



Lithgows Limited



Unaudited Financial Statements 2020

Registered Number : SC010170

LITHGOWS LIMITED

COMPANY INFORMATION

Directors

J F Lithgow
J A Lithgow
J McElhinney

Chairman
Deputy Chairman

Company Number

SC010170

Registered Office

Netherton
Langbank
Renfrewshire
PA14 6YG

Bankers

The Royal Bank of Scotland plc
Kirkstane House
139 St Vincent Street
Glasgow
G2 5JF

LITHGOWS LIMITED

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FINANCIAL STATEMENTS

Directors' responsibilities for the financial statements

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 Section 1A "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 and profit or loss of company for that period. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and 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 proper accounting records that 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. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the specific provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act and in accordance with the provisions of FRS 102 Section 1A – small entities.

LITHGOWS LIMITED
STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2020

2.

	Notes	£'000	2020 £'000	2019 £'000
Fixed assets:				
Tangible assets	3	1,497		1,522
Investments:				
Subsidiary undertakings	4a	2,178		2,311
Joint venture	4b	105		105
Unlisted investments	4c	1,775		1,775
			5,555	5,713
Current assets:				
Stocks and work-in-progress	5	56		47
Debtors: amounts falling due within one year	6	382		340
Debtors: amounts falling due after more than one year	6	4,357		4,557
Cash at bank and in hand		892		1,027
		5,687		5,971
Creditors: amounts falling due within one year	7	(181)		(293)
Net current assets			5,506	5,678
Total assets less current liabilities			11,061	11,391
Creditors: amounts falling due after more than one year			-	-
			11,061	11,391
Capital and reserves:				
Called up share capital	10		704	704
Retained Earnings	11		10,357	10,687
Total shareholders' funds			11,061	11,391

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 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.

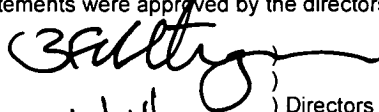
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

In accordance with section 444 of the Companies Act the statement of income and retained earnings and the directors' report have not been delivered to Companies House.

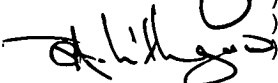
These financial statements have been prepared in accordance with the provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the directors on July 28, 2021.

J.F. LITHGOW

 Directors

J.A. LITHGOW



The notes on pages 6 to 12 form part of these financial statements
Company Registration Number : SC010170

LITHGOWS LIMITED

ACCOUNTING POLICIES

General information

Lithgows Limited is a private company, limited by shares, registered in Scotland under registration number SC010170. Its registered office is Netherton, Langbank, Renfrewshire PA14 6YG.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, and in accordance with the provisions of FRS 102 Section 1A – small entities.

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 directors have assessed, based on current projections, that the company has adequate resources to meet the ongoing costs of the business for a minimum of 12 months from the date of signing these financial statements. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

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.

LITHGOWS LIMITED

ACCOUNTING POLICIES

(continued)

Investment in unlisted investments

Unlisted investments are carried at cost.

Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. 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%

No depreciation is charged on the freehold farm land acquired in the course of 2017.

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**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. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the Statement of Income and Retained Earnings in the year they come payable.

Defined benefit pension scheme

The company participates in a defined benefit multi-employer plan, The Lithgows Limited Pension Scheme. There is no contractual agreement in place which states how any deficit or surplus has to be valued or how any deficit is to be funded across the employers within the multi-employer plan and therefore the company accounts for its contributions as if it were a defined contribution plan. The participating employers of the pension scheme, including the company, have entered into a Schedule of Contributions with the trustees of the pension scheme which will result in deficit recovery payments being made to address the position. The contributions payable by the participating employers have been calculated by the Scheme Actuary. The pension costs charged to the Statement of Income and Retained Earnings are therefore the contributions paid to the pension scheme by the company in respect of the accounting period. Further details of the defined benefit pension scheme are disclosed in the financial statements of a further participating employer of the pension scheme, McKinlay and Blair Limited.

LITHGOWS LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2020****1. Employee numbers**

The average monthly number of employees during the period was made up as follows:-

	<u>2020</u>	<u>2019</u>
Directors	3	3
Administrative	2	3
Farming	1	1
	<hr/>	<hr/>
	6	7
	<hr/>	<hr/>

2. Taxation

There is no tax charge in the year to December 31, 2020 due to the taxable losses arising (2019 - £nil). The Company surrendered tax losses by way of Group Relief to Inver Hydro of £111,245 (2019 - £65,456).

