

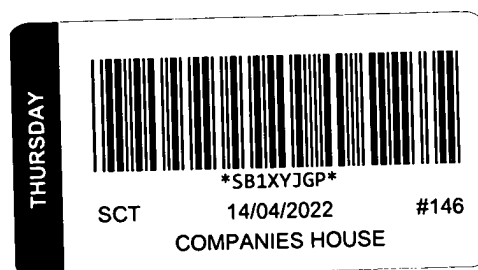


Robertson Living Limited

Annual Report and Financial Statements

Registered Number SC565222

Year ended 31 March 2021



Robertson Living Limited
Annual Report and Financial Statements
Year ended 31 March 2021

| Contents | Page |
|---|-------------|
| Company information | 1 |
| Directors' report | 2 |
| Directors' responsibilities statement | 4 |
| Independent auditor's report | 5 |
| Statement of comprehensive income | 8 |
| Statement of financial position | 9 |
| Statement of changes in equity | 10 |
| Notes to the annual report and financial statements | 11 |

Robertson Living Limited
Company information
Year ended 31 March 2021

Company information

| | |
|-------------------|---|
| Directors | W G Robertson E C Robertson C J Mitchell J S Low G A Cunningham |
| Secretary | C J Mitchell |
| Company Number | SC565222 |
| Registered Office | 10 Perimeter Road Pinefield Industrial Estate Elgin Morayshire IV30 6AE |
| Auditor | BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD |
| Bankers | Santander UK Plc 1st Floor 287-301 St Vincent Street Glasgow G2 5HN |
| Solicitors | Shepherd and Wedderburn LLP Commercial House 2 Rubislaw Terrace Aberdeen AB10 1XE |

Robertson Living Limited
Directors' report
Year ended 31 March 2021

Directors' report

The directors present their annual report on the affairs of Robertson Living Limited ("the Company"), together with the financial statements and auditor's report for the year ended 31 March 2021

Directors

The directors who served the Company during the year and up to the date of this report were as follows

W G Robertson
E C Robertson
C J Mitchell
J S Low
G A Cunningham (appointed 10 December 2021)

Directors indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Principal activity

The principal activity of the Company was the construction and sale of private houses. The primary market in which the Company operates is that of family homes.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Company is funded by a related party, Newlands (Elgin) Holdings Limited with the level of funding based on investment in the private housing land bank to facilitate medium term growth. The loan facility was recently increased and extended to £25m with expiry on 31 December 2024.

The Company conducted business and financial modelling throughout the financial year as the impact of Covid-19 became more transparent and the easing from lockdown and improved productivity gathered pace. The stress testing of the underlying assumptions and downside scenarios has been refined to reflect market conditions and we believe that our business forecasting, over a 5 year period, has a narrower range of outcomes with the improving market confidence and strong housing demand although we remain vigilant on the impact of supply chain challenges and material price pressure.

One of the key areas the Company has direct control over is the cost and timing of land purchases and build expenditure. During the current financial year, land purchases terms were reviewed and managed to more closely align with business requirements and, as is common practice, land purchases are contracted on a conditional basis. This provides the Company with control over its most significant cash outflows.

The Company continues to review the trading and cash flow performances of the Company against forecast. This includes the review of weekly cash flows, sales reservations and occupations, build expenditure and completion profile as well as monthly contract expenditure and valuation receipts. If we experience a material change in any of the above, we retain direct control over land and build spend as a means of managing cash outflows.

At the statement of financial position date, the Company had drawn down £15m out of £20m of the related party facility with total cash balances of £3m. This amounts to total headroom and cash balances of £8m. At the date of signing, the funding headroom and cash balances amounted to £15m in line with forecast. All sites are operational with improving productivity and sales rates have now surpassed pre Covid-19 levels. The latest trading performance is within both funding limits and covenant measures over the length of the facilities. The Company recognises that the management of cash resources is paramount to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Dividend

No dividend was paid or proposed during the current or prior year.

