Heritage Scotland Limited

Annual report and financial statements
Registered number SC146437
31 December 2016

Contents

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company is the acquisition and development of land.

Proposed dividend

The directors do not recommend the payment of a dividend *(2015: £nil)*.

Directors

The directors who held office during the year were as follows:

WFP Cheevers
RS MacDonald
DC O'Neill

Statement as to disclosure of information to auditor

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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

RS MacDonald
Director

100 Inchinnan Road
Paisley
Renfrewshire
PA3 2RE

27 March 2017

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *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 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;
- state whether applicable UK 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 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 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.

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS
United Kingdom

Independent auditor's report to the members of Heritage Scotland Limited

We have audited the financial statements of Heritage Scotland Limited for the year ended 31 December 2016 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatement in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
30 March 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

During the current financial year and preceding financial year the company has not traded and has received no income and incurred no expenditure. Consequently, the company made neither a profit nor a loss and there are no items of other comprehensive income.

Balance Sheet
at 31 December 2016

	Note	**2016 £000**	2015 £000
Fixed assets			
Tangible assets	3	**35**	35
Current assets			
Debtors	4	**5,666**	5,666
Creditors: amounts falling due within one year	5	**(4)**	(4)
Net current assets		**5,662**	5,662
Net assets		**5,697**	5,697
Capital and reserves			
Called up share capital	6	**5,000**	5,000
Other reserve		**30**	30
Profit and loss account		**667**	667
Shareholder's funds		**5,697**	5,697

Notes on pages 6 to 9 form part of the financial statements.

These financial statements were approved by the board of directors on 27 March 2017 and were signed on its behalf by:

RS MacDonald
Director

Company registered number: SC146437

Statement of Changes in Equity

	Called up share capital	Other reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance at 1 January 2015 and 2016	5,000	30	667	5,697
Total comprehensive income for the period	-	-	-	-
Balance at 31 December 2015 and 2016	**5,000**	**30**	**667**	**5,697**

Notes

(forming part of the financial statements)

1 Accounting policies

Heritage Scotland Limited (the "Company") is a private company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC146437 and the registered address is 100 Inchinnan Road, Paisley, PA3 2RE.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, McLaughlin & Harvey Construction Limited includes the Company in its consolidated financial statements. The consolidated financial statements of McLaughlin & Harvey Construction Limited are available to the public and may be obtained from The Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF. In these financial statements, 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:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of McLaughlin & Harvey Construction Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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 the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11.

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: tangible fixed assets including certain heritable property.

Going concern

After having made appropriate enquiries, the directors have a reasonable expectation that the company has adequate resource to continue operations for a period of at least 12 months form the date of approving these financial statements. Accordingly, the going concern basis of preparation continues to be adopted in these financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Basic financial instruments

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. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Fixed assets and depreciation

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Fixed assets that have been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Revaluation

The Company has adopted a policy of revaluation in relation to its heritable land and buildings. Such assets are held at their current value as at the balance sheet date; full independent revaluations are performed every five years, with interim valuation reviews being performed by the directors in the intervening periods. These assets are stated at fair value less any subsequent accumulated depreciation and impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in a revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

Notwithstanding this policy of periodic revaluation, such assets are depreciated over their estimated operational lives.

Notes *(continued)*

2 Profit and loss account

The company's audit fee (2016: £2,000; *2015: £2,000*) was borne by its parent undertaking, McLaughlin & Harvey Construction Limited. The directors received no remuneration for services to the company and there were no staff in the current or preceding year.

3 Tangible fixed assets

	Heritable land and buildings £000
Cost or valuation	
At beginning and end of year	**35**
Depreciation	
At beginning and end of year	-
Net book value	
At 31 December 2015 and 31 December 2016	**35**

Land and Buildings

The net book amount of land and buildings includes £35,000 *(2015: £35,000)* in respect of freehold land on which no depreciation is charged.

Revaluation

Land and buildings are valued by independent valuers every 5 years, with director valuations performed in the intervening periods. The last full external valuation was carried out on 31 December 2014.

The directors have performed a valuation as at 31 December 2016. The directors do not believe that there has been a material movement in the value of the assets between 31 December 2015 and 31 December 2016.

4 Debtors

	2016 £000	2015 £000
Due within one year:		
Amounts owed by group undertakings	**5,666**	5,666

5 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	**4**	4

Notes *(continued)*

6 Capital and reserves

Share capital

	2016	2015
	£000	£000
Allotted, called up and fully paid		
5,000,000 ordinary shares of £1 each	**5,000**	5,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

7 Related parties

Related parties comprise wholly owned Group companies. Transactions with related parties were carried out at arms-length agreed terms, conditions and prices. The Group and company have taken advantage of the exemption within FRS102 Section 33 paragraph 33.1A from the requirement to disclose transactions with other wholly owned companies in the same group.

8 Charges over assets

The company has granted standard securities to a bank in respect of borrowings of its parent undertaking as well as a bond and floating charge over its whole property and undertaking.

9 Ultimate holding company

The company's immediate parent company is McLaughlin & Harvey Construction Limited; its ultimate parent company is McLaughlin & Harvey Holdings Limited, a company registered in Northern Ireland.

The consolidated financial statements of McLaughlin & Harvey Construction Limited are publicly available and may be obtained from the Registrar of Companies.

The company is controlled by its ultimate parent undertaking, McLaughlin & Harvey Holdings Limited, whose majority shareholder is Mr KH Cheevers.

10 Subsequent events

There were no subsequent events post the balance sheet date and prior to the date of signing these accounts that would have a material impact on the results reported or the financial position of the company.

11 Accounting estimates and judgements

Key sources of estimation uncertainty

The company believes that there are no areas of material uncertainty which affect the financial statements.

Critical accounting judgements in applying the Company's accounting policies

The company believes that the major judgement applied is the use of the going concern principle which supports the valuation of assets included in the Balance Sheet.