

**COMPANIES HOUSE
EDINBURGH**

27 SEP 2018

FRONT DESK

**SUNDIAL (DRUMSHEUGH) LIMITED
FILLETED UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017**



SUNDIAL (DRUMSHEUGH) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	889,398	690,431
Current assets			
Debtors	6	2,520	2,011
Cash at bank and in hand		5,250	3,569
		<u>7,770</u>	<u>5,580</u>
Creditors: amounts falling due within one year	7	<u>1,704,448</u>	<u>1,145,662</u>
Net current liabilities		<u>1,696,678</u>	<u>1,140,082</u>
Total assets less current liabilities		<u>(807,280)</u>	<u>(449,651)</u>
Net liabilities		<u>(807,280)</u>	<u>(449,651)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(807,281)</u>	<u>(449,652)</u>
Shareholder deficit		<u>(807,280)</u>	<u>(449,651)</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'.

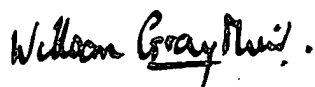
In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 24 SEP 2018, and are signed on behalf of the board by:



W J Gray Muir
Director

Company registration number: SC222309

SUNDIAL (DRUMSHEUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1. General information

The company is a private company limited by shares that is incorporated and domiciled in Scotland, with registered company number SC222309. The address of the registered office is 46 Charlotte Square, Edinburgh, EH2 4HQ.

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, as detailed in note 11, that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have reviewed budgets and forecasts for the forthcoming year and are satisfied that the company maintains an appropriate level of liquidity, sufficient to meet the demands of the business. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The 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 5 for carrying amounts of tangible assets.

ii) Valuation of investment properties

The valuation of investment properties held is sensitive both to market movements and risks associated with individual properties. The directors use their professional knowledge and experience of the property market to reassess the valuations on an annual basis. Where necessary the valuations are amended to reflect the current estimates of their values.

SUNDIAL (DRUMSHEUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Rental income is recognised in accordance with the terms of the lease agreement.

Taxation

Tax expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. 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 gives rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the rates and laws that have been enacted or substantively enacted as at the reporting date that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Heritable property	£nil
Fixtures and fittings	- 20% Straight line

No depreciation is charged against the heritable property due to the high residual value of the property.

SUNDIAL (DRUMSHEUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

3. Accounting policies *(continued)*

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 and loss.

Impairment of fixed 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.

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 assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

4. Average number of employees

The average numbers of employees for the year, including directors, was 2 (2016: 2).

SUNDIAL (DRUMSHEUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

5. Tangible assets

	Investment property £	Fixtures and fittings £	Heritable property £	Total £
Cost				
At 1 January 2017	539,133	–	151,298	690,431
Additions	557,621	406	–	558,027
At 31 December 2017	1,096,754	406	151,298	1,248,458
Depreciation				
At 1 January 2017	–	–	–	–
Charge for the year	–	81	–	81
Impairment losses	358,979	–	–	358,979
At 31 December 2017	358,979	81	–	359,060
Carrying amount				
At 31 December 2017	737,775	325	151,298	889,398
At 31 December 2016	539,133	–	151,298	690,431

The original cost of the investment properties noted above at valuation is £1,097,754.

The directors have considered the value of the investment and heritable property based upon their knowledge of the properties and the current property market and believe that an impairment of £358,979 is required to investment property to reflect the market value as at 31 December 2017.

6. Debtors

	2017 £	2016 £
Other debtors	2,520	2,011

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	–	255
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,146,000	1,144,987
Other creditors	558,448	420
	1,704,448	1,145,662

8. Related party transactions

The company has taken advantage of exemption under FRS 102 Section 1A from the requirement to disclose information with entities that are wholly owned in the group.

9. Controlling party

The company's ultimate parent undertaking is Sundial Holdings Limited, a company incorporated in Scotland. Group financial statements can be obtained from 46 Charlotte Square, Edinburgh, EH2 4HQ.

SUNDIAL (DRUMSHEUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

10. Going concern

The directors consider the company to be a going concern and therefore the financial statements have been prepared on a going concern basis. The future operations of the company are dependent on the continued financial support of its parent undertaking.

The parent company has confirmed that it is their intention to provide support to the company for a period of not less than twelve months from the date of finalisation of these financial statements.

The directors, in preparing these financial statements, are mindful of general economic conditions. The directors are confident that the company can meet its obligations as they fall due. The key assumption is the continued financial support of the company's parent undertaking.