		455		24
		6,347		6,271
Creditors: amounts falling due within one year	5	(1,015)		(1,059)
Net current assets			5,332	5,212
Total assets less current liabilities			9,592	9,471
Creditors: amounts falling due after more than one year	5		(1)	(2)
			9,591	9,469
Capital and reserves:				
Called up share capital	6		704	704
Reserves			8,887	8,765
Total shareholders' funds			9,591	9,469


The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of section 477, and that no member or members have requested an audit pursuant to section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of financial statements.

These abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The abbreviated accounts were approved by the directors on September 26, 2016.

  
J.F. LITHGOW

  
A.W.C. WISHART

)  
) Directors  
)

*The accompanying accounting policies and notes form an integral part of these abbreviated accounts*  
 Company Registration Number : SC010170

**LITHGOWS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015****1. Accounting policies****Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008).

The principal accounting policies of the company, which are summarised below, have remained unchanged from the previous period. The current accounting period has been shortened to December 29, 2015.

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

**Going concern**

The company has recently prepared trading projections for the three year period through to December 2018. These projections indicate that there will be adequate funding in place during this period to meet the company's requirements. On this basis, the directors are satisfied that they can continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Investments in subsidiary undertakings**

Investments in subsidiary undertakings represent the original cost of acquisition. The parent company makes provision for the diminution in the value of investment in subsidiaries, or where a deficit exists in a subsidiary's net assets.

**Investments in joint ventures**

Investments in joint ventures are carried in the balance sheet at directors' valuation reflecting the capital contributions provided and any adjustment to the underlying carrying value to reflect revaluations of the underlying assets, based on external advice.

**Investment in unlisted investments**

Unlisted investments are carried at cost.

**NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015***(continued)***1. Accounting policies***(continued)***Depreciation**

Tangible fixed assets are stated at cost. Depreciation is calculated to write off the cost of each fixed asset by equal annual instalments over the estimated useful life. The rates most widely used are:-

Freehold property	- 2%
Office equipment	- 10%
Computer hardware	- 25%
Computer software	- 50%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

**Leasing and hire purchase commitments**

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease terms and their useful lives.

The interest element of the contractual obligations is charged to profit and loss account over the period of the lease and approximates to a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to profit and loss account on a straight line basis over the terms of the lease.

## **LITHGOWS LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015**

*(continued)*

#### **1. Accounting policies**

*(continued)*

#### **Financial instruments**

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### **Retirement benefits**

##### *Defined contribution pension scheme*

The company participates in a defined contribution pension scheme, and the pension costs charged against operating profits are the contributions payable to the arrangements in respect of the accounting period.

##### *Defined benefit pension scheme*

The company participates in a group defined benefit scheme, The Lithgows Limited Pension Scheme, but is unable to identify its share of the underlying assets and liabilities in the scheme. The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

The company is not able to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis as is required by FRS17, and therefore it accounts for its contributions to the scheme as if it were a defined contribution scheme in accordance with FRS17.

**LITHGOWS LIMITED**

5.

**NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015****2. Tangible fixed assets**

	<u>Total</u> £'000
Cost or valuation:	
At January 1, 2015	432
Additions	-
	<hr/>
At December 29, 2015	432
	<hr/>
Depreciation	
At January 1, 2015	366
Charge for the year	5
	<hr/>
At December 29, 2015	371
	<hr/>
Net book value:	
At January 1, 2015	66
	<hr/>
At December 29, 2015	61
	<hr/>

**LITHGOWS LIMITED**

6.

**NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015****3. Investments**

(a) Subsidiary undertakings:	<u>29.12.15</u>	<u>31.12.14</u>
	£'000	£'000
Investment in subsidiary undertakings comprises:		
Cost	4,891	4,891
Amounts written off	(2,572)	(2,579)
	<hr/>	<hr/>
Net book value	2,319	2,312
	<hr/>	<hr/>

At December 29, 2015, the company had beneficial interests directly or indirectly (\*) in the ordinary share capital of the undernoted principal operating subsidiary undertakings. All are registered in Scotland and all are 100% owned.

<u>Nature of Business</u>	<u>Company</u>
<b>Marine:</b>	The Marine Resource Centre Limited
<b>Engineering and electrical:</b>	McKinlay & Blair Limited
<b>Renewable energy:</b>	MRC Energy Limited* Wet & Windy Energy Limited
<b>Commercial forestry:</b>	Lithgow Factoring Limited

**(b) Interest in joint venture**

<u>Joint venture</u>	<u>Country of incorporation</u>	<u>Class of share capital held</u>	<u>Proportion held by Group</u>	<u>Nature of business</u>
Achadonn Properties Limited	Scotland	Ordinary shares	50%	Property Development
				£'000
At January 1, 2015				105
Amount written off during the year				-
				<hr/>
At December 29, 2015				105
				<hr/>

**LITHGOWS LIMITED**

7.

**NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015****3. Investments***(continued)***(c) Unlisted investments**

Unlisted investments comprise:

	£'000
Cost:	
At January 1, 2015	1,820
Disposals	(1)
	—
At December 29, 2015	1,819
	=====
Amounts written off:	
At January 1, 2015 and December 29, 2015	44
	=====
Net book value:	
At January 1, 2015	1,776
	=====
Net book value:	
At December 29, 2015	1,775
	=====

The directors are satisfied that the unlisted investments are properly included in the financial statements at cost.

**4. Debtors**

Amounts falling due after more than one year:

	<u>29.12.15</u>	<u>31.12.14</u>
	£'000	£'000
Amounts due from subsidiary undertakings	2,500	2,500
Amounts due from associated joint venture	3,269	3,268
	—	—
	5,769	5,768
	=====	=====

**LITHGOWS LIMITED**

8.

**NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015****5. Creditors**

Creditors include the following amounts:

	<u>29.12.15</u> £'000	<u>31.12.14</u> £'000
(a) Preference shares	473	473
	<u>          </u>	<u>          </u>

As the preference shares are redeemable at the option of the shareholder, and there is no confirmation from the shareholders that they will put aside this option, the preference shares have been reclassified as a debt of the company under the terms of FRS25.

**(b) Obligations under leases and hire purchase contracts**

	<u>29.12.15</u> £'000	<u>31.12.14</u> £'000
Current obligations	2	6
Non-current obligations	-	2
	<u>          </u>	<u>          </u>
	2	8
	<u>          </u>	<u>          </u>

**6. Share capital**

	<u>29.12.15</u> £'000	<u>31.12.14</u> £'000
Authorised:		
Equity interests		
9,346 ordinary shares of £100 each (2014:9,346)	935	935
654 preferred ordinary shares of £100 each (2014:654)	65	65
	<u>          </u>	<u>          </u>
	1,000	1,000
	<u>          </u>	<u>          </u>
Allotted, issued and fully paid:		
Equity interests		
6,390 ordinary shares of £100 each (2014:6,390)	639	639
654 preferred ordinary shares of £100 each (2014:654)	65	65
	<u>          </u>	<u>          </u>
	704	704
	<u>          </u>	<u>          </u>

**NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015****6. Share capital**  
(continued)

The preferred ordinary shares are non-voting shares, but have rights to be paid out of the distributable profits of each financial year in preference to any dividend on the ordinary shares of the company, but after payment of the dividend on the preference shares. In the event of a winding up, the holders of the ordinary shares and the holders of the preferred ordinary shares shall rank *pari passu*.

The preference shares are non-voting and non-convertible and have no rights to share in dividends other than the fixed 7.5% dividend which is non-cumulative and is payable at the discretion of the directors. In the event of a winding up, the holders of the preference shares shall rank ahead of the holders of the ordinary shares and the preferred ordinary shares, but only to the extent of being repaid at par.

**7. Related parties**

During the period the company was involved in contracts with Ormsary Farmers. Sir William Lithgow, a shareholder of the company, and James Lithgow, a shareholder and director of the company, both hold an interest in the Ormsary Farmers partnership. The company was also involved in contracts with Ormsary Renewables Limited and Inver Renewables Limited, companies in which respectively James Lithgow and John Lithgow, both shareholders and directors of Lithgows Limited, owned share interests. All of these contracts were on an arm's length basis and were in respect of the provision of management services to Ormsary Farmers.

The company has also provided management services to Allt Dearg Wind Farmers LLP, Inver Hydro LLP and Srondoire Wind Farmers Limited, all entities in which joint venture interests are held by the subsidiary company, Wet & Windy Energy Limited. Management services have also been provided to Srondoire Hydro Limited, a company in which John Lithgow, a shareholder and director of the company, has a joint venture interest through Inver Renewables Limited.

The company has provided a loan to its joint venture company, Achadonn Properties Limited, and this loan balance remains outstanding at the period end.

**NOTES TO THE ABBREVIATED ACCOUNTS AT DECEMBER 29, 2015****7. Related parties**  
(continued)

Details of the values of these services supplied during the financial period to December 29, 2015 and December 31, 2014 are shown below:-

	<u>29.12.15</u> £'000	<u>31.12.14</u> £'000
Provision of management services to Allt Dearg Wind Farmers LLP	86	85
Provision of management services to Inver Hydro LLP	52	46
Provision of management services to Srondoire Wind Farmers Limited	36	48
Provision of management services to Srondoire Hydro Limited	12	9
Provision of management services to Ormsary Farmers	48	63
Provision of management services to Ormsary Renewables Limited	25	-
Provision of management services to Inver Renewables Limited	25	-

Details of the balances outstanding at the balance sheet dates are shown below:-

	<u>29.12.15</u> £'000	<u>31.12.14</u> £'000
Loan balance due by Achadonn Properties Limited	3,269	3,268
Due by Ormsary Farmers	2	2
Due by Inver Hydro LLP	-	15
Due by Srondoire Wind Farmers Limited	-	2
Due by Ormsary Renewables Limited	30	-
Due by Inver Renewables Limited	30	-