Queensberry Properties (New Waverley) Limited

Annual report and financial statements

Registered number SC609740

For the period from incorporation to 31 March 2020

Contents

Directors and Advisors

Directors	KD Reid (appointed 2 October 2018) SG Simpson (appointed 2 October 2018) D Peck (appointed 2 October 2018) NAG Waugh (appointed 2 October 2018)
Company Secretary	WS Murray (appointed 2 October 2018, resigned 13 February 2019) P Dimond (appointed 13 February 2019)
Registered office	16 Walker Street Edinburgh EH3 7LP
Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
Principal banker	Aldermore Bank plc 1st Floor Block B Western House Lynch Wood Peterborough PE2 6FZ
Solicitor	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ

Directors' Report

The directors present their report together with the financial statements of the Company for the period from incorporation on 2 October 2018 to 31 March 2020.

Principal activities

The principal activity of the Company is the development and selling of private residential housing.

Trading results and dividends

The results of the Company are shown in the profit and loss account on page 6. No dividend was declared in the period.

Directors

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

SG Simpson (appointed 2 October 2018)
KD Reid (appointed 2 October 2018)
NAG Waugh (appointed 2 October 2018)
D Peck (appointed 2 October 2018)

Financial Instruments

Details of the Company's financial instruments are given in notes 6, 7 and 8 to the financial statements.

Political contributions

The Company made no political donations or incurred any political expenditure during the period.

Disclosure of information to auditor

The directors who held office 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 each 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.

Auditor

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

Signed by order of the Board

P Dimond
Secretary

16 Walker Street
Edinburgh
EH3 7LP
1 October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND 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 applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 judgements and estimates that are reasonable and prudent; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEENSBERRY PROPERTIES (NEW WAVERLEY) LIMITED

Opinion

We have audited the financial statements of Queensberry Properties (New Waverley) Limited ("the company") for the period from the date of incorporation to 31 March 2020, which comprise the Profit and Loss Account, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its result for the period then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are* independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEENSBERRY PROPERTIES (NEW WAVERLEY) LIMITED (continued)

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 exemption from the requirement to prepare a strategic report.

We have *nothing to report in these respects.*

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh, EH1 2EG

2 October 2020

Profit and Loss Account and Other Comprehensive Income

for the 78 week period from the date of incorporation to 31 March 2020

	Note	78 weeks 2020 £000
Administrative expenses		-
Result before taxation		-
Tax on result	*4*	-
Result for the financial period		-
Retained earnings at end of period		-

The Company has no Other Comprehensive Income other than the result for the financial period.

The result for the period has been derived from continuing activities

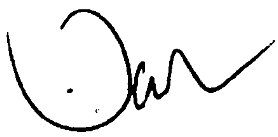
The notes on pages 8 to 13 are an integral part of these financial statements.

Balance Sheet
at 31 March 2020

	Note	2020 £000
Current assets		
Stocks	*5*	16,506
Debtors: amounts falling due within one year	*6*	74
Cash at bank		6
		16,586
Creditors: amounts falling due within one year	*7*	(5,860)
Net current assets		10,726
Total assets less current liabilities		10,726
Creditors: amounts falling due after more than one year	*8*	(10,726)
Net assets		-
Capital and reserves		
Called up share capital	*10*	-
Profit and loss account		-
Shareholders' funds		-

These financial statements were approved by the board of directors on 1 October 2020 and signed on their behalf by:

KD Reid
Director



D Peck
Director

The notes on pages 8 to 13 are an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Queensberry Properties (New Waverley) Limited (the "Company") is a private company limited by shares and is incorporated, domiciled and registered in the UK.

These financial statements were prepared in accordance with section 1A Small entities of Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

All amounts in the financial statements have been rounded to the nearest £1,000.

Under section 1A Small entities of FRS 102, the Company is not required to prepare a cash flow statement.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified at fair value through the profit or loss.

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The Company's day to day working capital requirements are provided by its immediate and intermediate shareholders and its bankers.

The Company has prepared cash flow forecasts for at least 12 months from the date of approval of these financial statements. These cash flow forecasts indicate that, taking account of severe but plausible downsides the company will have sufficient funds, through funding from its shareholders, to meet its liabilities as they fall due. The downside scenarios model risks which the directors consider are reasonably possible as a result of the coronavirus pandemic and related economic uncertainty and comprise a slowdown in sales rate and reduction in sales prices.

