

**ABERCASTLE INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**  
**PAGES FOR FILING WITH REGISTRAR**

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**28 MAY 2019**

**FRONT DESK**



# **ABERCASTLE INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

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

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# ABERCASTLE INVESTMENTS LIMITED

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# ABERCASTLE INVESTMENTS LIMITED

## BALANCE SHEET

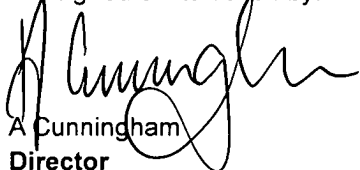
AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	3	27,050		45,053	
Investment properties	4	15,835,000		6,310,000	
Investments	5	180,000		-	
		<u>16,042,050</u>		<u>6,355,053</u>	
<b>Current assets</b>					
Debtors	7	10,408,142		11,925,730	
Cash at bank and in hand		695,229		185,652	
		<u>11,103,371</u>		<u>12,111,382</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(8,883,060)</u>		<u>(211,345)</u>	
<b>Net current assets</b>		<u>2,220,311</u>		<u>11,900,037</u>	
<b>Total assets less current liabilities</b>		<u>18,262,361</u>		<u>18,255,090</u>	
<b>Provisions for liabilities</b>	9	<u>(1,129)</u>		<u>(75,000)</u>	
<b>Net assets</b>		<u>18,261,232</u>		<u>18,180,090</u>	
<b>Capital and reserves</b>					
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		2,386,982		1,375,776	
Distributable profit and loss reserves		10,114,875		11,044,939	
<b>Total equity</b>		<u>18,261,232</u>		<u>18,180,090</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 28 May 2019 and are signed on its behalf by:

  
A Cunningham  
Director

Company Registration No. SC093773

# ABERCASTLE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### **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 Reporting period**

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

#### **1.3 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.

#### **1.4 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

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.

# ABERCASTLE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.5 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.

#### 1.6 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.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand 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.

#### 1.8 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.

#### 1.9 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 PERIOD ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.10 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.

#### 1.11 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 (2017 - 0).

# ABERCASTLE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### 3 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 May 2017	180,513	185,776	366,289
Additions	-	1,394	1,394
At 31 August 2018	180,513	187,170	367,683
<b>Depreciation and impairment</b>			
At 1 May 2017	156,208	165,028	321,236
Depreciation charged in the period	16,204	3,193	19,397
At 31 August 2018	172,412	168,221	340,633
<b>Carrying amount</b>			
At 31 August 2018	8,101	18,949	27,050
At 30 April 2017	24,305	20,748	45,053

### 4 Investment properties

	2018 £
<b>Fair value</b>	
At 1 May 2017	6,310,000
Additions	8,818,035
Disposals	(355,000)
Revaluations	1,061,965
At 31 August 2018	15,835,000

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.

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

	2018 £	2017 £
Cost	13,582,500	4,873,465
Accumulated depreciation	-	-
Carrying amount	13,582,500	4,873,465



# ABERCASTLE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### 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

	2018 £	2017 £
Investments	180,000	-

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 May 2017	-
Additions	180,000
At 31 August 2018	180,000
<b>Carrying amount</b>	
At 31 August 2018	180,000
At 30 April 2017	-

### 6 Subsidiaries

Details of the company's subsidiaries at 31 August 2018 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

#### Registered Office addresses:

1 6 St Colme Street, Edinburgh, EH3 6AD

# ABERCASTLE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### 7 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	127,922	7,579
Corporation tax recoverable	-	3,000
Amounts owed by group undertakings	10,027,593	11,611,322
Other debtors	252,627	303,829
	<u>10,408,142</u>	<u>11,925,730</u>

### 8 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	52,777	31,022
Amounts owed to group undertakings	7,727,860	-
Corporation tax	112,105	-
Other taxation and social security	108,874	-
Other creditors	881,444	180,323
	<u>8,883,060</u>	<u>211,345</u>

### 9 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
Accelerated capital allowances	1,129	-
Investment property	-	75,000
	<u>1,129</u>	<u>75,000</u>
<b>Movements in the period:</b>		2018 £
Liability at 1 May 2017		75,000
Credit to profit or loss		(73,871)
Liability at 31 August 2018		<u>1,129</u>

# ABERCASTLE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### 10 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
3,309,375 Ordinary shares of £1 each	3,309,375	3,309,375

### 11 Financial commitments, guarantees and contingent liabilities

The company was party to a cross corporate guarantee between Applied Capital Holdings Limited, Applied Capital Limited, Abercastle Developments Limited, Halbeath Assets Limited, CSD Vehicles Limited, BH Assets Limited (formerly Speciality Hotels Limited), Charlotte Square Developments Limited, Applied Capital Property Holdings Limited, Abercastle Investments Limited, Image Estates Limited and Image Estates Queen Street Limited. The ultimate controlling party of all of the above companies is Mr A Cunningham.

The company had granted a bond and floating charge over the whole assets of the company.

The guarantee and securities were against any sums drawn down, lent or otherwise utilised under the terms of the credit facilities offered to Applied Capital Limited, or any of the above companies, by the Bank of Scotland.

### 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:

	2018 £	2017 £
Within one year	60,000	90,000
Between two and five years	-	90,000
	60,000	180,000

### 13 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.

### 14 Related party transactions

# **ABERCASTLE INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 31 AUGUST 2018***

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### **14 Related party transactions**

**(Continued)**

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.