No reconciliation of the current tax charge has been disclosed because of the availability of tax losses.

3. Tangible fixed assets

	<u>Freehold property £'000</u>	<u>Machinery, plant, vehicles and fittings £'000</u>	<u>Total £'000</u>
Cost or valuation:			
At January 01, 2020	1,711	236	1,947
Additions		-	-
Disposals			
	<hr/>	<hr/>	<hr/>
At December 31, 2020	1,711	236	1,947
	<hr/>	<hr/>	<hr/>
Depreciation			
At January 01, 2020	287	138	425
Charge for the year	1	24	25
	<hr/>	<hr/>	<hr/>
At December 31, 2020	288	162	450
	<hr/>	<hr/>	<hr/>
Net book value:			
At December 31, 2020	1,423	74	1,497
	<hr/>	<hr/>	<hr/>
At January 01, 2020	1,424	98	1,522
	<hr/>	<hr/>	<hr/>

Included in the amounts for machinery, plant, vehicles and fittings above are the amounts of £1,000 (2019 - £2,000) relating to leased assets and assets acquired under finance leases and hire purchase contracts.

LITHGOWS LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2020**

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4. Investments

(a) Subsidiary undertakings:	<u>2020</u>	<u>2019</u>
	£'000	£'000
Investment in subsidiary undertakings comprises:		
Cost	2,291	4,891
Amounts written off	(113)	(2,580)
	<hr/>	<hr/>
Net book value	2,178	2,311
	<hr/>	<hr/>

At December 31, 2020, the company had beneficial interests directly 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>
Engineering and electrical:	McKinlay & Blair Limited
Renewable energy:	Wet & Windy Energy Limited
Commercial forestry:	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 Company</u>	<u>Nature of business</u>
Achadonn Properties Limited	Scotland	Ordinary shares	50%	Property Development
				£'000
At December 31, 2019				105
Amount written off during the period				-
				<hr/>
At December 31, 2020				105
				<hr/>

LITHGOWS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2020

8.

4. Investments
(continued)

(c) Unlisted investments

Unlisted investments comprise:

	£'000
Cost:	
At December 31, 2019 and December 31, 2020	1,775
	<hr/>
Amounts written off:	
At December 31, 2019 and December 31, 2020	-
	<hr/>
Net book value:	
At December 31, 2019 and December 31, 2020	1,775
	<hr/>

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

5. Stocks and work-in-progress

	<u>2020</u> £'000	<u>2019</u> £'000
Arable crops for resale	54	42
Growing arable crops	2	5
	<hr/>	<hr/>
	56	47
	<hr/>	<hr/>

LITHGOWS LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2020**

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6. Debtors

	<u>2020</u> £'000	<u>2019</u> £'000
Amounts falling due within one year:		
Trade debtors	134	87
Amounts due from subsidiary undertakings	218	211
Other debtors	3	3
Prepayments and accrued income	10	31
Amounts due from associated joint ventures	17	8
	<hr/>	<hr/>
	382	340
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Amounts due from subsidiary undertakings	1,048	1,248
Amounts due from associated joint venture	3,309	3,309
	<hr/>	<hr/>
	4,357	4,557
	<hr/>	<hr/>

7. Creditors: amounts falling due within one year

	£'000	£'000
Trade creditors	18	31
Other taxes and social security costs	15	10
Other creditors	27	81
Amounts due to subsidiary undertakings	33	105
Pension contributions	16	11
Accruals	72	55
	<hr/>	<hr/>
	181	293
	<hr/>	<hr/>

LITHGOWS LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2020****8. Obligations under leases and hire purchase contracts**

	<u>2020</u> £'000	<u>2019</u> £'000
Leases which expire:		
Within one year	1	1
Within the second to fifth years inclusive	2	3
	<hr/>	<hr/>
	3	4
	<hr/>	<hr/>

9. Deferred taxation

There is no deferred taxation liability as at December 31, 2020 or December 31, 2019.