Robertson Living Limited
Directors' report
Year ended 31 March 2021

Strategic report

The Company has taken advantage of the exemption available in section 414A (2) of the Companies Act 2006 to not produce a strategic report.

Employees

During the year the policy of providing employees with general information continued. Relevant information is supplied at the discretion of management, when considered appropriate. Relevant information is supplied through formal and informal meetings and an online Company magazine. Suggestion schemes operate across the Company.

The Company gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person.

With regard to existing employees and those who have become disabled during the year, the Company has continued to examine ways and means of providing continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Equal opportunities are given to all employees for training, career development and promotion. The Company involves employees in matters affecting terms and conditions of employment. Induction courses are run for new employees with a particular emphasis on Health and Safety.

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Future developments

The Company will continue to seek new land opportunities to provide the business with a strong pipeline for development. The new housetype range has been well received in the marketplace and we will continue to review the specification and design to ensure it keeps pace with consumer preferences, regulatory requirements and advancements in sustainability.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

Approved by the Board and signed on its behalf by



C J Mitchell
Director
31 March 2022

10 Perimeter Road
Pinefield Industrial Estate
Elgin, IV30 6AE

Robertson Living Limited
Directors' responsibilities statement
Year ended 31 March 2021

Statement of directors' responsibilities in respect of the financial statements

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 they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Policies (UK Accounting Standards and applicable law), including Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 take reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ROBERTSON LIVING LIMITED

Opinion

We have audited the financial statements of Robertson Living Limited ("the company") for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the notes to the financial statements, 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 Financial Reporting Standard 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 March 2021 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. 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.

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 the 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Robertson Living Limited
Independent Auditor's Report to the Members
Year ended 31 March 2021

Other Companies Act 2006 reporting

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.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. A summary of the procedures we designed and executed to detect irregularities, including fraud is set out below:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud and testing the underlying transactions and balances accordingly;

Robertson Living Limited
Independent Auditor's Report to the Members
Year ended 31 March 2021

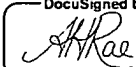
- reading minutes of management meetings and of those charged with governance and reviewing correspondence with regulatory bodies, such as HMRC, and reviewing documentation for indications of non-compliance with laws and regulations.
- assessing whether the accounting policies, treatments and presentation adopted in the financial statements is in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and whether there are instances of potential bias in areas with significant degrees of judgement;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- carrying out tests of management control in certain areas or functions, such as the authorisation of business expenditure and the approval of payments to suppliers;
- vouching balances and reconciling items in management's key control account reconciliations to supporting documentation as at 31 March 2021; and
- carrying out detailed testing, on a sample basis, of material transactions, financial statement categories and balances to appropriate documentary evidence to verify the completeness, occurrence and accuracy of them in the reported financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, or the greater the concealment of irregularities, including fraud, the less likely we are to become aware of it.

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.

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.

DocuSigned by:

34BAA3058C8741A...

Alastair Rae (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Edinburgh, UK

Date: 14 April 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Robertson Living Limited
Statement of comprehensive income
For the Year ended 31 March 2021

| | <i>Note</i> | 2021 £'000 | 2020 £'000 |
|--|-------------|-----------------------------|-----------------------------|
| Turnover | 3 | 7,869 | 7,768 |
| Cost of sales | | (6,269) | (6,255) |
| Gross profit | | 1,600 | 1,513 |
| Administrative expenses | | (1,289) | (1,158) |
| Other income | | 59 | - |
| Operating profit | 4 | 370 | 355 |
| Interest payable and similar charges | 7 | (192) | (127) |
| Profit before taxation | | 178 | 228 |
| Tax on profit | 8 | (34) | (43) |
| Profit for the financial year | | 144 | 185 |
| Total comprehensive income for the year | | 144 | 185 |

There are no recognised gains and losses other than as reported above.

The profit for the financial year has been derived from continuing activities.

