

Registered number: SC298938

CALA Ventures Limited
Annual Report and Financial Statements
For the year ended 31 December 2020



Contents	Page
Directors and advisers	1
Directors' report	2
Profit and loss account	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Directors and advisers

Directors

N J Stoddart
K Whitaker

Company secretary

Ledge Services Limited
Johnstone House
52-54 Rose Street
Aberdeen
AB10 1HA

Registered office

Adam House
5 Mid New Cultins
Edinburgh
Midlothian
EH11 4DU

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Directors' Report

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2020.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Directors

The directors of the company who were in office during the year and up to the date of signing are listed on page 1.

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Business review and financial performance

The financial results for the company show a profit on ordinary activities before taxation of £6,393,097 (2019: £6,064,476) which is driven by intercompany interest income. The company recorded an operating profit of £41,632 in the current year. The operating profit in the prior year was £15,184.

At 31 December 2020 the company had net assets of £103,480,941 (31 December 2019: £93,299,342)

Going concern

The balance sheet at 31 December 2020 shows the company had net assets of £103.5 million (31 December 2019: £98.3 million).

The company's most recent financial projections, which take into consideration the implications of COVID-19, show that for the foreseeable future net assets remain in a positive position at each financial year end.

As a result, the projected trading position for the company enables the directors to form a judgement that the company has adequate resources to continue to trade for the foreseeable future and that the company will be able to realise its assets and discharge its liabilities in the normal course of business.

For these reasons the directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Directors' Report (continued)

Dividends

No dividends have been proposed or paid in the current year or prior period.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

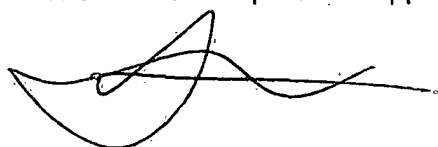
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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 report was approved by the board on 3 September 2021.



For Ledge Services Limited
Company secretary
3 September 2021

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Profit and loss account

For the year ended 31 December 2020

	Note	2020 £	2019 £
Cost of sales		(22,783)	(18,833)
Gross profit		(22,783)	(18,833)
Net operating income	3	64,415	34,017
Operating profit		41,632	15,184
Interest receivable and similar income	5	6,351,465	6,049,292
Profit on ordinary activities before taxation	4	6,393,097	6,064,476
Tax on profit on ordinary activities	7	(1,211,498)	(1,152,250)
Profit for the financial year/period		5,181,599	4,912,226

All activities are continuing.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Balance sheet

As at 31 December 2020

	Note	2020 £	2019 £
Non-current assets			
Investments	8	<u>4,457,821</u>	<u>4,457,821</u>
Current assets			
Debtors:			
Amounts falling due within one year	9	100,897,091	95,689,100
Amounts falling due after more than one year	9	76,317	144,076
Cash at bank and in hand		-	669,735
		<u>100,973,408</u>	<u>96,502,911</u>
Creditors: amounts falling due within one year	10	<u>(1,950,288)</u>	<u>(2,661,390)</u>
Net current assets		<u>99,023,120</u>	<u>93,841,521</u>
Total assets less current liabilities		<u>103,480,941</u>	<u>98,299,342</u>
Net assets		<u>103,480,941</u>	<u>98,299,342</u>
Capital and reserves			
Called up share capital	12	60,191,543	60,191,543
Share premium account		13,499,765	13,499,765
Profit and loss account		29,789,633	24,608,034
Total shareholders' funds		<u>103,480,941</u>	<u>98,299,342</u>

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts 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 accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of CALA Ventures Limited (registration number SC298938) were approved by the Board of Directors on 3 September 2021 and signed on its behalf by:



N J Stoddart
Director

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Statement of changes in equity

For the year ended 31 December 2020

	Called up share capital £	Share premium £	Profit and loss account £	Total shareholders' funds £
At 31 December 2018	<u>60,191,543</u>	<u>13,499,765</u>	<u>19,695,808</u>	<u>93,387,116</u>
Profit for the financial year	-	-	4,912,226	4,912,226
At 31 December 2019	<u>60,191,543</u>	<u>13,499,765</u>	<u>24,608,034</u>	<u>98,299,342</u>
Profit for the financial year	-	-	5,181,599	5,181,599
At 31 December 2020	<u>60,191,543</u>	<u>13,499,765</u>	<u>29,789,633</u>	<u>103,480,941</u>

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the financial statements

1. Accounting policies

CALA Ventures Limited (the company) is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors report on pages 2 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

Basis of accounting

The financial statements have been prepared on the historical cost basis and on the basis of going concern. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly the financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of CALA Group (Holdings) Limited. The group financial statements of CALA Group (Holdings) Limited are available to the public and can be obtained as set out in note 14.

