

Registered Number:SC536157

THE HALO KILMARNOCK LIMITED

**INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MAY 2020**



THE HALO KILMARNOCK LIMITED
REGISTERED NUMBER: SC536157

BALANCE SHEET
AS AT 31 MAY 2020

	Note	2020 £	Restated 2019 £
Fixed assets			
Tangible assets		10,299,721	-
		<u>10,299,721</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	5	321,811	-
Cash at bank and in hand	6	443,809	90,947
		<u>765,620</u>	<u>90,947</u>
Creditors: amounts falling due within one year	7	(522,444)	(93,580)
Net current assets/(liabilities)		<u>243,176</u>	<u>(2,633)</u>
Total assets less current liabilities		<u>10,542,897</u>	<u>(2,633)</u>
Creditors: amounts falling due after more than one year	8	(3,902,676)	-
Net assets/(liabilities)		<u><u>6,640,221</u></u>	<u><u>(2,633)</u></u>
Capital and reserves			
Called up share capital		3	3
Profit and loss account		6,640,218	(2,636)
		<u><u>6,640,221</u></u>	<u><u>(2,633)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with 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 by:


M M S Macklin
 Director

Date: 11 March 2021

The notes on pages 2 to 9 form part of these financial statements.

THE HALO KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. General information

The Halo Kilmarnock Limited is a private company, limited by shares, registered in Scotland. The company's registered number is SC536157 and registered office address is C/O Anderson Strathern LLP, George House, 50 George Square, Glasgow, G2 1EH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

This assumption is based on the continuing support of the company's various funding partners. The company has adequate funding arrangements in place to complete the construction of the Halo Enterprise Innovation Centre, which is scheduled for completion during 2021.

2.3 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

THE HALO KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Borrowing costs are capitalised within assets under construction over the term of the loan using the amortised cost method.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. Assets under construction are not depreciated until they are brought into use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit and loss.

Freehold property	- 50 years
Land	- Not depreciated

THE HALO KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

THE HALO KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

This Company has no employees other than the directors.

4. Tangible fixed assets

	Freehold property £	Assets under construction £	Total £
Cost or valuation			
At 1 June 2019	-	-	-
Additions	6,700,000	3,599,721	10,299,721
At 31 May 2020	6,700,000	3,599,721	10,299,721
Net book value			
At 31 May 2020	6,700,000	3,599,721	10,299,721
At 31 May 2019 (restated)	-	-	-

Assets under construction include £32,555 of capitalised borrowing costs. No depreciation has been charged during the construction of the assets.

5. Debtors

	2020 £	Restated 2019 £
Other debtors	305,934	-

THE HALO KILMARNOCK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

5. Debtors (continued)

Prepayments and accrued income	15,877	-
	<u>321,811</u>	<u>-</u>

6. Cash and cash equivalents

	2020 £	Restated 2019 £
Cash at bank and in hand	443,809	90,947
	<u>443,809</u>	<u>90,947</u>

7. Creditors: Amounts falling due within one year

	2020 £	Restated 2019 £
Other loans	120,765	-
Trade creditors	331,051	53,262
Other creditors	210	6,096
Accruals and deferred income	70,418	34,222
	<u>522,444</u>	<u>93,580</u>

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

	2020 £	Restated 2019 £
Other loans	629,216	-
Deferred capital grants	3,273,460	-
	<u>3,902,676</u>	<u>-</u>

THE HALO KILMARNOCK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

9. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Other loans	120,765	-
	<u>120,765</u>	<u>-</u>
Amounts falling due 1-2 years		
Other loans	379,136	-
	<u>379,136</u>	<u>-</u>
Amounts falling due 2-5 years		
Other loans	250,080	-
	<u>250,080</u>	<u>-</u>
	<u>749,981</u>	<u>-</u>

Other loans are secured by standard securities over the development land included within assets under construction. Other loans are repayable in quarterly instalments commencing April 2021.

THE HALO KILMARNOCK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

10. Prior year adjustment

Amounts received from third parties as contributions towards the ongoing development costs have previously been treated as a capital contribution included within equity. In these financial statements these amounts have been recognised as government grants receivable and treated in accordance with the policy set out in note 2.4. This correction has been applied retrospectively and amounts presented for the comparative periods have been restated as follows:

	Reported in 2019 financial statements £	Impact of restatement £	Restated 2019 £
Balance Sheet			
Tangible fixed assets	2,241,066	(2,241,066)	-
Debtors due within one year	1,258,326	(1,258,326)	-
Cash at bank and in hand	90,947	-	90,947
Creditors due within one year	(59,358)	(34,222)	(93,580)
Total Net Asset restatement	<u>3,530,981</u>	<u>(3,533,614)</u>	<u>(2,633)</u>
Called up share capital	3	-	3
Profit and loss account	(2,636)	-	(2,636)
Capital contribution	3,533,614	(3,533,614)	-
Total Shareholders' Funds restatement	<u>3,530,981</u>	<u>(3,533,614)</u>	<u>(2,633)</u>
Statement of comprehensive income			
Other operating income	-	843,488	843,488
Administrative expenses	-	(843,488)	(843,488)
Total Net Profit restatement	<u>-</u>	<u>-</u>	<u>-</u>

11. Capital commitments

At 31 May 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	10,314,000	-
	<u>10,314,000</u>	<u>-</u>

THE HALO KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

12. Related party transactions

The company has taken advantage of the available exemption from disclosing transactions with wholly owned group companies.

13. Controlling party

The immediate and ultimate parent company is Halo Urban Regeneration Company Limited, a company registered in Scotland.

The ultimate controlling party is M M S Macklin.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 May 2020 was unqualified.

The audit report was signed on 15 March 2021 by Andrew Shaw (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.