The shareholders have indicated that they will continue to provide such funds as are necessary to enable the Company to continue to trade and to meet its liabilities as they fall due and that the shareholders will not seek repayment of the amounts currently made available. As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The company's bank facility is due to expire August 2021, a term which is consistent with the period of funding forecast to be required to complete the construction and development of the Company's construction project.

Based upon the undertaking of financial support and the bank facility outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Company's annual financial statements.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Basic financial instruments (continued)

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.4 Land and property development (work in progress)

Land and property development costs are included in the financial statements at the lower of cost and net realisable value. No profit is taken in respect of properties sold until settlement has been achieved.

1.5 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.6 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions. Borrowing costs are expensed as incurred, or for those that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.8 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2 Expenses and auditor's remuneration

The auditor's remuneration of £2,501 was borne by the parent company.

3 Staff numbers and costs

The Company has no employees other than its directors. No directors' remuneration was paid during the period.

Notes *(continued)*

4 Tax on result

Total tax expense recognised in the profit and loss account

	2020 £000
UK Corporation tax	
Current tax credit for the period	-

Reconciliation of effective tax rate

	2020 £000
Result for the period	-
Total tax credit	-
Result excluding taxation	-
Current tax at 19%	-

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

5 Stocks

	2020 £000
Land and property for development	16,506

6 Debtors: amounts falling due within one year

	2020 £000
Corporation Tax	70
Other debtors	4
	74

7 Creditors: amounts falling due within one year

	2020 £000
Trade creditors	3
Accruals and deferred income	36
Amounts due to shareholders	1,444
Amounts due to parent	4,377
	5,860

Notes *(continued)*

8 Creditors: amounts falling due after one year

	2020
	£000
Bank loans	10,726

9 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and Company's interest-bearing loans and borrowings, which are measured at amortised cost.

Facility	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2020
					£
New Waverley	GBP	6.5% Fixed rate	2021	In line with development	10,726

This loan was secured by a floating charge over the Company's assets, along with a standard security over the development.

10 Called up share capital

	2020
	£
Issued and fully paid:	
ordinary share of £1 each	1

The holders of ordinary shares are entitled to receive dividends, as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally.

11 Related party disclosures

The Company is a 100% subsidiary undertaking of Queensberry Properties Limited, a company jointly owned by Cruden Homes (East) Limited and Tarras Park Properties Limited

At the year end £4,125,512 was due to Queensberry Properties Limited in respect of shareholder's loan. Interest charged on the loan amounted to £251,004. At the year-end accrued interest of £251,004 was due to Queensberry Properties Limited.

At the year end £764,159 was due to Cruden Homes (East) Limited in respect of development expenditure, £549,603 to Cruden Homes (East) Limited, £126,831 to Buccleuch Property Investment Managers Limited for management fees, £2,771 to Cruden Homes (East) Limited and £80 from Queensberry Properties Limited for recharges.

Notes *(continued)*

12 Parties with significant control

The parent company is Queensberry Properties Limited incorporated in Scotland, a company jointly owned by Cruden Homes (East) Limited and Tarras Park Properties Limited. The consolidated accounts for Queensberry Properties Limited are available to the public and may be obtained from 16 Walker Street, Edinburgh, EH3 7LP.

Cruden Homes (East) Limited is ultimately owned by Cruden Holdings Limited, incorporated in Scotland, whose financial statements are available to the public and may be obtained from 16 Walker Street, Edinburgh, EH3 7LP.

Tarras Park Properties Limited is ultimately owned by The MDS Estates Limited, incorporated in England, whose financial statements are available to the public and may be obtained from the Company Secretary, Buccleuch Property Estate Office, Weekley, Kettering, Northamptonshire, NN16 9UP.

13 Accounting estimates and judgements

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting estimate will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Carrying value of land and property for development

Inventories of land and development work in progress are stated at the lower of cost or net realisable value. The Company allocates site wide development costs such as infrastructure between units being built and/ or completed in the current year and those in future years. This estimate is reflected in the margin recognised on developments and in the carrying value of land and work in progress. Whilst there is a degree of uncertainty in making this estimate, reviews are carried out monthly on the carrying value of stock.