

DRUM PROPERTY GROUP LIMITED

**INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2019**

DRUM PROPERTY GROUP LIMITED

COMPANY INFORMATION

Directors	G M Bone P Doherty S C Oag G B Milne J F Hyland
Company secretary	Brodies Secretarial Services Limited
Registered number	SC262896
Registered office	12 Rubislaw Terrace Lane Aberdeen AB10 1XF
Independent auditors	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	4		60,906		76,560
Investments	5		2,419,198		2,458,257
Investment properties	6		19,069,167		20,357,667
			<u>21,549,271</u>		<u>22,892,484</u>
Current assets					
Stocks	7	386,567		386,627	
Debtors: amounts falling due within one year	8	2,864,637		2,104,338	
Cash at bank and in hand	9	4,593,252		5,325,792	
		<u>7,844,456</u>		<u>7,816,757</u>	
Creditors: amounts falling due within one year	10	(796,331)		(886,700)	
Net current assets			<u>7,048,125</u>		<u>6,930,057</u>
Total assets less current liabilities			28,597,396		29,822,541
Creditors: amounts falling due after more than one year	11		(10,059,960)		(11,351,830)
Provisions for liabilities					
Deferred taxation	13	(1,012,641)		(1,029,109)	
			<u>(1,012,641)</u>		<u>(1,029,109)</u>
Net assets			<u>17,524,795</u>		<u>17,441,602</u>
Capital and reserves					
Called up share capital	14		4,007		4,007
Revaluation reserve			6,860,768		7,292,503
Profit and loss account			10,660,020		10,145,092
			<u>17,524,795</u>		<u>17,441,602</u>

DRUM PROPERTY GROUP LIMITED
REGISTERED NUMBER: SC262896

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S C Oag
Director

Date: 30 September 2020

The notes on pages 6 to 19 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	4		55,921		59,759
Investments	5		9,428,841		9,608,905
			<u>9,484,762</u>		<u>9,668,664</u>
Current assets					
Stocks	7	386,567		386,627	
Debtors: amounts falling due within one year	8	4,093,212		3,423,405	
Cash at bank and in hand	9	4,075,268		4,714,792	
		<u>8,555,047</u>		<u>8,524,824</u>	
Creditors: amounts falling due within one year	10	(506,121)		(752,192)	
Net current assets			<u>8,048,926</u>		<u>7,772,632</u>
Total assets less current liabilities			<u>17,533,688</u>		<u>17,441,296</u>
Provisions for liabilities					
Deferred taxation	13	(8,888)		-	
		<u>(8,888)</u>		<u>-</u>	
Net assets			<u><u>17,524,800</u></u>		<u><u>17,441,296</u></u>
Capital and reserves					
Called up share capital	14		4,007		4,007
Revaluation reserve			6,828,212		7,008,276
Profit and loss account			10,692,581		10,429,013
			<u><u>17,524,800</u></u>		<u><u>17,441,296</u></u>

DRUM PROPERTY GROUP LIMITED
REGISTERED NUMBER: SC262896

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S C Oag
Director

Date: 30 September 2020

The notes on pages 6 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Drum Property Group Limited is a limited liability company incorporated in Scotland. The registered office is 12 Rubislaw Terrace Lane, Aberdeen, AB10 1XF. The principal activities of the group is that of property rental and development.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2015.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Going concern

The directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the directors have given due consideration to the impact of the worldwide Covid-19 pandemic on future operations and the ability of the Company to continue as a going concern. The directors recognise that the situation remains highly fluid and as a result making accurate forecasts on the likely implications is difficult but the directors do recognise that trading over the coming months is likely to be adversely affected.

Despite this, the directors remain confident that the Company can continue to operate as a going concern. This assessment is based on the understanding that the Company and the wider group will continue to trade over the coming months, albeit at a potentially reduced level than was initially anticipated. This, along with making use of government measures to support businesses and retained reserves will allow the Company to continue to meet its obligations as they fall due and operate as a going concern.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Revenue

Turnover represents the gross income of the group for the year from rental income, project management services and the speculative purchase and resale of residential property. The amount excludes any value added tax which may be applicable to these transactions.

2.5 Interest income

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

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	-
	10 years
Office equipment	-
	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.11 Investment property

Investment property is carried at fair value determined by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.13 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and 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 Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.20 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.21 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.22 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

3. Employees

The average monthly number of employees, including directors, during the year was 16 (2018 - 15).

4. Tangible fixed assets

Group

	Office equipment £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2019	129,240	185,185	314,425
Additions	11,053	-	11,053
At 31 December 2019	<u>140,293</u>	<u>185,185</u>	<u>325,478</u>
Depreciation			
At 1 January 2019	69,481	168,384	237,865
Charge for the year on owned assets	14,891	11,816	26,707
At 31 December 2019	<u>84,372</u>	<u>180,200</u>	<u>264,572</u>
Net book value			
At 31 December 2019	<u>55,921</u>	<u>4,985</u>	<u>60,906</u>
At 31 December 2018	<u>59,759</u>	<u>16,801</u>	<u>76,560</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Tangible fixed assets (continued)

Company

	Office equipment £
Cost or valuation	
At 1 January 2019	129,240
Additions	11,053
At 31 December 2019	<u>140,293</u>
Depreciation	
At 1 January 2019	69,481
Charge for the year on owned assets	14,891
At 31 December 2019	<u>84,372</u>
Net book value	
At 31 December 2019	<u><u>55,921</u></u>
At 31 December 2018	<u><u>59,759</u></u>

