

Registered number: SC220458

DALGLEN (NO.787) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021



DALGLEN (NO.787) LIMITED

COMPANY INFORMATION

Directors

L Kudsk
G Broadhurst
N A Kjaer

Company secretary

G Broadhurst

Registered number

SC220458

Registered office

Lifeways House
Shaw Road
Prestwick
Scotland
KA9 2LP

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
1 Holly Street
Sheffield
South Yorkshire
S1 2GT

DALGLEN (NO.787) LIMITED

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DALGLEN (NO.787) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The directors present their report and the financial statements for the year ended 30 September 2021.

Principal activity

The Company principal activity is the letting of its site for earning rental revenue.

Directors

The directors who served during the year were:

L Kudsk
G Broadhurst
N A Kjaer

Directors' responsibilities statement

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, 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 and 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

The directors expect the general level of activity to increase again in the forthcoming year due to strong demand in the UK water and Gas sectors as well as the development of new product and market opportunities both within the UK and in Export markets.

DALGLEN (NO.787) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Going concern

The financial statements have been prepared using the going concern basis of accounting. The company is reliant on an inter-group funding. After making all reasonable enquiries and taking into consideration the letter of support from the immediate parent, the directors have reached the conclusion that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. In doing so, the directors have had regard to the latest guidelines from the Financial Reporting Council regarding preparation of financial statements on a going concern basis.

Qualifying third party indemnity provisions

The company made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force the date of this report.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16/12/2021 and signed on its behalf.

Gayle Broadhurst

G Broadhurst
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALGLEN (NO.787) LIMITED

Opinion

We have audited the financial statements of Dalglen (No.787) Limited (the 'Company') for the year ended 30 September 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALGLEN (NO.787) LIMITED (CONTINUED)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALGLEN (NO.787) LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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. This description forms part of our Auditor's Report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALGLEN (NO.787) LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified significant laws and regulations, as detailed below, relevant to the Company through inquiries of management and corroborated this through review of board minutes and legal expenses.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined which may influence the financial statements. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the Company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those are laws and regulations relating to health and safety, employee matters, data protection, import duty and bribery and corruption practices.
- We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur. We performed procedures over journal entries (in particular manual journal entries determined to be large or relating to unusual transactions), related party transactions and evaluated processes and controls in place to address the risks related to irregularities and fraud.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, the applicable statutory provisions, and the Company's control environment, including the adequacy of procedures for authorisation of transactions.
- The engagement team's experience with similar engagements, their understanding of the Company's industry and regulatory requirements (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations) relating to the Company were considered in assessing the competence and capabilities of the engagement team.

No matters relating to non-compliance with laws and regulation or relating to fraud were identified in relation to above mentioned laws and regulations that were identified by us as most significant.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALGLEN (NO.787) LIMITED (CONTINUED)

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.

Michael Redfern

Michael Redfern FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
Date: 16/12/2021

DALGLEN (NO.787) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover		140,400	36,000
Gross profit		140,400	36,000
Administrative expenses		(133,860)	(69,359)
Operating profit/(loss)	5	6,540	(33,359)
Interest payable and similar expenses	4	(20,984)	(23,133)
Loss before tax		(14,444)	(56,492)
Tax on loss	7	10,258	7,120
Loss for the financial year		(4,186)	(49,372)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 11 to 19 form part of these financial statements.

DALGLEN (NO.787) LIMITED
REGISTERED NUMBER: SC220458

BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	2,992,845	2,760,630
		<u>2,992,845</u>	<u>2,760,630</u>
Current assets			
Debtors: amounts falling due within one year	9	64,669	153,926
		<u>64,669</u>	<u>153,926</u>
Creditors: amounts falling due within one year	10	(2,977,292)	(2,830,148)
		<u>(2,912,623)</u>	<u>(2,676,222)</u>
Net current liabilities		<u>(2,912,623)</u>	<u>(2,676,222)</u>
Total assets less current liabilities		<u>80,222</u>	<u>84,408</u>
Net assets		<u><u>80,222</u></u>	<u><u>84,408</u></u>
Capital and reserves			
Called up share capital	12	500,002	500,002
Profit and loss account	13	(419,780)	(415,594)
		<u>80,222</u>	<u>84,408</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16/12/2021

Gayle Broadhurst

G Broadhurst
 Director

The notes on pages 11 to 19 form part of these financial statements.

DALGLEN (NO.787) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2020	500,002	(415,594)	84,408
Comprehensive income for the year			
Loss for the year	-	(4,186)	(4,186)
At 30 September 2021	500,002	(419,780)	80,222

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2019	500,002	(366,222)	133,780
Comprehensive income for the year			
Loss for the year	-	(49,372)	(49,372)
At 30 September 2020	500,002	(415,594)	84,408

The notes on pages 11 to 19 form part of these financial statements.

DALGLEN (NO.787) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. General information

Dalglen (No.787) Limited is a private company limited by shares and incorporated in England and Wales. Registered number: SC220458. Its registered head office is located at Lifeways House, Shaw Road, Prestwick, Scotland, KA9 2LP.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council. The entity has early adopted the amendments to FRS 102 which was issued in December 2017 following a triennial review.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Going concern

The financial statements have been prepared using the going concern basis of accounting.

The company is reliant on an inter-group funding. After making all reasonable enquiries and taking into consideration the letter of support from the immediate parent, the directors have reached the conclusion that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. In doing so, the directors have had regard to the latest guidelines from the Financial Reporting Council regarding preparation of financial statements on a going concern basis.

