

Company Registration No. SC093773 (Scotland)

ABERCASTLE INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019
PAGES FOR FILING WITH REGISTRAR

ABERCASTLE INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	A Cunningham M Cunningham
Secretary	Morton Fraser Secretaries Limited
Company number	SC093773
Registered office	Quartermile Two 2 Lister Square Edinburgh EH3 9GL
Auditor	Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD

ABERCASTLE INVESTMENTS LIMITED

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ABERCASTLE INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	3	-	27,050
Investment properties	4	15,055,000	15,835,000
Investments	5	180,000	180,000
		15,235,000	16,042,050
Current assets			
Debtors	7	280,226	10,408,142
Cash at bank and in hand		762,716	695,229
		1,042,942	11,103,371
Creditors: amounts falling due within one year	8	(503,466)	(8,883,060)
Net current assets		539,476	2,220,311
Total assets less current liabilities		15,774,476	18,262,361
Provisions for liabilities	9	(545)	(1,129)
Net assets		15,773,931	18,261,232
Capital and reserves			
Called up share capital	10	3,309,375	3,309,375
Share premium account		2,450,000	2,450,000
Non distributable profit and loss reserves		1,606,982	2,386,982
Distributable profit and loss reserves		8,407,574	10,114,875
Total equity		15,773,931	18,261,232

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 10 August 2020 and are signed on its behalf by:

A Cunningham
Director

Company Registration No. SC093773

ABERCASTLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Company information

Abercastle Investments Limited is a private company limited by shares incorporated in Scotland. The registered office is Quartermile Two, 2 Lister Square, Edinburgh, EH3 9GL.

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 under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Abercastle Investments Limited is a wholly owned subsidiary of Applied Capital Property Holdings Limited, a company registered in Scotland, with their registered office being 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

1.2 Going concern

At the time of approving the financial statements, the directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future despite any potential impact as a result of covid-19. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The profit and loss account presented reflects a 12 month period. The comparative profit and loss account reflects a 16 month period following a change in the accounting period to aid operational changes within the business. As such, the two periods are not entirely comparable.

1.4 Turnover

Turnover represents rental income and is recognised at the fair value of the consideration receivable over the term of the lease and is shown net of VAT.

1.5 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:

Leasehold improvements	12 years
Fixtures, fittings & equipment	3-5 years

ABERCASTLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

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

1.6 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

1.9 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.

Debtors

Debtors with no stated interest rate or receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

Creditors

Creditors with no stated interest rate and payable within one year are recorded at transaction price.

All interest bearing loans and borrowings which are basic financial instruments are initially recorded at the present value of cash payable. After initial recognition they are measured at amortised cost.

1.10 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.

ABERCASTLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.11 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.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2018 - 0).

ABERCASTLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
Cost			
At 1 September 2018	180,513	187,170	367,683
Disposals	(180,513)	(187,170)	(367,683)
At 31 August 2019	-	-	-
Depreciation and impairment			
At 1 September 2018	172,412	168,221	340,633
Depreciation charged in the year	8,101	260	8,361
Eliminated in respect of disposals	(180,513)	(168,481)	(348,994)
At 31 August 2019	-	-	-
Carrying amount			
At 31 August 2019	-	-	-
At 31 August 2018	8,101	18,949	27,050

4 Investment properties

	2019 £
Fair value	
At 1 September 2018	15,835,000
Revaluations	(780,000)
At 31 August 2019	15,055,000

Investment properties comprises a portfolio of commercial properties. The fair value of the properties has been arrived at on the basis of a valuation carried out in April 2017 by Colliers International Valuation UK LLP, an independent third party with a recognised and relevant professional qualification. The valuation was made on a open market basis with reference to market evidence of transaction prices and with reference to rental yields. One property has also been revalued at the current year end by the directors based on the property's post year end selling price.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2019 £	2018 £
Cost	13,582,500	13,582,500
Accumulated depreciation	-	-
Carrying amount	13,582,500	13,582,500

ABERCASTLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Investment properties (Continued)

The directors are of the opinion that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties and the changes to these values, are of prime importance rather than a calculation of systematic annual depreciation. The historical cost values above therefore do not include any element of depreciation.

5 Fixed asset investments

	2019 £	2018 £
Investments	180,000	180,000

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 September 2018 & 31 August 2019	180,000
Carrying amount	
At 31 August 2019	180,000
At 31 August 2018	180,000

6 Subsidiaries

Details of the company's subsidiaries at 31 August 2019 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	Indirect
Abercastle NV Limited	1	Property development	Ordinary	100.00	0

Registered Office addresses:

1 6 St Colme Street, Edinburgh, EH3 6AD

ABERCASTLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	44,318	127,922
Corporation tax recoverable	61,198	-
Amounts owed by group undertakings	12,548	10,027,593
Other debtors	162,162	252,627
	<u>280,226</u>	<u>10,408,142</u>

8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	19,440	52,777
Amounts owed to group undertakings	7,209	7,727,860
Corporation tax	55,098	112,105
Other taxation and social security	-	108,874
Other creditors	421,719	881,444
	<u>503,466</u>	<u>8,883,060</u>

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019	Liabilities 2018
	£	£
Balances:		
Accelerated capital allowances	<u>545</u>	<u>1,129</u>
Movements in the year:		2019
		£
Liability at 1 September 2018		1,129
Credit to profit or loss		(584)
Liability at 31 August 2019		<u>545</u>

ABERCASTLE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
3,309,375 Ordinary shares of £1 each	3,309,375	3,309,375

11 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 Iain Binnie.
The auditor was Geoghegans.

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
Within one year	-	60,000
	-	60,000

13 Events after the reporting date

During the period post year end as a result from the outbreak of covid-19 there is an unprecedented level of uncertainty about the economy, and it is anticipated that global markets will reduce in value in the short to medium term. Any impact on the financial statements as at 31 August 2019, and in particular on the valuation of investment properties, would be a non-adjusting event and will be reflected in the financial statements to 31 August 2020. The directors have also considered the potential implications on going concern and, despite any potential covid-19 implications arising, believe the financial statements should continue to be prepared on a going concern basis.

14 Related party transactions

The company has taken advantage of the disclosure exemption available in FRS 102 section 1A appendix C whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

The directors are of the opinion that all related party transactions are conducted under normal market conditions and on an arm's length basis and therefore do not need to be disclosed under FRS 102 section 1A appendix C.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.