Going concern

The company's most recent financial projections show that for the foreseeable future net assets remain in a positive position at each financial year end.

As a result, the projected trading position for the company enables the directors to form a judgement that the company has adequate resources to continue to trade for the foreseeable future and that the company will be able to realise its assets and discharge its liabilities in the normal course of business.

For these reasons the directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Consolidated financial statements

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, CALA Group (Holdings) Limited.

Investments

Investments are carried in the balance sheet at the lower of cost or directors' valuation. Provisions are made where necessary to reflect any impairment.

Revenue

Revenue consists of sales of houses and client extras, net of discounts and sales incentives including the gain or loss on part exchange properties. House sales and clients extras are recognised on legal completion.

Cost of sales

Cost of sales includes land, construction, design, sales costs, marketing costs, and site overheads. All these costs are written off on a site by site basis by comparing turnover to date with turnover forecast for the whole site, and applying the resulting proportion to the total forecast costs.

Taxation

Tax on the profit for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using enacted or substantially enacted tax rates, and adjusted for any tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the carrying amount of assets and liabilities, using the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities when the company intends to settle its current tax assets and liabilities on a net basis.

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the financial statements (continued)

1. Accounting policies (continued)

Interest receivable

Interest is credited to the profit and loss account in the period in which it is incurred.

Trade and other receivables

Trade and other receivables are assessed for indicators of impairment at each balance sheet date and are impaired where there is objective evidence that the recovery of the receivable is in doubt.

The carrying amount of trade and other receivables is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss account.

Shared equity

Trade and other receivables include shared equity loans. Receivables on extended terms granted as part of a sales transaction are secured by way of a second legal charge on the respective property, and are stated at fair value. Gains and losses arising from changes in fair value are recognised in the other comprehensive income section of the statement of comprehensive income, with the exceptions of impairment losses, changes in future cash flows and interest calculated using the effective interest rate method, which are recognised within profit for the year. Where the asset is disposed of, or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is included in the income statement for the year.

Trade and other payables

Trade payable on normal terms are not interest bearing and are stated at amortised cost. Trade payables on extended terms, particularly in respect of land purchases, are initially recorded at their fair value at the date of acquisition of the asset to which they relate by discounting at prevailing market interest rates at the date of recognition. The discount to nominal value, which will be paid in settling the deferred purchase terms liability, is amortised over the period of the credit term and charged to finance costs using the effective interest rate method.

Critical accounting judgements and key sources of estimation uncertainty

In applying the group's accounting policies which are described in the accounting policies note, the directors have made no individual judgements that have a significant impact upon the financial statements.

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the financial statements (continued)

2. Net operating income

	2020	2019
	£	£
Gain on shared equity redemptions	<u>64,415</u>	<u>34,017</u>
	<u>64,415</u>	<u>34,017</u>

3. Profit on ordinary activities before taxation

Tax fees were borne by CALA Management Limited, a fellow group undertaking and therefore are not reflected within the profit on ordinary activities before taxation of the company.

4. Interest receivable and similar income

	2020	2019
	£	£
Interest receivable on amounts due from group undertakings	6,355,379	6,039,654
Other interest receivable	(3,914)	9,638
Other interest payable	-	-
	<u>6,351,465</u>	<u>6,049,292</u>

5. Directors' emoluments

No directors' emoluments were paid during the financial year (2019: £nil). Directors' remuneration was borne by another group company. There were no employees in the current or prior period.

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the financial statements (continued)

7. Tax on profit on ordinary activities

	2020 £	2019 £
(a) Analysis of charge in the period		
Current tax on profits for the period	1,214,748	1,152,250
Adjustments in respect of prior years	(3,511)	-
Total current tax	<u>1,211,237</u>	<u>1,152,250</u>
Deferred Tax:		
Current period	262	-
Effect of changes in tax rate	-	-
Total deferred tax	<u>262</u>	<u>-</u>
Tax on profit on ordinary activities	<u>1,211,499</u>	<u>1,152,250</u>

(b) Factors affecting the tax charge for the financial period

The difference between the tax charge on ordinary activities for the period, reported in the profit and loss account, and the current period charge which would result from applying a relevant standard rate of tax to the profit on ordinary activities before taxation, is explained as follows:

	2020 £	2019 £
Profit on ordinary activities before taxation	6,393,097	6,064,476
Profit on ordinary activities multiplied by standard rate of corporation tax at 19% (2019: 19 %)	<u>1,215,010</u>	<u>1,152,250</u>
Effects of:		
Adjustments in respect of prior years	(3,511)	-
Disallowable expenditure	-	-
Total tax charge for the financial period	<u>1,211,499</u>	<u>1,152,250</u>

(c) Factors affecting future tax charges

The UK Budget on 3 March 2021 included an announcement that the corporation tax rate will increase to 25% from 1 April 2023 for certain companies. This increase has not yet been substantively enacted.