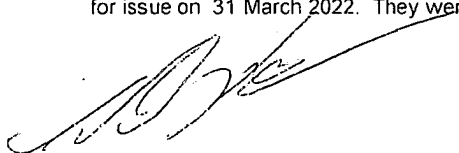
The notes on pages 11 to 19 form part of the Annual Report and Financial Statements

Robertson Living Limited
Statement of financial position
For the Year ended 31 March 2021

| | Note | 2021 £'000 | 2021 £'000 | 2020 £'000 | 2020 £'000 |
|---|------|---------------|-------------------|---------------|------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 9 | | 60 | | 22 |
| Current assets | | | | | |
| Stocks | 10 | 13,885 | | 6,560 | |
| Debtors | 11 | 494 | | 209 | |
| Cash at bank | | <u>2,976</u> | | <u>2,422</u> | |
| | | 17,355 | | 9,191 | |
| Creditors: amounts falling due within one year | 12 | (2,172) | | (1,614) | |
| Net current assets | | | <u>15,183</u> | | <u>7,577</u> |
| Total assets less current liabilities | | | 15,243 | | 7,599 |
| Creditors: amounts falling due after more than one year | 13 | | (15,000) | | (7,500) |
| Net assets | | | <u><u>243</u></u> | | <u><u>99</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 1 | | 1 |
| Profit and loss account | | | <u>242</u> | | <u>98</u> |
| Shareholder's funds | | | <u><u>243</u></u> | | <u><u>99</u></u> |

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

These financial statements of Robertson Living Limited were approved by the Board of Directors and authorised for issue on 31 March 2022. They were signed on its behalf by:



W G Robertson
Director

Company registration no: SC565222

The notes on pages 11 to 19 form part of the Annual Report and Financial Statements

Robertson Living Limited
Statement of changes in equity
For the Year ended 31 March 2021

| | Called-up share capital £'000 | Profit and loss account £'000 | Total £'000 |
|-------------------------------|-------------------------------------|-------------------------------------|----------------|
| As at 1 April 2019 | 1 | (87) | (86) |
| Profit for the financial year | - | 185 | 185 |
| At 31 March 2020 | <u>1</u> | <u>98</u> | <u>99</u> |
| At 1 April 2020 | 1 | 98 | 99 |
| Profit for the financial year | - | 144 | 144 |
| At 31 March 2021 | <u>1</u> | <u>242</u> | <u>243</u> |

The notes on pages 11 to 19 form part of the Annual Report and Financial Statements

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes

1 Accounting Policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

General information and basis of preparation

Robertson Living Limited is a private company, limited by shares, incorporated in Scotland, United Kingdom, under the Companies Act. 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 pages 2 to 3.

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's policies as discussed in Note 2.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling rounded to the nearest thousand.

As the Company is a wholly owned subsidiary of Robertson Residential Group Limited, the Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Robertson Residential Group Limited, within which this Company is included, can be obtained from the address given in Note 18.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of presentation of a cash flow statement.

The Company has taken advantage of the disclosure exemptions applicable to the requirements of Section 11 Financial Instruments paragraph 11.34 to 11.48A and Section 12 Other Financial Instruments paragraphs 12.26 to 12.29.

The Company has also taken advantage of the disclosure exemption application to Section 33 Key Management Personnel Compensation paragraph 33.7.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Company is funded by a related party, Newlands (Elgin) Holdings Limited with the level of funding based on investment in the private housing land bank to facilitate medium term growth. The loan facility was recently increased and extended to £25m with expiry on 31 December 2024.

The Company conducted business and financial modelling throughout the financial year as the impact of Covid-19 became more transparent and the easing from lockdown and improved productivity gathered pace. The stress testing of the underlying assumptions and downside scenarios has been refined to reflect market conditions and we believe that our business forecasting, over a 5 year period, has a narrower range of outcomes with the improving market confidence and strong housing demand although we remain vigilant on the impact of supply chain challenges and material price pressure.

One of the key areas the Company has direct control over is the cost and timing of land purchases and build expenditure. During the current financial year, land purchases terms were reviewed and managed to more closely align with business requirements and, as is common practice, land purchases are contracted on a conditional basis. This provides the Company with control over its most significant cash outflows.

