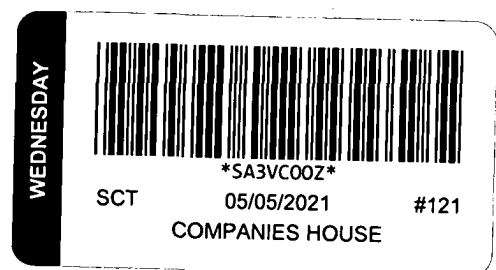


Company Registration Number: SC369988

Lochay Homes Limited
Filleted Financial Statements
For the Year Ended
30 September 2020



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Lochay Homes Limited

Financial Statements

Year ended 30 September 2020

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Lochay Homes Limited

Directors' Responsibilities Statement

Year ended 30 September 2020

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Lochay Homes Limited
Statement of Financial Position

30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	85,485	117,315
Current assets			
Stocks		4,581,922	2,869,274
Debtors	6	235,622	339,113
Cash at bank and in hand		1,528,968	1,706,980
		<u>6,346,512</u>	<u>4,915,367</u>
Creditors: amounts falling due within one year	7	<u>(3,151,746)</u>	<u>(1,689,708)</u>
Net current assets		<u>3,194,767</u>	<u>3,225,659</u>
Total assets less current liabilities		<u>3,280,252</u>	<u>3,342,974</u>
Creditors: amounts falling due after more than one year	8	<u>(109,332)</u>	<u>(24,229)</u>
Provisions			
Taxation including deferred tax		(9,532)	(15,635)
Net assets		<u>3,161,388</u>	<u>3,303,110</u>
Capital and reserves			
Called up share capital		100	100
Share premium account	10	62,112	62,112
Profit and loss account	10	3,099,176	3,240,898
Shareholders' funds		<u>3,161,388</u>	<u>3,303,110</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 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The director acknowledges her 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 20th April 2021, and are signed on behalf of the board by:


W G R Thomson
Director

Company registration number: SC369988

The notes on pages 3 to 7 form part of these financial statements

Lochay Homes Limited

Notes to the Financial Statements

Year ended 30 September 2020

1. General information

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

2. Statement of compliance

These financial statements for the year ended have been prepared in compliance with the provisions of FRS 102 Section 1A, '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 measured at fair value through profit or loss.

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

Going concern

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

Judgements and key sources of estimation uncertainty

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

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

Lochay Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

iii) Impairment of debtors

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

Revenue recognition

The turnover shown in the Profit and Loss Account represent amounts receivable during the period, exclusive of Value Added Tax, where there is a right to consideration from property trading activities.

Taxation

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

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.

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:

Plant and machinery - 25% straight line

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.

Work in progress

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

Finance leases and hire purchase contracts

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lochay Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

4. Employee numbers

The average number of persons employed by the company during the year amounted to 8 (2019: 8).

5. Tangible assets

	Plant and machinery £	Total £
Cost		
At 1 October 2019	158,295	158,295
Additions	9,087	9,087
Disposals	(2,069)	(2,069)
At 30 September 2020	165,313	165,313
Depreciation		
At 1 October 2019	40,980	40,980
Charge for the year	40,917	40,917
Disposals	(2,069)	(2,069)
At 30 September 2020	79,828	79,828
Carrying amount		
At 30 September 2020	85,485	85,485
At 30 September 2019	117,315	117,315

Hire purchase agreements

Included within the carrying amount of £85,485 is £45,925 (2019 - £62,635) relating to assets held under hire purchase agreements. The depreciation charged to financial statements in the year in respect of such assets amounted to £16,700 (2019 - £15,238).

Lochay Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

6. Debtors

	2020 £	2019 £
Trade debtors	108,998	151,350
Amounts owed by group undertakings	-	78,199
Other debtors	126,624	109,564
	<u>235,622</u>	<u>339,113</u>

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	902,586	-
Trade creditors	467,611	211,594
Amounts owed to group undertakings	241,455	-
Social security and other taxes	20,228	27,383
HP agreements	12,312	11,631
Other creditors	1,607,563	1,439,100
	<u>3,151,745</u>	<u>1,689,708</u>

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

	2019 £	2018 £
Other loans	1,250,000	1,250,000

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

	2020 £	2019 £
Bank loans and overdrafts	97,414	-
HP agreements	11,918	24,229
	<u>109,332</u>	<u>24,229</u>

9. Deferred tax

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

	2020 £	2019 £
Included in provisions	<u>9,532</u>	<u>15,635</u>

10. Reserves

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

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

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

Lochay Homes Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

11. Related party transactions

During the year, management fees of £170,000 (2019: £135,000) were payable to the company's parent undertaking.

At 30 September 2020 £1,250,000 (2019: £1,250,000) was payable by the company to the wife of a director who is also a shareholder of the parent undertaking. The loan is secured and accrues interest at a rate of 5% per annum.

Amounts owed to associated undertakings with common directors/members at the year-end totalled £241,455 (2019: £78,199 owed by). All amounts owed are interest free and repayable on demand.

At 30 September 2020 £148,975 (2019: £151,206) was payable by the company to a director.