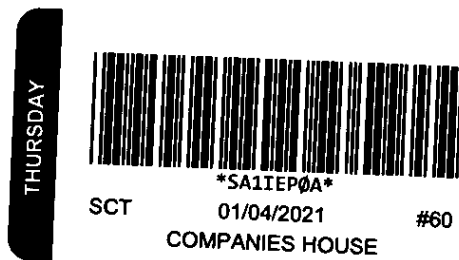


Company Registration No. SC390469

LOMOND MORTGAGES LIMITED

Annual Report and unaudited Financial Statements

For the year ended 31 December 2019



LOMOND MORTGAGES LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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LOMOND MORTGAGES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Robert Hamilton
Stuart Pender
Peter Flockhart
Jason Watkin (Appointed 24 November 2020)

REGISTERED OFFICE

32 Charlotte Square
Edinburgh
Scotland
EH2 4ET

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

SOLICITORS

Dickson Minto W.S.
16 Charlotte Square
Edinburgh
EH2 4DF

LOMOND MORTGAGES LIMITED

DIRECTORS' REPORT

The directors present their report and the unaudited financial statements of Lomond Mortgages Limited ("the company") for the year ended 31 December 2019. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of mortgage advice services.

MANAGEMENT OVERVIEW OF RESULTS

The results for the year are shown on page 3. The directors confirm no dividends were proposed or paid in the year (2018: £nil) and that the loss for the financial year of £9,630 (2018: profit of £51,467) has been transferred against reserves.

In accordance with section 415A of the Companies Act 2006, the directors have taken advantage of the exemption from including a business review in the directors' report.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and in compliance with all conditions attaching to the terms of their bank facilities. The company itself is funded by share capital and the cash flow generated from its trading activities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level and terms of its current banking facilities and cash generated from trading operations, thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

DIRECTORS

The directors of the company are listed on page 1, all of whom served throughout the year and to the date of this report unless otherwise stated.

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 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 ('FRS 102').

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 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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. 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.

Approved by the Board and signed on its behalf by:


Stuart Pender

Director

15 March 2021

LOMOND MORTGAGES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 31 December 2019

		2019 £	2018 £
Continuing operations	Note		
TURNOVER	3	451,900	543,399
Administrative expenses		(453,492)	(484,141)
OPERATING (LOSS)/PROFIT	5	(1,592)	59,258
Interest receivable	6	39	28
Interest payable	7	(8,077)	(7,819)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		(9,630)	51,467
Tax on (loss)/profit on ordinary activities	8	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(9,630)	51,467
Retained deficit at 1 January		(82,491)	(133,958)
RETAINED DEFICIT AT 31 DECEMBER		(92,121)	(82,491)

The accompanying notes form an integral part of these financial statements.

LOMOND MORTGAGES LIMITED

BALANCE SHEET

As at 31 December 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	9	1,859	606
CURRENT ASSETS			
Debtors	10	93,849	81,532
Cash at bank and in hand		27,210	12,760
		<u>121,059</u>	<u>94,292</u>
CREDITORS: amounts falling due within one year	11	<u>(215,038)</u>	<u>(177,388)</u>
NET CURRENT LIABILITIES		<u>(93,979)</u>	<u>(83,096)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(92,120)</u>	<u>(82,490)</u>
PROVISIONS FOR LIABILITIES	12	<u>-</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(92,120)</u>	<u>(82,490)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Retained deficit		<u>(92,121)</u>	<u>(82,491)</u>
SHAREHOLDER'S DEFICIT		<u>(92,120)</u>	<u>(82,490)</u>

The accompanying notes form an integral part of these financial statements.

For the financial year in question the company was entitled to exemption under section 479A of the Companies Act 2006 relating to subsidiary companies. No members have required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements.

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

The financial statements of Lomond Mortgages Limited, company registration number SC390469, were approved and authorised for issue by the Board of Directors on 15 March 2021 and signed on its behalf by:


Stuart Pender
Director

LOMOND MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the current and preceding financial year, unless otherwise stated.

a) General information and basis of accounting

The company is a private company limited by shares and is incorporated in the United Kingdom. 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 page 2.

The financial statements are prepared in accordance with the provisions of FRS 102 Section 1A Small Entities, and the Companies Act 2006. There have no material departures from the standard.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, intra group transactions and remuneration of key personnel. Where required, equivalent disclosures are given in the group financial statements of Lomond Property Lettings Limited, these financial statements are available to the public and can be obtained as set out in note 16.

The company's financial statements are presented in Sterling which is the functional currency of the company.

b) Going concern

The directors have a reasonable expectation that the company and group, of which the company is a subsidiary of, have 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 financial statements.

c) Turnover

Turnover, which arises in the United Kingdom, is attributable to the company's principal activity and is exempt from VAT.

d) Employee benefits

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined contribution pension schemes

The company makes contributions to defined contribution pension schemes for eligible employees. Contributions payable are charged to profit or loss in the period they are payable. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

e) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at 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 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 only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and that are expected to apply to the reversal of the timing difference.

