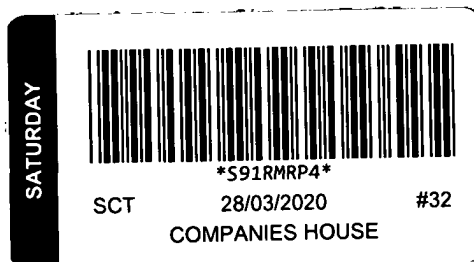


**Lochay Properties Limited**  
**Filleted Financial Statements**  
**for the Year Ended**  
**30 September 2019**



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# **Lochay Properties Limited**

## **Financial Statements**

**Year ended 30 September 2019**

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| <b>Contents</b>                                      | <b>Page</b> |
|--|-------------|
| Directors' responsibilities statement                | <b>1</b>    |
| Statement of financial position                      | <b>2</b>    |
| Notes to the financial statements for the year ended | <b>3</b>    |

# **Lochay Properties Limited**

## **Directors' Responsibilities Statement**

**Year ended 30 September 2019**

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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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Lochay Properties Limited

## Statement of Financial Position

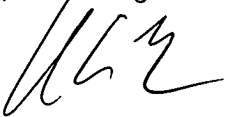
30 September 2019

|  | Note | 2019<br>£               | 2018<br>£               |
|--|------|-------------------------|-------------------------|
| <b>Fixed assets</b>  |      |                         |                         |
| Investment properties  | 5    | 4,375,000               | 4,375,000               |
| <b>Current assets</b>  |      |                         |                         |
| Stocks   |      | 1,608,388               | 2,795,085               |
| Debtors  | 6    | 113,466                 | 143,744                 |
| Cash at bank and in hand                                       |      | 2,583,694               | 638,880                 |
|  |      | <u>4,305,548</u>        | <u>3,577,709</u>        |
| <b>Creditors: amounts falling due within one year</b>          | 7    | <u>(538,354)</u>        | <u>(392,271)</u>        |
| <b>Net current assets</b>                                      |      | <u>3,767,194</u>        | <u>3,185,438</u>        |
| <b>Total assets less current liabilities</b>                   |      | <u>8,142,194</u>        | <u>7,560,438</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 8    | <u>(3,594,034)</u>      | <u>(3,740,819)</u>      |
| <b>Provisions</b>  |      |                         |                         |
| Taxation including deferred tax                                | 9    | <u>(186,998)</u>        | <u>(186,998)</u>        |
| <b>Net assets</b>  |      | <u><u>4,361,162</u></u> | <u><u>3,632,621</u></u> |
| <b>Capital and reserves</b>                                    |      |                         |                         |
| Called up share capital  |      | 100                     | 100                     |
| Revaluation reserve  | 12   | 1,314,816               | 1,314,816               |
| Profit and loss account  | 12   | 3,046,246               | 2,317,705               |
| <b>Shareholder funds</b>                                       |      | <u><u>4,361,162</u></u> | <u><u>3,632,621</u></u> |

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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 16 March 2020, and are signed on behalf of the board by:

  
W G R Thomson  
Director

Company registration number: SC177744

# Lochay Properties Limited

## Notes to the Financial Statements

Year ended 30 September 2019

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### 1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 28 Stafford Street, Edinburgh, EH3 7BD.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

i) Valuation of investment properties

The company carries its investment properties at fair value with changes in fair value being recognised in the Statement of Income and Retained Earnings. The values are reviewed internally on an annual basis by the directors, and professional valuations are carried out on a regular basis. See note 5 for carrying amounts of investment properties.

ii) Work in progress

At the end of each reporting period the company assess the level of work in progress for impairment. If an item of work in progress is impaired, a charge is recognised in the profit and loss account.

iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 6 for carrying amount of debtors.

# Lochay Properties Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

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### 3. Accounting policies *(continued)*

#### Revenue recognition

The turnover shown in the Profit and Loss Account represents rental income receivable during the year, exclusive of Value Added Tax, where there is a right to consideration from property investment activities.

#### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period, and is charged in the Statement of Income and Retained Earnings. Deferred tax is provided on the liability method to take account of timing differences between the treatment for certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

#### Investment properties

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

#### Impairment of assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

#### Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# Lochay Properties Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

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### 4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to nil (2018: nil).

