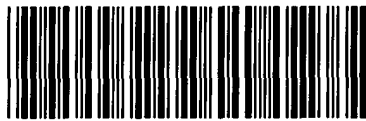


REGISTERED NUMBER: SC124712

**Directors' Report and  
Financial Statements for the Year Ended 30 November 2019  
for  
Westerwood Limited**

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**Westerwood Limited (Registered number: SC124712)**

**Contents of the Financial Statements  
for the Year Ended 30 November 2019**

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**Westerwood Limited**  
**Company Information**  
**for the Year Ended 30 November 2019**

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<b>DIRECTORS:</b>	B E Walker E M Walker C A Walker Mrs F M Young Miss E J Waddell
<b>SECRETARY:</b>	AS Company Services Limited
<b>REGISTERED OFFICE:</b>	1 Rutland Court Edinburgh EH3 8EY
<b>REGISTERED NUMBER:</b>	SC124712
<b>AUDITORS:</b>	KPMG LLP Chartered Accountants Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
<b>SOLICITOR:</b>	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY

**Westerwood Limited (Registered number: SC124712)**

**Directors' Report  
for the Year Ended 30 November 2019**

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The directors present their annual report and the audited financial statements for the year ended 30 November 2019.

**PRINCIPAL ACTIVITY**

The company's principal activity is property development.

**REVIEW OF BUSINESS**

The company's results for the year are shown in the profit and loss account on page 7.

The Directors are closely monitoring the ongoing COVID-19 situation.

Their priority in dealing with the exceptional challenges posed by this pandemic is to ensure the safety of our partners, contractors and customers. The directors are following the guidance issued by the authorities and have temporarily suspended development activity.

The directors have considered the impact of COVID-19 and due to the substantial cash resources at its disposal are confident that the company will resume trading once the current restrictions have been eased.

**DIVIDENDS**

The directors do not recommend the payment of a dividend (2018: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2018 to the date of this report.

B E Walker  
E M Walker  
C A Walker  
Mrs F M Young

Other changes in directors holding office are as follows:

Miss EJ Waddell - appointed 18 March 2019

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**Directors' Report  
for the Year Ended 30 November 2019**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 of the company and of the profit or loss of the company for that period. In preparing these 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; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**AUDITORS**

In accordance with Section 485 of the Companies Act 2006, a resolution for the appointment of Johnston Carmichael LLP, chartered accountants and statutory auditors, as auditors of the company was passed by the board on 29 January 2020.

**ON BEHALF OF THE BOARD:**



B E Walker - Director

Date: 28<sup>th</sup> May 2020

**Independent Auditors' Report to the Members of  
Westerwood Limited**

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**Opinion**

We have audited the financial statements of Westerwood Limited ("the company") for the year ended 30 November 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Independent Auditors' Report to the Members of  
Westerwood Limited**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Responsibilities of directors**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**Independent Auditors' Report to the Members of  
Westerwood Limited**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Bruce Marks (Senior Statutory Auditor)  
for and on behalf of KPMG LLP

Date: 29 May 2020



**Westerwood Limited (Registered number: SC124712)**

**Profit and Loss Account  
for the Year Ended 30 November 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>		<b>2,756,662</b>	<b>10,012,748</b>
Cost of sales		<u>(2,498,668)</u>	<u>(6,039,036)</u>
<b>GROSS PROFIT</b>		<b>257,994</b>	<b>3,973,712</b>
Administrative expenses		<u>(177,002)</u>	<u>(431,282)</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>80,992</b>	<b>3,542,430</b>
Interest receivable and similar income		<u>51,182</u>	<u>18,739</u>
		<b>132,174</b>	<b>3,561,169</b>
Interest payable and similar expenses		<u>(30)</u>	<u>-</u>
<b>PROFIT BEFORE TAXATION</b>		<b>132,144</b>	<b>3,561,169</b>
Tax on profit	<b>4</b>	<u>(9,173)</u>	<u>(677,671)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>122,971</u></b>	<b><u>2,883,498</u></b>