5. Fixed asset investments

Group

	Investments in associates £	Listed investments £	Total £
Cost or valuation			
At 1 January 2019	39,059	2,419,198	2,458,257
Additions	5,962	-	5,962
Disposals	(45,021)	-	(45,021)
At 31 December 2019	<u><u>-</u></u>	<u><u>2,419,198</u></u>	<u><u>2,419,198</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Company

	Investments in subsidiary companies £	Investments in associates £	Listed investments £	Total £
Cost or valuation				
At 1 January 2019	7,150,646	39,059	2,419,200	9,608,905
Additions	45,021	-	-	45,021
Disposals	-	(45,021)	-	(45,021)
Revaluations	(186,026)	5,962	-	(180,064)
At 31 December 2019	<u>7,009,641</u>	<u>-</u>	<u>2,419,200</u>	<u>9,428,841</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Drum Riverview Limited		100
	Ordinary	%
Drum Commercial Asset Investments Limited		100
	Ordinary	%
Drum Investments Limited		100
	Ordinary	%
Drum Real Estate Investment Management Limited		100
	Ordinary	%
DPG Investment Management Limited		100
	Ordinary	%
Drum Edinburgh Limited		100
	Ordinary	%
Drum Development Company Limited		100
	Ordinary	%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2019	20,357,667
Disposals	(1,288,500)
At 31 December 2019	<u>19,069,167</u>

The group's entire investment portfolio was revalued in June 2017 by external qualified chartered surveyors. The directors believe these valuations reflect the current market values and economic climate as at 31 December 2019.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	11,179,243	12,006,892
	<u>11,179,243</u>	<u>12,006,892</u>

7. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Work in progress	386,567	386,627	386,567	386,627
	<u>386,567</u>	<u>386,627</u>	<u>386,567</u>	<u>386,627</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	11,829	150,709	516	21,859
Amounts owed by group undertakings	-	-	1,540,821	1,588,767
Amounts owed by related undertakings	2,459,717	1,751,493	2,459,717	1,751,493
Other debtors	276,300	85,204	86,088	50,000
Prepayments and accrued income	116,791	116,932	6,070	11,286
	<u>2,864,637</u>	<u>2,104,338</u>	<u>4,093,212</u>	<u>3,423,405</u>

9. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	4,593,252	5,325,792	4,075,268	4,714,792
	<u>4,593,252</u>	<u>5,325,792</u>	<u>4,075,268</u>	<u>4,714,792</u>

10. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	91,574	130,367	9,693	39,799
Amounts owed to related undertakings	-	13,200	1,927	145,000
Corporation tax	7,715	293,136	-	315,378
Other taxation and social security	476,703	232,808	419,784	228,010
Other creditors	5,953	27,680	5,953	5,015
Accruals and deferred income	214,386	189,509	68,764	18,990
	<u>796,331</u>	<u>886,700</u>	<u>506,121</u>	<u>752,192</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £
Bank loans	9,491,517	10,764,467
Deferred capital grant	568,443	587,363
	<u>10,059,960</u>	<u>11,351,830</u>

Included within creditors due after more than one year are bank loans totalling £9,491,517 (2018 -£10,764,467). The bank loan is part of a £13m revolving credit facility agreed to June 2020. The loan is secured by a bond and floating charge over the assets of these subsidiary companies, an inter-company guarantee between these group companies and a first ranking security over the investment properties owned by those subsidiaries.

Since the year end the revolving credit facility has been reduced to £11m and extended to June 2023.

12. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	<u>4,593,252</u>	<u>5,325,792</u>	<u>4,075,268</u>	<u>4,714,792</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(1,029,109)	(1,459,441)
Charged to profit or loss	16,468	430,332
At end of year	<u>(1,012,641)</u>	<u>(1,029,109)</u>

Company

	2019 £
Charged to profit or loss	(8,888)
At end of year	<u>(8,888)</u>

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £
Fixed asset timing differences	20,915	34,182	(9,506)
Revaluation of investment properties	(1,034,174)	(1,063,291)	-
Short term timing differences	618	-	618
	<u>(1,012,641)</u>	<u>(1,029,109)</u>	<u>(8,888)</u>

The deferred tax balance has been calculated based on the expected future tax rate, substantively enacted at the balance sheet date, of 17%. Since the balance sheet date it has been announced that the corporation tax rate in the UK will remain at 19% for future periods and therefore had the deferred tax been based on this rate the deferred tax liability would increase to £1,131,755 for the Group and £9,934 for the Company.

14. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
4,007 (2018 - 4,007) Ordinary shares of £1.00 each	<u>4,007</u>	<u>4,007</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Contingent liabilities

The capital grants are repayable according to a time based formula over 20 years on the occurrence of a qualifying event, defined as termination or lease assignment without approval of The Scottish Housing Regulator.

The amount repayable at 31 December 2019 if those circumstances arose is £64,950 (2018 - £112,240).

16. Commitments under operating leases

At 31 December 2019 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	1,018	1,327	1,018	1,327
Later than 1 year and not later than 5 years	-	1,018	-	1,018
	<u>1,018</u>	<u>2,345</u>	<u>1,018</u>	<u>2,345</u>

17. Related party transactions

Transactions

During the year the group has provided management services to companies with common directors and

control amounting to £1,158,000 and has provided loans totalling £2,455,000. The group has received repayments and loan and recharges amounting to £1,751,493. The amount due by these companies to the group as at 31 December 2019 was £2,459,717.

Consultancy fees of £132,000 have been charged to the group by companies with a common director. The amount due to this company as at 31 December 2019 was £nil.

18. Post balance sheet events

Since the year end the group has undertaken a restructure and the ownership of all subsidiary companies have been transferred to other companies owned and controlled by the same shareholder via a dividend in specie.

19. Controlling party

Throughout the year the group was controlled by the directors.

20. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 30 September 2020 by John Black (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.

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.