

Alan Buchan Homes Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2017

Williamsons Chartered Accountants
Rosewood
Raemoir Road
Banchory
Kincardineshire
AB31 4ET

Alan Buchan Homes Limited

Contents

| | |
|-----------------------------------|-----------------------|
| Company Information | <u>1</u> |
| Balance Sheet | <u>2</u> to <u>3</u> |
| Notes to the Financial Statements | <u>4</u> to <u>11</u> |

Alan Buchan Homes Limited

Company Information

| | |
|--------------------------|--|
| Directors | Mr Alan William Buchan Steven John Mitchell Mrs Fiona Margaret Buchan |
| Company secretary | Mrs Fiona Margaret Buchan |
| Registered office | Rosewood Raemoir Road Banchory Kincardineshire AB31 4ET |
| Bankers | Royal Bank of Scotland Banchory 59 High Street Banchory AB31 5TJ |
| Accountants | Williamsons Chartered Accountants Rosewood Raemoir Road Banchory Kincardineshire AB31 4ET |

Alan Buchan Homes Limited

(Registration number: SC470064)

Balance Sheet as at 31 March 2017

| | Note | 2017 £ | 2016 £ |
|---|----------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | <u>3</u> | 9,963 | 1,831 |
| Investment property | <u>4</u> | 546,280 | 491,210 |
| Investments | <u>5</u> | 102,492 | 151,483 |
| | | <u>658,735</u> | <u>644,524</u> |
| Current assets | | | |
| Stocks | <u>6</u> | 898,800 | 653,000 |
| Debtors | <u>7</u> | 1,250 | - |
| Cash at bank and in hand | | 399,719 | 27,000 |
| | | <u>1,299,769</u> | <u>680,000</u> |
| Creditors: Amounts falling due within one year | <u>8</u> | <u>(1,735,074)</u> | <u>(1,209,848)</u> |
| Net current liabilities | | <u>(435,305)</u> | <u>(529,848)</u> |
| Total assets less current liabilities | | 223,430 | 114,676 |
| Provisions for liabilities | | <u>(9,238)</u> | <u>(93)</u> |
| Net assets | | <u>214,192</u> | <u>114,583</u> |
| Capital and reserves | | | |
| Called up share capital | | 100,000 | 100,000 |
| Other reserves | | 31,312 | - |
| Profit and loss account | | 82,880 | 14,583 |
| Total equity | | <u>214,192</u> | <u>114,583</u> |

The notes on pages 4 to 11 form an integral part of these financial statements.

Alan Buchan Homes Limited

(Registration number: SC470064)

Balance Sheet as at 31 March 2017

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

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 15 December 2017 and signed on its behalf by:

.....

Steven John Mitchell

Director

The notes on pages 4 to 11 form an integral part of these financial statements.
Page 3

Alan Buchan Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Rosewood
Raemoir Road
Banchory
Kincardineshire
AB31 4ET
Scotland

The principal place of business is:

Brathens Eco Business Park
Hill of Brathens
Glassel
Banchory
AB31 4BW

These financial statements were authorised for issue by the Board on 15 December 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Alan Buchan Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are 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 reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|-------------------------------------|------------------------------|
| Furniture, fittings and equipment | 25% straight line basis |
| Other property, plant and equipment | 25% straight line basis |

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Alan Buchan Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Alan Buchan Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

3 Tangible assets

| | Furniture, fittings and equipment £ | Other property, plant and equipment £ | Total £ |
|--------------------------|---|--|------------|
| Cost or valuation | | | |
| At 1 April 2016 | 5,601 | 769 | 6,370 |
| Additions | 11,076 | - | 11,076 |
| At 31 March 2017 | 16,677 | 769 | 17,446 |
| Depreciation | | | |
| At 1 April 2016 | 4,234 | 305 | 4,539 |
| Charge for the year | 2,752 | 192 | 2,944 |
| At 31 March 2017 | 6,986 | 497 | 7,483 |
| Carrying amount | | | |
| At 31 March 2017 | 9,691 | 272 | 9,963 |
| At 31 March 2016 | 1,367 | 464 | 1,831 |

4 Investment properties

| | 2017 £ |
|------------------------|-----------|
| At 1 April | 491,210 |
| Additions | 268,907 |
| Disposals | (252,494) |
| Fair value adjustments | 38,657 |
| At 31 March | 546,280 |

There has been no valuation of investment property by an independent valuer.

5 Investments

| | 2017 £ | 2016 £ |
|-------------------------------|-----------|-----------|
| Investments in joint ventures | 102,492 | 151,483 |

Alan Buchan Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

| Joint ventures | £ |
|------------------------|------------------|
| Cost | |
| At 1 April 2016 | 151,483 |
| Additions | 57,500 |
| Disposals | <u>(104,000)</u> |
| At 31 March 2017 | 104,983 |
| Provision | |
| Provision | <u>2,491</u> |
| Carrying amount | |
| At 31 March 2017 | <u>102,492</u> |
| At 31 March 2016 | <u>151,483</u> |

Impairment of joint ventures

The amount of impairment loss included in profit or loss is £2,491 (2016 - £Nil).