The notes form part of these financial statements

Westerwood Limited (Registered number: SC124712)

Balance Sheet  
30 November 2019

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	5	-	1,245
Investments	6	10,000	10,000
		<u>10,000</u>	<u>11,245</u>
<b>CURRENT ASSETS</b>			
Stocks	7	9,638,615	8,199,305
Debtors	8	500,229	208,251
Cash in hand		6,786,950	8,793,393
		<u>16,925,794</u>	<u>17,200,949</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(656,686)	(1,124,511)
		<u>16,269,108</u>	<u>16,076,438</u>
<b>NET CURRENT ASSETS</b>			
		<u>16,269,108</u>	<u>16,076,438</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,279,108</u>	<u>16,087,683</u>
<b>PROVISIONS FOR LIABILITIES</b>	10	(147,061)	(78,607)
		<u>16,132,047</u>	<u>16,009,076</u>
<b>NET ASSETS</b>			
		<u>16,132,047</u>	<u>16,009,076</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	885	885
Capital redemption reserve		115	115
Retained earnings		16,131,047	16,008,076
		<u>16,131,047</u>	<u>16,008,076</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>16,132,047</u>	<u>16,009,076</u>

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

The financial statements were approved by the Board of Directors on 28<sup>th</sup> May 2020 and were signed on its behalf by:



B E Walker - Director

The notes form part of these financial statements

**Westerwood Limited (Registered number: SC124712)**

**Statement of Changes in Equity  
for the Year Ended 30 November 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 December 2017</b>	<b>885</b>	<b>13,124,578</b>	<b>115</b>	<b>13,125,578</b>
<b>Changes in equity</b>				
<b>Total comprehensive income</b>	<b>-</b>	<b>2,883,498</b>	<b>-</b>	<b>2,883,498</b>
<b>Balance at 30 November 2018</b>	<b>885</b>	<b>16,008,076</b>	<b>115</b>	<b>16,009,076</b>
<b>Changes in equity</b>				
<b>Total comprehensive income</b>	<b>-</b>	<b>122,971</b>	<b>-</b>	<b>122,971</b>
<b>Balance at 30 November 2019</b>	<b>885</b>	<b>16,131,047</b>	<b>115</b>	<b>16,132,047</b>

**The notes form part of these financial statements**

Notes to the Financial Statements  
for the Year Ended 30 November 2019

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1. STATUTORY INFORMATION

Westerwood Limited is a private company, limited by shares domiciled, incorporated and registered in Edinburgh, Scotland. The company's registered number and registered office can be found on the Company Information page.

2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

These financial statements were prepared in accordance with section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1.

In these financial statement, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Related parties transactions concluded under normal market conditions

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on these financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

**Measurement convention**

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property.

**Turnover**

This comprises rents, together with income arising on the sale of land or developments held as current assets.

**Tangible fixed assets**

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

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Office equipment	2 years
Fixtures and fittings	2 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2019

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2. ACCOUNTING POLICIES - continued

**Stocks**

This comprises land held for development purposes and the work in progress relating to the redevelopment of properties.

Land for development is held at the lower of cost and net realisable value.

For redevelopment work in progress, cost is established by assessing the stage of completion reached for each unit and applying the proportion of direct costs. Site wide development costs are allocated between units being built and/or completed in the current year and those in future years. This estimate is reflected in the margin recognised on projects and in the carrying value of land and work in progress. Whilst there is a degree of uncertainty in making this estimate, reviews are carried out quarterly on the carrying value of stocks.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Investments**

Investments, including investments in subsidiary and joint venture companies, and other unlisted investments, are stated at cost less provision for permanent impairment.