There is a potential deferred tax asset within the company as a consequence of accelerated capital allowances, other timing differences and taxation losses carried forward.

10. Share capital

	£'000	£'000
Authorised:		
Equity interests		
9,346 ordinary shares of £100 each (2019:9,346)	935	935
654 preferred ordinary shares of £100 each (2019:654)	65	65
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
Equity interests		
6,390 ordinary shares of £100 each (2019:6,390)	639	639
654 preferred ordinary shares of £100 each (2019:654)	65	65
	<hr/>	<hr/>
	704	704
	<hr/>	<hr/>

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. 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 Shareholders agreed on the 30th June 2021 by written resolution to reclassify the Preferential Shares to Ordinary Shares.

LITHGOWS LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2020**

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11. Reserves and reconciliation of movements in shareholders' funds

	<u>Capital redemption reserve</u> £'000	<u>Retained Earnings account</u> £'000	<u>Total reserves</u> £'000	<u>Called up share capital</u> £'000	<u>Total</u> £'000
At December 31, 2019	325	10,362	10,687	704	11,391
Loss for period	-	(330)	(330)	-	(330)
	-----	-----	-----	-----	-----
At December 31, 2020	325	10,032	10,357	704	11,061
	=====	=====	=====	=====	=====

12. Contingent liabilities and capital commitments

There were no contingent liabilities at either December 31, 2020 or December 31, 2019.

There were no capital commitments as at December 31, 2020 or December 31, 2019.

13. Pension commitments

The company participates in a defined contribution multi-employer pension scheme and a defined benefit multi-employer pension scheme, the assets of which are held separately from those of the company in independent trustee administered funds. The pension cost relating to the defined benefit scheme is assessed in accordance with the advice of a qualified actuary. The latest actuarial assessments of the three categories within the scheme were at April 6, 2018, on which date the actuarial valuation indicated a deficit of £23,449,000.

The provisions of FRS 102 Section 1A in terms of post-employment benefits are fully applicable to the company in relation to its financial statements. In terms of the provisions of this standard for multi-employer plans, the company is unable to identify its share of the underlying assets and liabilities of The Lithgow Pension Scheme and there is no contractual agreement or stated policy which details that any funding of a deficit, or any element of the deficit or surplus of the overall plan, has to be reflected by the company. The participating employers, including the company, have entered into a Schedule of Contributions with the trustees of the pension scheme which will result in deficit recovery payments being made to address the position. Therefore, in compliance with the provisions of FRS 102 Section 1A, the company has accounted for its contributions to the defined benefit scheme on a defined contribution basis. The contributions payable by the participating employers have been calculated by the Scheme Actuary.

LITHGOWS LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2020**

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14. Related parties

During the period the company was involved in contracts with Ormsary Farmers. James Lithgow, a shareholder and director of the company, hold an interest in the Ormsary Farmers partnership. All of these contracts were on an arm's length basis and were in respect of the provision of labour, management services and grazing lets.

The company has also provided management services to Allt Dearg Wind Farmers LLP, Inver Hydro Limited and Srondoir 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 Srondoir Hydro Limited, a company in which John Lithgow has a joint venture interest through Inver Renewables Limited, and to Srondoir Renewables Limited, a company in which John Lithgow has a joint venture interest through Inver Renewables Limited, and a company in which James Lithgow has a joint venture interest through Ormsary Renewables Limited.

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

Details of the values of these services supplied during the financial periods to December 31, 2020 and December 31, 2019 are shown below:-

	<u>2020</u> £'000	<u>2019</u> £'000
Provision of management services to Allt Dearg Wind Farmers LLP	98	94
Provision of management services to Inver Hydro Limited	57	56
Provision of management services to Srondoir Wind Farmers Limited	71	68
Provision of management services to Srondoir Hydro Limited	13	13
Provision of management services to Srondoir Renewables Limited	12	12
Provision of labour and management services to Ormsary Farmers	40	39
Provision of grazing lets to Ormsary Farmers	27	25
Sale of arable crops to Ormsary Farmers	38	36

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

	£'000	£'000
Loan balance due by Achadonn Properties Limited	3,309	3,309
Due by Inver Hydro Limited	8	-
Due by Achadonn Properties Limited	9	8
Due by Ormsary Farmers	111	70