

Company Registration No. SC134373 (Scotland)

ORRMAC (NO:500) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR

ORRMAC (NO:500) LIMITED

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ORRMAC (NO:500) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 DECEMBER 2020**

		2020	2019
	Notes	£	£
Fixed assets			
Tangible assets	3	2,710,224	2,781,223
Current assets			
Stocks		5,627	4,615
Debtors	4	1,321,780	1,271,423
Cash at bank and in hand		126,644	91,245
		<u>1,454,051</u>	<u>1,367,283</u>
Creditors: amounts falling due within one year	5	<u>(240,258)</u>	<u>(282,148)</u>
Net current assets		1,213,793	1,085,135
Total assets less current liabilities		<u>3,924,017</u>	<u>3,866,358</u>
Creditors: amounts falling due after more than one year	6	(2,022,782)	(1,799,410)
Provisions for liabilities		<u>(57,535)</u>	<u>(57,535)</u>
Net assets		<u>1,843,700</u>	<u>2,009,413</u>
Capital and reserves			
Called up share capital	7	2,000,100	2,000,100
Other reserves		684,904	684,904
Profit and loss reserves		<u>(841,304)</u>	<u>(675,591)</u>
Total equity		<u>1,843,700</u>	<u>2,009,413</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions for FRS 102 section 1A - small entities.

ORRMAC (NO:500) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 16 September 2021 and are signed on its behalf by:

A D F MacDonald
Director

Company Registration No. SC134373

ORRMAC (NO:500) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

Company information

Orrmac (No:500) Limited is a private company limited by shares incorporated in Scotland. The registered office is 1 Rutland Court, Edinburgh, Scotland, EH3 8EY.

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. The principal accounting policies adopted are set out below.

Post balance sheet events

Since 31 December 2020 the world has faced unprecedented uncertainty and disruption as a result of Covid-19. The directors have considered the effects of this pandemic on its operations and any going concern implications for the business post year end, and full details are noted in section 1.2 in accounting policies.

1.2 Going concern

The directors review and update budgets and forecasts to ensure that at all times the company has sufficient resources to meet its liabilities as they fall due for a period of at least twelve months from the date of signing the financial statements. The directors have considered a number of potential scenarios over the coming twelve months, and are satisfied that these scenarios provide evidence that the company has adequate working capital to continue trading over this period.

As a result of Covid-19, the hotel has had to close during the 2020 financial year for a number of months - in line with many other businesses in the hospitality sector. During this period, the business was reorganised to adapt to Covid-19 restrictions, and successfully opened post the original spring lockdown. The hotel is currently closed again, however, management expect the business to reopen early in 2021, and are anticipating that advances in vaccinations together with the arrival of spring, will allow the hotel to commence trading profitably again.

The company has a healthy cash balance at the date of signing these financial statements, and with advantage being taken of government support and initiatives, together with a deferral of bank loan payments until spring 2021, and a working capital loan being obtained during 2020, the directors have been working hard to ensure the business has the appropriate cash inflows. The directors also continue to monitor the cost base of the business to ensure that this remains at an appropriate level.

Thus, with a healthy cash balance for the size of the business; access to government support; deferred loan payments; and a hotel that has shown its ability to adapt to Covid-19 protocols and command strong sales when open (with no signs to suggest this will not be the case from spring 2021), the directors are satisfied that the company will have adequate resources to continue as a going concern for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

ORRMAC (NO:500) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on buildings cost
Plant and equipment	20% on cost
Fixtures and fittings	20% on cost
Computers	20% on cost

Freehold land is not depreciated.

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Any impairment loss is recognised immediately in profit or loss.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost to purchase on a first in, first out basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

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.

1.8 Financial instruments

The following assets and liabilities are classified as financial instruments - trade and other debtors, trade and other creditors, bank loans and directors' loans.

Debt instruments, other than those wholly repayable within one year, are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Directors' loans repayable on demand, trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

ORRMAC (NO:500) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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 income statement 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 in respect of permanent differences except in respect of business combinations. Deferred tax is determined using rates and laws that have been enacted or substantively enacted by the reporting date.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 17 (2019 - 20).

ORRMAC (NO:500) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

3 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 31 December 2019	3,063,333	126,754	394,030	15,387	3,599,504
Additions	450	15,522	2,928	-	18,900
At 30 December 2020	3,063,783	142,276	396,958	15,387	3,618,404
Depreciation and impairment					
At 31 December 2019	337,780	98,015	373,240	9,246	818,281
Depreciation charged in the year	61,273	15,370	10,697	2,559	89,899
At 30 December 2020	399,053	113,385	383,937	11,805	908,180
Carrying amount					
At 30 December 2020	2,664,730	28,891	13,021	3,582	2,710,224
At 30 December 2019	2,725,553	28,739	20,790	6,141	2,781,223

Freehold land and buildings includes land at a cost of £144,173 (2019 - £144,173).

4 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	391	111
Other debtors	1,309,986	1,238,917
Prepayments and accrued income	11,403	32,395
	1,321,780	1,271,423

5 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	71,506	66,836
Trade creditors	36,765	37,573
Corporation tax	20,037	20,037
Other taxation and social security	1,990	31,506
Other creditors	58,462	64,346
Accruals and deferred income	51,498	61,850
	240,258	282,148

ORRMAC (NO:500) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

6 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	790,165	561,189
Other creditors	1,232,617	1,238,221
	<u>2,022,782</u>	<u>1,799,410</u>

The bank loan is repayable in quarterly instalments. The final instalment is due for payment on 31 March 2028. Interest is charged at 3.64% over Libor.

The bank loan is secured by a standard security over the freehold land and buildings, a bond and floating charge over the whole property, assets and undertakings of the company, and personal guarantees of up to £75,000 each granted by A D M MacDonald and J A M Orr, directors.

7 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
2,000,100 Ordinary Shares of £1 each	<u>2,000,100</u>	<u>2,000,100</u>

8 Reserves

Profit and loss reserves represent the accumulated profits and losses for the company. Other reserves is composed of capital contribution totalling £684,904 (2019 - £684,904).

9 Capital commitments

Capital commitments constitute the contracted costs to completion of tangible fixed assets under construction at the financial reporting date.

10 Ultimate controlling party

The directors consider that A D M MacDonald and J A M Orr are jointly the company's controlling party by virtue of their office and shareholdings.

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.