Registered number: SC536157

COMPANIES HOUSE
28 FEB 2023
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THE HALO KILMARNOCK LIMITED

INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MAY 2022

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COMPANIES HOUSE

THE HALO KILMARNOCK LIMITED

REGISTERED NUMBER:SC536157

BALANCE SHEET
AS AT 31 MAY 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	4		14,165,703		19,776,524
			14,165,703		19,776,524
Current assets					
Debtors: amounts falling due within one year	5	683,401		485,884	
Cash at bank and in hand	6	47,968		270,435	
		731,369		756,319	
Creditors: amounts falling due within one year	7	(851,540)		(5,652,714)	
Net current liabilities			(120,171)		(4,896,395)
Total assets less current liabilities			14,045,532		14,880,129
Creditors: amounts falling due after more than one year	8		(7,967,079)		(8,489,254)
Net assets			6,078,453		6,390,875
Capital and reserves					
Called up share capital			3		3
Profit and loss account			6,078,450		6,390,872
			6,078,453		6,390,875

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: 28|2|23

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

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.

The company has adequate funding arrangements in place to meet its obligations as they fall due, including access to the Scottish Enterprise Loan facility in order to meet the initial working capital requirements of the business.

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.

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. Accounting policies (continued)

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.

Freehold property	- 50 years
Land	- Not depreciated
Motor vehicles	- 4-8 years
Fixtures and fittings	- 3 years
Office equipment	- 3 years

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 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.

2.11 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.

2.12 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. Accounting policies (continued)

2.13 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.

3. Employees

Average employees for the year are 1 (2021 - nil) excluding Directors.

4. Tangible fixed assets

	Land & buildings £	Motor vehicles £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation					
At 1 June 2021	6,700,000	170,471	-	12,906,053	19,776,524
Additions	-	20,293	324,007	937,279	1,281,579
Transfers between classes	13,843,332	-	-	(13,843,332)	-
At 31 May 2022	20,543,332	190,764	324,007	-	21,058,103
Depreciation					
Charge for the year on owned assets	77,000	26,382	95,686	-	199,068
Impairment charge	6,693,332	-	-	-	6,693,332
At 31 May 2022	6,770,332	26,382	95,686	-	6,892,400
Net book value					
At 31 May 2022	13,773,000	164,382	228,321	-	14,165,703
At 31 May 2021	6,700,000	170,471	-	12,906,053	19,776,524

First phase development costs have been reclassified from Assets under construction to Land & buildings at the point at which the Halo Enterprise and Innovation Centre ("HEIC") was brought into use. Depreciation is charged on the HEIC from that date. A provision for impairment has been recognised to reduce the carrying value at that date to the market value, based on an independent valuation report.

5. Debtors

	2022 £	2021 £
Trade debtors	97,394	12,000
Amounts owed by group undertakings	-	1,020
Other debtors	250,903	444,611
Prepayments and accrued income	335,104	28,253
	683,401	485,884

6. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	47,968	270,435
	47,968	270,435

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	147,518	5,117,948
Trade creditors	445,719	393,766
Amounts owed to group undertakings	110,022	-
Other taxation and social security	3,694	-
Obligations under finance lease and hire purchase contracts	50,681	-
Accruals and deferred income	93,906	141,000
	851,540	5,652,714

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

	2022 £	2021 £
Other loans	6,206,446	305,809
Obligations under finance leases and hire purchase contracts	82,181	-
Government grants received	1,678,452	8,183,445
	7,967,079	8,489,254

9. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Other loans	147,518	5,117,948
	147,518	5,117,948
Amounts falling due 1-2 years		
Other loans	202,415	305,809
	202,415	305,809
Amounts falling due 2-5 years		
Other loans	648,603	-
	648,603	-
Amounts falling due after more than 5 years		
Other loans	5,355,428	-
	5,355,428	-
	6,353,964	5,423,757

Other loans are secured by standard securities over Land & buildings. Other loans are repayable in quarterly instalments over a 22 year term, with final repayment due in 2045. Interest is payable at 3.9%. The company's bankers hold a bond and floating charge over the assets of the company.

10. Capital commitments

At 31 May 2022 the Company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	-	586,000
	-	586,000

11. Related party transactions

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

12. 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.

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 May 2022 was unqualified.

The audit report was signed on 28 February '23 by Andrew Shaw (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.