### 5. Investment properties

|   | Investment<br>properties<br>£ |
|---|-------------------------------|
| Fair value                              |                               |
| At 1 October 2018 and 30 September 2019 | <u>4,375,000</u>              |
| Carrying amount                         |                               |
| At 30 September 2019                    | <u>4,375,000</u>              |
| At 30 September 2018                    | <u>4,375,000</u>              |

The investment properties, other than subsequent additions, were valued by Colliers International, property consultants, on 23 March 2018 in accordance with the RICS Appraisal and Valuation Manual.

The directors have reviewed the carrying value of the investment properties at the year end and are satisfied that the value of these properties reflect the value in use at the year end. The historical cost of the properties is £3,160,049 (2018: £3,160,049).

### 6. Debtors

|               | 2019<br>£      | 2018<br>£      |
|---------------|----------------|----------------|
| Trade debtors | 911            | 475            |
| Other debtors | <u>112,555</u> | <u>143,269</u> |
|               | <u>113,466</u> | <u>143,744</u> |

# Lochay Properties Limited

## Notes to the Financial Statements *(continued)*

**Year ended 30 September 2019**

### 7. Creditors: amounts falling due within one year

|                                    | 2019<br>£      | 2018<br>£      |
|------------------------------------|----------------|----------------|
| Bank loans and overdrafts          | 153,078        | 170,246        |
| Trade creditors                    | 39,460         | 791            |
| Amounts owed to group undertakings | 68,642         | —              |
| Corporation tax                    | 104,726        | 45,177         |
| Social security and other taxes    | 3,130          | 13,780         |
| Other creditors                    | 169,318        | 162,277        |
|                                    | <u>538,354</u> | <u>392,271</u> |

The following liabilities disclosed under creditors falling due within one year are secured by a charge granted by the company:

|            | 2019<br>£ | 2018<br>£ |
|------------|-----------|-----------|
| Bank loans | 153,078   | 170,246   |

### 8. Creditors: amounts falling due after more than one year

|                           | 2019<br>£        | 2018<br>£        |
|---------------------------|------------------|------------------|
| Bank loans and overdrafts | <u>3,594,034</u> | <u>3,740,819</u> |

The following liabilities disclosed under creditors falling due after more than one year are secured by a charge granted by the company:

|            | 2019<br>£ | 2018<br>£ |
|------------|-----------|-----------|
| Bank loans | 3,594,034 | 3,740,819 |

### 9. Deferred tax

The deferred tax included in the statement of financial position is as follows:

|                                  | 2019<br>£      | 2018<br>£      |
|----------------------------------|----------------|----------------|
| Included in provisions (note 10) | <u>186,998</u> | <u>186,998</u> |

### 10. Provisions

|   | Accelerated<br>capital<br>allowances<br>£ | Other<br>timing<br>differences<br>£ | Total<br>£     |
|---|---|-------------------------------------|----------------|
| Provision at 1 October 2018                   | —   | 186,998                             | 186,998        |
| Credited to statement of comprehensive income | —   | —                                   | —              |
| Provision at 30 September 2019                | <u>—</u>                                  | <u>186,998</u>                      | <u>186,998</u> |

# Lochay Properties Limited

## Notes to the Financial Statements *(continued)*

**Year ended 30 September 2019**

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### **11. Summary audit opinion**

The auditor's report was unqualified.

The senior statutory auditor was Barry Truswell CA, for and on behalf of Chiene + Tait LLP.

### **12. Reserves**

Called up share capital - This reserve represents the nominal value of shares that have been issued.

Revaluation reserve – This reserve records the cumulative value of investment property revaluations and fair value movements on investment properties recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

### **13. Related party transactions**

£nil was due from the company's parent undertaking at the year end (2018: £nil).

During the year, £35,000 (2018: £25,000) of management fees were paid to the company's parent undertaking.

At the year end £68,642 (2018: £nil) was due to a company under common control.

Included in trade debtors, other debtors and other creditors are amounts of £231 (2018: £273), £47,120 (2018: £47,120) and £15,679 (2018: £15,747) respectively relating to a joint arrangement between the company and one of the directors.

### **14. Subsequent events**

Subsequent to the year end the company purchased a property at Tannochside for £1,110,000.