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| Joint ventures | | | | |
|-------------------|--|---------|-----|-----|
| Raemoir Homes LLP | 6 Kirkton Gardens Fraserburgh AB43 8TU Scotland | Partner | 50% | 50% |

The principal activity of Raemoir Homes LLP is property development. Its financial period end is 31 December.

6 Stocks

| | 2017 £ | 2016 £ |
|------------------|----------------|----------------|
| Work in progress | <u>898,800</u> | <u>653,000</u> |

7 Debtors

| | 2017 £ | 2016 £ |
|-------------|-----------|-----------|
| Prepayments | 521 | - |

Other debtors

| | |
|-------|---|
| 729 | - |
| 1,250 | - |

Alan Buchan Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

8 Creditors

Creditors: amounts falling due within one year

| | Note | 2017 £ | 2016 £ |
|------------------------------|-----------|------------------|------------------|
| Due within one year | | | |
| Bank loans and overdrafts | <u>10</u> | 1,698,053 | 1,024,388 |
| Trade creditors | | 25,291 | 184,270 |
| Taxation and social security | | - | 83 |
| Accruals and deferred income | | 1,840 | 852 |
| Other creditors | | 9,890 | 255 |
| | | <u>1,735,074</u> | <u>1,209,848</u> |

9 Share capital

Allotted, called up and fully paid shares

| | 2017 | | 2016 | |
|----------------------------|---------|---------|---------|---------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | 100,000 | 100,000 | 100,000 | 100,000 |

Alan Buchan Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

10 Loans and borrowings

| | 2017 £ | 2016 £ |
|-------------------------------------|------------------|------------------|
| Current loans and borrowings | | |
| Bank borrowings | 511,385 | - |
| Bank overdrafts | - | 3,870 |
| Other borrowings | 1,186,668 | 1,020,518 |
| | <u>1,698,053</u> | <u>1,024,388</u> |

Bank borrowings

Royal Bank Term Loans is denominated in sterling with a nominal interest rate of 4.5%, and the final instalment is due on 30 June 2017. The carrying amount at year end is £511,385 (2016 - £Nil).

Security over Investment properties

Other borrowings

Alan Buchan Contractors Ltd (parent company) is denominated in sterling with a nominal interest rate of nil%, and the final instalment is due on 31 March 2018. The carrying amount at year end is £1,146,668 (2016 - £980,518).

Loan from parent company repayable on demand, although parent company will not seek repayment until all other creditors have been paid in full.

Steven Mitchell Director is denominated in sterling with a nominal interest rate of Nil%, and the final instalment is due on 31 March 2018. The carrying amount at year end is £40,000 (2016 - £40,000).

11 Transition to FRS 102

The rental income has been reclassified to turnover from other operating income in the prior year profit and loss account.

In the prior year balance sheet the investment properties have been removed from Tangible assets and are now shown separately. The loans from parent company and director have been reallocated to creditors less than one year as they are repayable on demand.

Alan Buchan Homes Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Balance Sheet at 31 March 2016

| | As originally reported £ | Reclassification £ | Remeasurement £ | As restated £ |
|---|--------------------------------|-----------------------|--------------------|--------------------|
| Fixed assets | | | | |
| Intangible assets | 493,041 | (491,210) | - | 1,831 |
| Investment property | - | 491,210 | - | 491,210 |
| Investments | 151,483 | - | - | 151,483 |
| | <u>644,524</u> | <u>-</u> | <u>-</u> | <u>644,524</u> |
| Current assets | | | | |
| Stocks | 653,000 | - | - | 653,000 |
| Cash at bank and in hand | 27,000 | - | - | 27,000 |
| | <u>680,000</u> | <u>-</u> | <u>-</u> | <u>680,000</u> |
| Creditors: Amounts falling due within one year | <u>(189,330)</u> | <u>(1,020,518)</u> | <u>-</u> | <u>(1,209,848)</u> |
| Net current assets/(liabilities) | <u>490,670</u> | <u>(1,020,518)</u> | <u>-</u> | <u>(529,848)</u> |
| Total assets less current liabilities | 1,135,194 | (1,020,518) | - | 114,676 |
| Creditors: Amounts falling due after more than one year | (1,020,518) | 1,020,518 | - | - |
| Provisions for liabilities | <u>(93)</u> | <u>-</u> | <u>-</u> | <u>(93)</u> |
| Net assets | <u>114,583</u> | <u>-</u> | <u>-</u> | <u>114,583</u> |
| Capital and reserves | | | | |
| Called up share capital | (100,000) | - | - | (100,000) |
| Profit and loss account | <u>(14,583)</u> | <u>-</u> | <u>-</u> | <u>(14,583)</u> |
| Total equity | <u>(114,583)</u> | <u>-</u> | <u>-</u> | <u>(114,583)</u> |

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.