LOMOND MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Tangible assets

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

Computer equipment	33.33% per annum (straight line basis)
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Office equipment	33.33% per annum (straight line basis)
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

g) Impairment of fixed assets

At each balance sheet date fixed assets not carried at fair value are reviewed to determine whether there is any indication that the asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

h) Financial instruments

Basic financial instruments, including trade and other debtors, trade and other payables and cash and bank balances are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest method less any impairment.

i) Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

j) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and reward of ownership of the asset are transferred to another party or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

LOMOND MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

3. TURNOVER

	2019 £	2018 £
Fees	<u>451,900</u>	<u>543,999</u>

4. EMPLOYEES AND DIRECTORS

The average number of persons employed by the company during the year was:

	2019 No	2018 No
Administration and sales	<u>8</u>	<u>8</u>

	2019 £	2018 £
Their aggregate remuneration comprised:		
Wages and salaries	310,127	339,937
Social security costs	31,182	30,929
Pension costs	11,083	8,958
	<u>352,392</u>	<u>379,824</u>

The company makes contributions to defined contribution pension schemes for eligible employees. The pension charge represents contributions payable by the company to these schemes. Contributions of £2,205 were outstanding at 31 December 2019 (2018: £1,738).

5. OPERATING (LOSS)/PROFIT

	2019 £	2018 £
Operating (loss)/profit is arrived at after charging:		
Depreciation	964	1,517
Auditors' remuneration	<u>5,040</u>	<u>3,600</u>

LOMOND MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

6. INTEREST receivable

	2019 £	2018 £
Bank interest	<u>39</u>	<u>28</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Intercompany interest	<u>8,077</u>	<u>7,819</u>

8. TAXATION

The tax on the (loss)/profit on ordinary activities for the year was as follows:

	2019 £	2018 £
<i>Current tax</i>		
UK corporation tax at 19% (2018: 19%)	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Total tax charge on (loss)/profit for the year	<u>-</u>	<u>-</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<u>(9,630)</u>	<u>51,467</u>
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 19% (2018: 19%)	<u>(1,830)</u>	<u>9,779</u>
<i>Effects of:</i>		
Group relief surrendered	2,020	(5)
Effects of tax rate changes	(20)	(1,030)
Deferred tax not recognised	<u>(170)</u>	<u>(8,744)</u>
Tax charge for the year	<u>-</u>	<u>-</u>

LOMOND MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

8. TAXATION (continued)

Finance Act (No.2) 2015 provided for a corporation tax rate of 19% from 1 April 2017, and Finance Act 2016 provided for a further reduction in the corporation tax rate to 17% from 1 April 2020. FRS 102 requires the company to measure deferred tax using the tax rates that are expected to apply to the reversal of the timing differences, and the company has applied a corporation tax rate of 17% when calculating its deferred tax assets and liabilities as at 31 December 2019.

The company has an unrecognised deferred tax asset of £5,192 arising on timing differences as at 31 December 2019 (2018: £5,362).

9. TANGIBLE ASSETS

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2019	440	9,034	9,474
Additions	839	1,378	2,217
At 31 December 2019	1,279	10,412	11,691
Depreciation			
At 1 January 2019	343	8,525	8,868
Charge for year	341	623	964
At 31 December 2019	684	9,148	9,832
Net book value			
At 31 December 2019	595	1,264	1,859
At 31 December 2018	97	509	606

The directors do not consider the value of any of the tangible fixed assets to be impaired at 31 December 2019 or 31 December 2018.

10. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Prepayments and accrued income	93,849	81,532

LOMOND MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	2,285	2,137
Amounts due to group undertakings	139,782	86,610
Other taxation and social security	8,743	8,140
Accruals and deferred income	64,228	80,501
	<u>215,038</u>	<u>177,388</u>

12. PROVISIONS FOR LIABILITIES

	Deferred tax £
At 1 January 2019	-
Charge to the statement of income and retained earnings (note 8)	-
	<u>-</u>
At 31 December 2019	<u>-</u>

Deferred tax is provided as follows:

	2019 £	2018 £
Fixed asset timing differences	316	103
Short term timing differences	(161)	(103)
Losses and other deductions	(155)	-
	<u>-</u>	<u>-</u>
Deferred tax (assets)		
Recoverable within 12 months	<u>(316)</u>	<u>-</u>
Deferred tax liabilities		
Payable within 12 months	<u>316</u>	<u>-</u>

At 31 December 2019 the company unrecognised deferred tax assets of £5,192 (2018: £5,362) in relation to other timing differences.

LOMOND MORTGAGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

13. CALLED UP SHARE CAPITAL

	2019 £	2018 £
Allotted, issued and fully paid:		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

The company has one class of ordinary share which carries no right to fixed income.

14. CONTINGENT LIABILITIES

The company is a party to a cross guarantee arrangement with certain other group companies in respect of bank borrowings. Total bank borrowings of the group as at 31 December 2019 were £17,970,000 (2018: £19,060,000).

15. RELATED PARTY TRANSACTIONS

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group. There were no other related party transactions in the year (2018: £nil).

16. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Lomond Property Lettings Limited, a company incorporated in the UK and registered in Scotland, and the ultimate controlling party is considered to be Lomond Capital Partnership LLP.

The results of the company are consolidated in the financial statements of Lomond Property Lettings Limited and Lomond Capital Partnership LLP which are the smallest and largest entities respectively consolidating the results of this company. Copies of the consolidated financial statements may be obtained from Companies House, 4th Floor, Edinburgh Quay, 139 Fountainbridge, Edinburgh, EH3 9FF.