2.3 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

Freehold buildings	- 25 years
Freehold land	- Not depreciated
Freehold buildings under construction	- Not depreciated

The properties held by the Company are included within tangible fixed assets at cost, as permitted by FRS 102 Section 17 which gives exemption for properties which are leased solely to another group entity.

DALGLEN (NO.787) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.4 Current and deferred taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.5 Turnover

Turnover comprises of rental income due for the year.

DALGLEN (NO.787) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.6 Foreign currency translation**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

2.7 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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 Group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

DALGLEN (NO.787) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.10 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements in applying the Company's accounting policies or key sources of estimation uncertainty.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimates useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property, plant and equipment and note 2.3 for the useful economic lives of each class of assets.

4. Finance costs

	2021 £	2020 £
Interest payable on parent company loan	<u>20,984</u>	<u>23,133</u>

DALGLEN (NO.787) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

5. Loss before taxation

The loss before taxation is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	119,341	53,892
Fees payable to the company's auditor for the audit of the company's annual financial statements	3,145	3,260
Fees payable to the company's auditor for tax services provided	2,120	1,625
	<u>124,606</u>	<u>58,777</u>

Payroll and other out of pocket expenses incurred in relation to the Directors are accounted for through other group companies (2020: Nil).

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2020: £Nil).

7. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(12,839)	-
Adjustments in respect of previous periods	(7,679)	-
	<u>(20,518)</u>	<u>-</u>
Group taxation relief	19,930	(903)
Total current tax	<u>(588)</u>	<u>(903)</u>
Deferred tax		
Origination and reversal of timing differences	(17,349)	(6,217)
Adjustments in respect of prior periods	7,679	-
	<u>(9,670)</u>	<u>(6,217)</u>
Taxation on loss on ordinary activities	<u>(10,258)</u>	<u>(7,120)</u>

DALGLEN (NO.787) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(14,444)	(56,492)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(2,744)	(10,733)
Effects of:		
Payment/(receipt) for group relief	-	(1,981)
Non-qualifying depreciation	11,337	4,691
Tax losses surrendered	-	903
Adjustment to tax charge in respect of previous periods	(7,679)	-
Adjustments to tax charge in respect of previous periods - deferred tax	7,679	-
Remeasurement of deferred tax for changes in tax rates	(6,012)	-
Other differences leading to a decrease in the tax charge	(12,839)	-
Total tax credit for the year	(10,258)	(7,120)

Factors that may affect future tax charges

There is no expiry date on timing differences, unused tax losses or tax credits.

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023. The legislation received Royal Assent on 10 June 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

DALGLEN (NO.787) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

8. Tangible fixed assets

	Land £	Freehold buildings £	Freehold buildings under construction £	Total £
Cost or valuation				
At 1 October 2020	856,000	1,347,401	1,830,090	4,033,491
Additions	-	-	351,556	351,556
Transfers between classes	-	2,181,646	(2,181,646)	-
At 30 September 2021	856,000	3,529,047	-	4,385,047
Depreciation				
At 1 October 2020	-	1,272,861	-	1,272,861
Charge for the year on owned assets	-	119,341	-	119,341
At 30 September 2021	-	1,392,202	-	1,392,202
Net book value				
At 30 September 2021	856,000	2,136,845	-	2,992,845
At 30 September 2020	856,000	74,540	1,830,090	2,760,630

9. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	28,080	13,672
Other debtors	11,540	124,875
Deferred taxation	25,049	15,379
	64,669	153,926

DALGLEN (NO.787) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	1,972,296	1,296,997
Trade creditors	-	532,725
Amounts owed to group undertakings	957,427	991,565
Corporation tax	7,671	-
Other creditors	35,899	1,569
Accruals and deferred income	3,999	7,292
	<u>2,977,292</u>	<u>2,830,148</u>

Amounts owed to group undertakings relates to an intercompany loan with AVK Holdings and repayable on demand. It bears interest at the rate of 2.21% (2020: 2.21%) per annum.

11. Deferred taxation

	2021
	£
At beginning of year	15,379
Charge to profit or loss	9,670
At end of year	<u>25,049</u>

The deferred tax asset is made up as follows:

	2021	2020
	£	£
Fixed asset timing differences	<u>25,049</u>	<u>15,379</u>

DALGLEN (NO.787) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
500,002 (2020: 500,002) Ordinary shares of £1.00 each	500,002	500,002

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

13. Reserves**Profit and loss account**

The profit and loss reserve represents cumulative profits or losses net of dividends paid.

14. Related party transactions

As a wholly owned subsidiary, the Company is exempt from the requirements of FRS 102 Section 33 to disclose transactions with other members of the group headed by AVK Holding A/S.

15. Controlling party

The company is controlled by AVK Holding A/S, its immediate parent.

The parent undertaking of the smallest group for which consolidated financial statements are prepared is AVK Holding A/S, a company incorporated in Denmark. Consolidated financial statements are available from Erhvervsstyrelsen, Langelinie Alle 17, 2100 København O, Denmark.

The parent undertaking of the largest group for which consolidated financial statements are prepared is Anpartsselskabet ASX af 28. August 2014, a company incorporated in Denmark. Consolidated financial statements are available from the above address. In the opinion of the directors this is the company's ultimate parent company. Anpartsselskabet ASX af 28. August 2014 is ultimately controlled by N A Kjaer.