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes (continued)

The Company continues to review the trading and cash flow performances of the Company against forecast. This includes the review of weekly cash flows, sales reservations and occupations, build expenditure and completion profile as well as monthly contract expenditure and valuation receipts. If we experience a material change in any of the above, we retain direct control over land and build spend as a means of managing cash outflows.

At the statement of financial position date, the Company had drawn down £15m out of £20m of the related party facility with total cash balances of £3m. This amounts to total headroom and cash balances of £8m. At the date of signing, the funding headroom and cash balances amounted to £15m in line with forecast. All sites are operational with improving productivity and sales rates have now surpassed pre Covid-19 levels. The latest trading performance is within both funding limits and covenant measures over the length of the facilities. The Company recognises that the management of cash resources is paramount to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Turnover and profit recognition

Turnover represents the value of work done and amounts receivable for goods and work done net of VAT and trade discounts.

Turnover and profits on residential sales are recognised at legal completion and receipt of cash. Turnover and profits on land sales are recognised when a legally binding contract for the sale of the land has been entered into. The sale proceeds of part exchange properties are not included in turnover with profit or loss on subsequent sale included within cost of sales.

Tangible fixed assets and depreciation

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

| | | |
|----------------------|---|---------|
| Fixture and fittings | - | 3 years |
| Plant and machinery | - | 3 years |

Pensions

The Company participates in a group defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to profit or loss represents the contributions payable to the scheme in respect of the accounting period.

The Company also contributes to Company personal pension policies for certain employees, the costs of which are charged to profit or loss as they become payable.

Stock and work in progress

Stocks are stated at the lower of cost and net realisable value.

Property developments in the course of construction are carried at cost as part of work in progress until such time as the property is complete. Cost is established by assessing the stage of completion reached for each home and applying that proportion of direct costs.

Development land stock is stated at the lower of cost and net realisable value. Cost comprises the purchase price of the land together with all attributable expenditure incurred in making ready the site for development and ultimate resale.

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes *(continued)*

Pre-development costs are expensed as incurred until the Company is appointed as sole preferred bidder. Provided the development is expected to generate sufficient net cash inflows to enable recovery and a contract is progressing, pre-development costs incurred post the appointment as preferred bidder are included in stocks and work in progress.

Interest incurred is recognised as an expense in profit or loss.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Following adoption of FRS 102, trade creditors on extended terms, particularly in respect of land purchases, are initially recorded at their fair value at the date of acquisition of the asset to which they relate at the prevailing market interest rates at the date of recognition. The discount to nominal value, which will be paid in settling the deferred liability, is amortised over the period of the credit term and charged to finance costs.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes *(continued)*

2 Significant judgements and estimates

In the application of the Company's accounting policies, as described in Note 1, the directors and management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year end date, and the amounts reported for revenues and expenses during the year.

These judgements have been carefully made based on available internal information and supported by information from various external sources, where appropriate. 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, and in future periods should it affect future periods. The ordinary judgements and estimates are those as detailed in Note 1.

The directors' assessment of the carrying value of land and work in progress, being the lower of cost and net realisable value, is a judgemental process. This requires the estimation of selling prices, sales rates and costs to complete, determined on a site by site basis. These factors drive the gross margin for each site and hence the profit recognised at the point of sale.

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes (continued)

3 Turnover

Turnover has been derived from the company's principal activities, which are wholly undertaken in the United Kingdom, as follows:

| | 2021 £'000 | 2020 £'000 |
|-----------------------|---------------|---------------|
| Sale of private homes | 7,448 | 7,673 |
| Contract revenue | 421 | 95 |
| | <u>7,869</u> | <u>7,768</u> |

4 Operating profit

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Operating profit is stated after charging: | | |
| Depreciation and amounts written off tangible fixed assets | 15 | 4 |
| Coronavirus Job Retention Scheme grants (Other Income) | (59) | - |
| Audit fees payable to the Company's auditor and its associates | 11 | 11 |
| Taxation compliance fees payable to the Company's auditor and its associates | <u>1</u> | <u>1</u> |

5 Remuneration of directors

Key management personnel are considered to be the board of directors of the immediate parent company, Robertson Residential Group Limited. None of the directors received any emoluments from the Company. They are all directors either of the parent company, Robertson Residential Group Limited or a related party and their emoluments are disclosed in those financial statements. It is not practicable to allocate their total remuneration for services received by this Company.