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2019

2. ACCOUNTING POLICIES - continued

**Going concern**

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the period to 30 June 2021 which indicate that taking account of plausible, but severe possible downsides, the company will continue to operate with a positive cash balance and will therefore meet its liabilities as they fall due. These forecasts include the expectation that development activity will pause for a period of six months and there will be no unit sales during this period. It is then expected that development activity will recommence and development costs will become payable before income from unit sales are received. The directors have considered the impact of the COVID-19 crisis and are of the view that despite interruption in trading activity the company will continue to have a positive cash balance throughout the forecast period.

**Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

**Interest-bearing borrowings classified as basic financial instruments**

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Interest receivable and interest payable**

Interest payable and similar charges include interest payable.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	79	2,072
Audit of these financial statements	4,204	4,080
Taxation compliance services	1,460	900

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2019

4. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	9,173	677,671
Tax on profit	<u>9,173</u>	<u>677,671</u>

UK corporation tax was charged at 19% in 2018.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>132,144</u>	<u>3,561,169</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	25,107	676,622
Effects of:		
Expenses not deductible for tax purposes	1,146	655
Depreciation in excess of capital allowances	15	394
Adjustments to tax charge in respect of previous periods differences	(17,095)	-
Total tax charge	<u>9,173</u>	<u>677,671</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset) as at 30 November 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £1,800.

Westerwood Limited (Registered number: SC124712)

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2019

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
<b>COST</b>	
At 1 December 2018	7,328
Disposals	(1,166)
At 30 November 2019	<u>6,162</u>
<b>DEPRECIATION</b>	
At 1 December 2018	6,083
Charge for year	79
At 30 November 2019	<u>6,162</u>
<b>NET BOOK VALUE</b>	
At 30 November 2019	<u>-</u>
At 30 November 2018	<u>1,245</u>

6. FIXED ASSET INVESTMENTS

	Other Investments £
<b>COST</b>	
At 1 December 2018 and 30 November 2019	<u>10,000</u>
<b>NET BOOK VALUE</b>	
At 30 November 2019	<u>10,000</u>
At 30 November 2018	<u>10,000</u>

7. STOCKS

	2019 £	2018 £
Development land and work in progress	<u>9,638,615</u>	<u>8,199,305</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	91,092	34,936
Other debtors	<u>409,137</u>	<u>173,315</u>
	<u>500,229</u>	<u>208,251</u>



Westerwood Limited (Registered number: SC124712)

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2019

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	70,964	21,948
Taxation and social security	-	677,671
Other creditors	585,722	424,892
	<u>656,686</u>	<u>1,124,511</u>

10. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Other provisions		
Office dilapidations	-	13,908
Maintenance provision	48,086	64,699
Landlord expenditure	98,975	-
	<u>147,061</u>	<u>78,607</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
885	Ordinary shares	£1	<u>885</u>	<u>885</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2019

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**12. RELATED PARTY DISCLOSURES**

The following transactions have been entered into during the year under review:

- Walker Group (Scotland) Limited for management fees payable by Westerwood Ltd £54,061 (2018: £300,794)
- Grange Estates (Newbattle) Limited for management fees payable by Westerwood Ltd £57,259 (2018: £nil)
- A B Walker FRICS for consultancy fees £16,667 (2018: £50,000)

Walker Group (Scotland) Limited is a wholly owned subsidiary of Walker Holdings (Scotland) Limited, a company in which Messrs EM Walker and BE Walker were directors and shareholders until 29 January 2019. Walker Group (Scotland) Limited provided management services to the company until 29 January 2019.

Grange Estates (Newbattle) Ltd, a company which has common directors and shareholders, commenced management service provision 1 February 2019.

A B Walker FRICS provides consultancy services to the company, and is a relation of the directors and shareholders. The agreement with A B Walker ended March 2019.

At the year end there was £nil (2018: £nil) due to or from any of the related parties.

In a prior year the company entered into a short term let with Westerwood Development Company Ltd, a company with common directors and shareholders, for office premises. The cost of this let is £17,260 per annum. The letting agreement expired 30 April 2019.