Under IAS 12, deferred tax is required to be calculated using rates that have been substantively enacted at the balance sheet date.

Consequently, deferred tax should continue to be calculated at 19% until the 25% tax rate has been

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the financial statements (continued)

substantively enacted, which at the time of reporting is not the case.

In the meantime, the 25% tax rate announcement is a non-adjusting post balance sheet event.

8. Investments

	Group companies £
Cost	
At 1 January 2020 and 31 December 2020	<u>4,457,821</u>
Impairment	
At 1 January 2020 and 31 December 2020	<u>-</u>
Net book value	
At 1 January 2020 and 31 December 2020	<u>4,457,821</u>

The subsidiary of the company is outlined as follows:

Name of company	% ownership of ordinary shares	Country of incorporation	Accounting year end	Principal activity
CALA Land Investments (Bearsden) Limited	100	UK	31 December	House building

The registered address of the subsidiary undertaking is 5 Mid New Cultins, Edinburgh, EH11 4DU

The directors believe that the carrying value of the investment is supported by its underlying net assets.

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the financial statements (continued)

9. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	11,948	6,744
Amounts owed by group undertakings	100,885,143	95,681,588
Other debtors	-	768
	<u>100,897,091</u>	<u>95,689,100</u>
Amounts falling due after more than one year:		
Trade debtors	76,317	144,076
	<u>76,317</u>	<u>144,076</u>
	<u>100,973,408</u>	<u>95,833,176</u>

The directors consider that the carrying value of debtors approximates their fair value.

The amounts owed by group undertakings are interest bearing at 6.5% unsecured and repayable on demand.

Trade debtors falling due after more than one year comprise shared equity loans, largely with a ten year term and variable repayment amounts, provided as part of sales transactions that are secured by way of a second legal charge on the related property. The company determines the fair value of its shared equity loans through estimation of the present value of expected future cash flows. Cash flows are assessed taking into account expectations of the timing of redemption, future house price movements and the risks of default. An instrument-specific market assessed discount rate of 5.3% is used to determine present value via discounted cash flow modelling. If the discount rate were to be increased to 10%, the carrying value of the available for sale assets would decrease by £5,779.

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the financial statements (continued)

10. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors:		
Land	-	-
Other	139,880	152,228
Overdraft	589,564	-
Amounts owed to group undertakings	-	1,350,614
Taxation and social security	2,683	2,671
Deferred tax	262	417
Accruals and deferred income	3,210	3,210
Corporation Tax	1,214,689	1,152,250
	<u>1,950,288</u>	<u>2,661,390</u>

The amounts owed by group undertakings are interest bearing at 6.5% unsecured and repayable on demand.

The directors consider that the carrying value of creditors approximates their fair value.

11. Deferred tax

	2020 £	2019 £
Deferred tax liability:		
Amount provided	<u>262</u>	<u>417</u>

The deferred tax movement for the year is as follows:

	2020 £	2019 £
At the start of the year	417	417
(Credit)/charge to profit and loss account (note 7)	(155)	-
At the end of the year	<u>262</u>	<u>417</u>

The deferred tax liability relates to short term timing differences.

CALA Ventures Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the financial statements (continued)

12. Called up share capital

	2020 £	2019 £
Allotted and fully paid		
100 'A' (2017:100) ordinary shares of £1 each	100	100
100 'B' (2017:100) ordinary shares of £1 each	100	100
13,499,900 'C' (2017: 13,499,900) ordinary shares 0.001 pence	135	135
60,191,208 'D' (2017: 60,191,208) ordinary shares of £1 each	<u>60,191,208</u>	<u>60,191,208</u>
	<u>60,191,543</u>	<u>60,191,543</u>

All shares rank equally and hold equal voting rights.

13. Related party transactions

The company has taken advantage of an exemption offered by FRS 101, with regard to the non disclosure of related party transactions with other group companies on the grounds it is a wholly owned subsidiary of a group headed by CALA Group (Holdings) Limited whose financial statements are publicly available.

14. Ultimate controlling party

The immediate parent undertaking is CALA Group Limited. The intermediate parent company, which is the smallest level in which these financial statements are consolidated, is CALA Group Limited. The consolidated financial statements of CALA Group Limited are available from CALA House, 54 The Causeway, Staines-Upon-Thames, Surrey TW18 3AX.

The ultimate parent company for both of those entities is Legal & General Group Plc. The results of CALA Ventures Limited are included in the Legal & General Group Plc's consolidated financial statements. Copies of the accounts of the ultimate holding company, Legal & General Group Plc, are available, at the Registered Office, One Coleman Street, London, EC2R 5AA, on the group website at www.legalandgeneralgroup.com or from the Company Secretary.