6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

| | 2021 | 2020 |
|---------------------------------------|-----------|-----------|
| Directors | 4 | 4 |
| Construction and property development | 10 | 9 |
| Administration | 9 | 9 |
| | <u>23</u> | <u>22</u> |

The aggregate payroll costs of these persons were as follows:

| | 2021 £'000 | 2020 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 1,557 | 1,023 |
| Social security costs | 177 | 120 |
| Other pension costs | 57 | 36 |
| | <u>1,791</u> | <u>1,179</u> |

7 Interest payable and similar charges

| | 2021 £'000 | 2020 £'000 |
|-----------------------------|---------------|---------------|
| On inter-company borrowings | - | 81 |
| On related party borrowings | 192 | 46 |
| | <u>192</u> | <u>127</u> |

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes (continued)

| | 2021 | 2020 |
|---|-----------|-----------|
| | £'000 | £'000 |
| 8 Taxation | | |
| UK corporation tax – current tax charge | 34 | 43 |
| Total tax on profit | 34 | 43 |

Factors affecting the tax charge for the current year

The current tax charge for the year and prior year are in line with the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

| | 2021 | 2020 |
|-----------------------------------|-----------|-----------|
| | £'000 | £'000 |
| <i>Current tax reconciliation</i> | | |
| Profit before tax | 178 | 228 |
| Current tax at 19% (2020: 19%) | 34 | 43 |
| Total current tax charge | 34 | 43 |

Factors affecting the future tax charges

The Finance Act 2020 included legislation for the UK Corporation Tax Rate to remain at 19% from 1 April 2020, rather than reducing to 17% as set by the Finance Act 2016. The Finance Act 2020 was enacted on 22 July 2020.

9 Tangible fixed assets

| | Plant and machinery £'000 | Fixtures and fittings £'000 | Total £'000 |
|-------------------------|------------------------------|--------------------------------|----------------|
| Cost | | | |
| At beginning of year | 22 | 5 | 27 |
| Additions | 53 | - | 53 |
| At end of year | 75 | 5 | 80 |
| Depreciation | | | |
| At beginning of year | 4 | 1 | 5 |
| Charge for the year | 13 | 2 | 15 |
| At end of year | 17 | 3 | 20 |
| Net book value | | | |
| At 31 March 2021 | 58 | 2 | 60 |
| At 31 March 2020 | 18 | 4 | 22 |

10 Stocks and work in progress

| | 2021 | 2020 |
|---------------------------------------|--------|-------|
| | £'000 | £'000 |
| Work in progress and development land | 13,885 | 6,560 |

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes (continued)

11 Debtors

| | 2021 £'000 | 2020 £'000 |
|-------------------------------------|---------------|---------------|
| Amounts due from group undertakings | 4 | 19 |
| Other debtors | 490 | 165 |
| Amounts due from related parties | - | 25 |
| | <u>494</u> | <u>209</u> |

12 Creditors: amounts falling due within one year

| | 2021 £'000 | 2020 £'000 |
|-----------------------------------|---------------|---------------|
| Trade creditors | 989 | 1,037 |
| Amounts due to group undertakings | 34 | 69 |
| Taxation and social security | 11 | 9 |
| Amounts due to related parties | 197 | 15 |
| Accruals and deferred income | 907 | 441 |
| Group relief payable | 34 | 43 |
| | <u>2,172</u> | <u>1,614</u> |

13 Creditors: amounts falling due after more than one year

| | 2021 £'000 | 2020 £'000 |
|--------------------------------|---------------|---------------|
| Amounts due to related parties | <u>15,000</u> | <u>7,500</u> |

Included in amounts owed to related parties is a loan of £15,000,000 (2020: £7,500,000) due to related party, Newlands (Elgin) Holdings Limited. This loan is repayable in full on 31 December 2024 and has interest levied at commercial rates based on prevailing LIBOR with a transition to SONIA at 31 December 2021. The funding facility is secured by way of standard securities over the assets of Robertson Living Limited.

