

Registered number: SC521163

SCM Bobbin Limited

Report and financial statements

For the Year Ended 31 December 2017

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SCM Bobbin Limited

Company Information

Directors	G G M Shand I Cruden D Mcleod (appointed 17 July 2017)
Company secretary	Burness Paull LLP
Registered number	SC521163
Registered office	50 Lothian Road Festival Square Edinburgh EH3 9WJ
Independent auditor	Ernst & Young LLP Fountainhall Road Aberdeen AB15 4DT

SCM Bobbin Limited

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SCM Bobbin Limited

**Directors' Report
For the Year Ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the Company during the year was that of property rental.

Results and dividends

The profit for the year, after taxation, amounted to £193,006 (2016 - £NIL).

There will be no dividends declared or paid in respect of this accounting period (2016 - £NIL).

Directors

The directors who served during the year were:

G G M Shand
I Cruden
D Mcleod (appointed 17 July 2017)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 7 September 2018 and signed on its behalf.

G G M Shand
Director



**Directors' Responsibilities Statement
For the Year Ended 31 December 2017**

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'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of SCM Bobbin Limited

Opinion

We have audited the financial statements of SCM Bobbin Limited's ('the Company') for the year ended 31 December 2017 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SCM Bobbin Limited

Independent Auditor's Report to the Members of SCM Bobbin Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit.

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

SCM Bobbin Limited

Independent Auditor's Report to the Members of SCM Bobbin Limited

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ernst & Young LLP

Jamie Dixon (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
Aberdeen

12 September 2018

SCM Bobbin Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2017**

		2017	Period from 25 November 2015 to 31 December 2016
	Note	£	£
Turnover	3	48,000	34,500
Gross profit		<u>48,000</u>	<u>34,500</u>
Administrative expenses		(48,000)	(34,500)
Investment property to fair value	4	225,000	-
Operating profit	4	<u>225,000</u>	<u>-</u>
Profit before tax		225,000	-
Tax on profit	7	(31,994)	-
Profit for the financial year		<u><u>193,006</u></u>	<u><u>-</u></u>

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 9 to 14 form part of these financial statements.

SCM Bobbin Limited
Registered number: SC521163


Balance Sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property	8	800,000	575,000
		<u>800,000</u>	<u>575,000</u>
Creditors: amounts falling due within one year	9	(574,999)	(574,999)
Net current liabilities		<u>(574,999)</u>	<u>(574,999)</u>
Total assets less current liabilities		225,001	1
Provisions for liabilities			
Deferred tax	10	(31,994)	-
		<u>(31,994)</u>	<u>-</u>
Net assets		<u>193,007</u>	<u>1</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		193,006	-
		<u>193,007</u>	<u>1</u>

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 were approved and authorised for issue by the board and were signed on its behalf on 7 September 2018.

G G M Shand
Director



The notes on pages 9 to 14 form part of these financial statements.

SCM Bobbin Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 25 November 2015	-	-	-
Shares issued during the period	1	-	1
At 31 December 2016	1	-	1
At 1 January 2017	1	-	1
Profit for the year	-	193,006	193,006
At 31 December 2017	1	193,006	193,007

The notes on pages 9 to 14 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting policies

1.1 Basis of preparation of financial statements

SCM Bobbin Limited is a limited liability company incorporated in Scotland. The registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

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

The financial statements have been prepared in Sterling which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Highland Fuels (Investments) Limited as at 31 December 2017 and these financial statements may be obtained from 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

1.4 Investment property

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.

Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.5 Creditors

Short term creditors are measured at the transaction price.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting policies (continued)

1.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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. Judgements in applying accounting policies 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates.

The following are the Company's key sources of estimation uncertainty:

Revaluation of investment properties

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss.

The group engaged Graham & Sibbald, Chartered Surveyors, to determine fair value at 31 December 2017.

3. Turnover

All turnover arose within the United Kingdom.

SCM Bobbin Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

4. Operating profit

The operating profit is stated after charging:

	2017 £	Period from 25 November 2015 to 31 December 2016 £
Investment property to fair value	225,000	-

5. Auditor's remuneration

The audit fee for the period was incurred by Highland Fuels Limited.

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

7. Taxation

	2017 £	2016 £
Current tax on profits for the year	-	-
	-	-
Total current tax-	-	-
Deferred tax		
Origination and reversal of timing differences	36,222	-
Changes to tax rates	(4,228)	-
Total deferred tax	31,994	-
Taxation on profit on ordinary activities	31,994	-

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

7. Taxation (continued)**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	225,000	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	43,305	-
Effects of:		
Expenses not deductible	(43,305)	-
Gains/rollover relief	36,222	-
Tax rate changes	(4,228)	-
Total tax charge for the year/period	31,994	-

Factors that may affect future tax charges

Reductions announced in the budget of 8 July 2015 reduced the standard rate of Corporation Tax in the UK from 20% to 19% from 1 April 2017 and 18% from 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate, for the year starting 1 April 2020, setting the rate at 17%.

The changes that have not been substantively enacted at the balance sheet date are not included in these financial statements. The impact for the year is not considered to be material.

SCM Bobbin Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

8. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017	575,000
Surplus on revaluation	225,000
At 31 December 2017	800,000

The 2017 valuations were made by Graham & Sibbald, Chartered Surveyors, on 31 December 2017, on an open market basis. The valuations were carried out in accordance with the Royal Institution of Chartered Surveyors' valuation guidelines and IFRS 13.

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

	2017 £	2016 £
Historic cost	575,000	575,000
Accumulated depreciation and impairments	(12,578)	(5,391)
	562,422	569,609

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	574,999	574,999
	574,999	574,999

Amounts owed to group undertakings are repayable on demand and are interest free.

SCM Bobbin Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

10. Deferred taxation

	2017 £
Charged to profit or loss	(31,994)
At end of year	<u><u>(31,994)</u></u>
The deferred taxation balance is made up as follows:	
	2017 £
Fixed asset timing differences	(31,994)
	<u><u>(31,994)</u></u>

11. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	<u><u>1</u></u>	<u><u>1</u></u>

12. Controlling party

The immediate parent company is SCM Property Holdings Limited, a company registered in Scotland.

The ultimate parent undertaking and controlling party is Highland Fuels (Investments) Limited, a company registered in Scotland.

The ultimate controlling party is G G M Shand.

Highland Fuels Limited is the parent undertaking of the smallest group of which SCM Bobbin Limited is a member and for which group financial statements are drawn up.

Highland Fuels (Investments) Limited is the parent undertaking of the largest group of which SCM Bobbin Limited is a member and for which group financial statements are drawn up.