Financial assets measured at amortised cost comprise debtors due within one year and cash balances, but excluding deferred tax, corporation tax and other taxes and social security and amounts to £3,470,000 (2020: £2,631,000).

Financial liabilities measured at amortised cost comprise creditor balances due within one and after one year, excluding corporation tax and other taxes and social security and amount to £17,127,000 (2020: £9,105,000).

14 Called up share capital

| | 2021 £ | 2020 £ |
|------------------------------------|------------|------------|
| Authorised | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

The company has one class of ordinary share with equal voting rights and carries no rights to fixed income.

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes (continued)

15 Contingent liabilities

At the year end there were contingent liabilities in respect of guarantees and claims under contracts entered into in the normal course of business including certain amounts which are the subject of ongoing disputes with suppliers. Based on detailed reviews of each issue, including external advice where necessary, the directors are of the opinion that no provision is required in respect of ongoing claims and disputes at the year end.

16 Pension costs

The Company participates in a defined contribution pension scheme in respect of all eligible employees. The scheme and their assets are held by independent fund managers in the name of each individual employee. The pension cost charge for the period represents contributions payable to the scheme and amounted to £57,000 (2020: £36,000). Pension contributions are administered by a related party, Robertson Group Limited. No pension contributions were outstanding to the related party as at 31 March 2021 (2020: £nil).

17 Related party transactions

Related party transactions with 100% owned group undertakings are excluded from the consolidated financial statements and are therefore exempt from disclosure in the financial statements under the provisions of FRS 102 'Related Party Disclosures'.

During the year the company made sales/purchases to/from related parties and associate companies and had year end balances with these companies as follows:

| | 2021 Turnover £'000 | 2021 Purchases £'000 | 2020 Turnover £'000 | 2020 Purchases £'000 |
|--|---------------------------|----------------------------|---------------------------|----------------------------|
| Related party transactions with: | | | | |
| - Robertson Timber Engineering Limited | - | 578 | - | 545 |
| - Robertson Construction Group | - | 562 | - | 254 |
| - Robertson Facilities Management | - | 46 | - | - |
| - Newlands (Elgin) Holdings Limited | - | 192 | - | - |
| | <u>-</u> | <u>1,378</u> | <u>-</u> | <u>799</u> |

Related party purchases primarily relate to the provision of construction supplies and management services.

| | 2021 Debtor £'000 | 2021 Creditor £'000 | 2020 Debtor £'000 | 2020 Creditor £'000 |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Related party balances with: | | | | |
| - Robertson Timber Engineering Limited | - | 42 | - | - |
| - Robertson Construction Group | - | 116 | - | - |
| - Robertson Facilities Management | - | 11 | - | - |
| - Robertson Group Limited | - | 2 | 25 | - |
| - Newlands (Elgin) Holdings Limited | - | 26 | - | 15 |
| | <u>-</u> | <u>197</u> | <u>25</u> | <u>15</u> |

The above companies are controlled by Newlands (Elgin) Holdings Limited, a company controlled by the ultimate controlling party.

Robertson Living Limited
Notes to the annual report and financial statements
Year ended 31 March 2021

Notes *(continued)*

18 Immediate and ultimate controlling party

The immediate parent undertaking is Robertson Residential Group Limited. That company is controlled by W G Robertson who owns 65% of the issued share capital.

The smallest and largest group in which the results of the company are consolidated is that headed by Robertson Residential Group Limited. The consolidated financial statements of that company are available to the public and may be obtained from Robertson Residential Group Limited, 10 Perimeter Road, Pinefield Industrial Estate, Elgin, Morayshire, IV30 6AE and Companies House.