

Unaudited Financial Statements for the Year Ended 30 April 2020

for

Hazledene (Inverness) Limited

Hazledene (Inverness) Limited (Registered number: SC248576)

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Hazledene (Inverness) Limited

Company Information
for the Year Ended 30 April 2020

DIRECTOR: M D Shaw

REGISTERED OFFICE: The Ca'd'ora
45 Gordon Street
Glasgow
G1 3PE

REGISTERED NUMBER: SC248576 (Scotland)

ACCOUNTANTS: AR Accountancy
Chartered Accountants
3 Holmwood Park
Crossford
Lanarkshire
ML8 5SZ

Hazledene (Inverness) Limited (Registered number: SC248576)**Statement of Financial Position
30 April 2020**

		2020 £	2019 £
CURRENT ASSETS	Notes		
Stocks	4	19,659,662	18,954,323
Debtors	5	1,414,906	1,852,332
Cash at bank		2,090,388	816,688
		<u>23,164,956</u>	<u>21,623,343</u>
CREDITORS			
Amounts falling due within one year	6	<u>29,326,924</u>	<u>27,550,108</u>
NET CURRENT LIABILITIES		<u>(6,161,968)</u>	<u>(5,926,765)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(6,161,968)	(5,926,765)
CREDITORS			
Amounts falling due after more than one year	7	<u>6,479,829</u>	<u>5,402,461</u>
NET LIABILITIES		<u>(12,641,797)</u>	<u>(11,329,226)</u>
CAPITAL AND RESERVES			
Called up share capital		200	200
Share premium	10	2,999,950	2,999,950
Retained earnings	10	<u>(15,641,947)</u>	<u>(14,329,376)</u>
SHAREHOLDERS' FUNDS		<u>(12,641,797)</u>	<u>(11,329,226)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2020 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Hazledene (Inverness) Limited (Registered number: SC248576)

Statement of Financial Position - continued
30 April 2020

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director and authorised for issue on 15 March 2021 and were signed by:

M D Shaw - Director

Hazledene (Inverness) Limited (Registered number: SC248576)

Notes to the Financial Statements for the Year Ended 30 April 2020

1. STATUTORY INFORMATION

Hazledene (Inverness) Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue to meet its obligations as they fall due for at least 12 months from the date of approval of the financial statements. In the opinion of the director this basis is appropriate. Funding is in place on a rolling basis and the director is confident that funding will not be withdrawn within 12 months of the signing of these financial statements.

Significant judgements and estimates

Significant judgements and estimates are made in the calculations required to determine the costs to complete long term construction projects. The percentage completion, and hence the gross profit to release to the income statement, are dependent on those estimates. In the opinion of the director, after due consideration, the estimates made at the balance sheet date are considered reasonable, however, any significant over or under estimate could materially alter the value of gross profit released.

An assessment of projected sales on a project by project basis has been taken. Where the forecast costs to complete are in excess of the projected sales value, the difference is taken to cost of sales.

In evaluating the projected sales, the director has made judgements based on the projected land values and likelihood of securing sales looking forward to 2022.

The company has unutilised tax losses. A deferred tax asset has been created to recognise the tax losses in so far as they are expected to be utilised. A forecast has been made of the projected future profits of the company to estimate to what extent these tax losses will be utilised.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Stocks

Stocks and work in progress (except long term contracts) are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Long term contract balances are valued at costs incurred including interest incurred in funding land on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account. If the ultimate profitability of a contract can be assessed with reasonable certainty, after having made prudent allowance for future risks and uncertainties, then profit is recognised in proportion to the contract work completed. Immediate provision is made for all foreseeable losses.

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

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 measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Effects of covid-19

Since 30 April 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions

As a result of the social lockdown, sub-contractors working on the company's sites ceased work at the end of March 2020, only returning once lockdown was lifted. The company has not needed to take advantage of government support and has received no grants.

While this disruption has caused a delay to the work, in the opinion of the director it has not significantly impacted the profitability of the future land sales. Land sales in the year to 30 April 2020 were unaffected. Future land sales may be delayed, but it is unclear at the present time whether this will be the case.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 April 2020 have not been adjusted to reflect their potential future impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2019 - NIL).

Hazledene (Inverness) Limited (Registered number: SC248576)

Notes to the Financial Statements - continued for the Year Ended 30 April 2020

4. STOCKS

	2020 £	2019 £
Net costs less foreseeable losses	<u>19,659,662</u>	<u>18,954,323</u>

Work in progress includes £5,650,628 (2019 £5,590,397) of capitalised interest.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	<u>1,414,906</u>	<u>1,852,332</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts	21,557,496	20,861,886
Trade creditors	494,559	13,438
Amounts owed to participating interests	795,359	795,359
Other creditors	<u>6,479,510</u>	<u>5,879,425</u>
	<u>29,326,924</u>	<u>27,550,108</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other creditors	<u>6,479,829</u>	<u>5,402,461</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	21,557,496	20,861,886
Other loans	<u>6,479,829</u>	<u>5,402,461</u>
	<u>28,037,325</u>	<u>26,264,347</u>

The bank loan funder holds a standard security over the land held by the company, a legal charge over the bank account and a floating charge over all the assets.

The other loan funder holds a standard security over part of the land held by the company.

9. DEFERRED TAX

	£
Balance at 1 May 2019	(1,752,569)
Charge to Income Statement during year	<u>461,941</u>
Balance at 30 April 2020	<u>(1,290,628)</u>

Hazledene (Inverness) Limited (Registered number: SC248576)

Notes to the Financial Statements - continued for the Year Ended 30 April 2020

9. DEFERRED TAX - continued

Deferred tax represents unutilised tax losses.

10. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 May 2019	(14,329,376)	2,999,950	(11,329,426)
Deficit for the year	(1,312,571)		(1,312,571)
At 30 April 2020	<u>(15,641,947)</u>	<u>2,999,950</u>	<u>(12,641,997)</u>

11. CONTINGENT LIABILITIES

As a condition of the bank loan, there is a participation agreement whereby fees will be payable to the funder based upon any disposal proceeds, less certain expenses, by applying an agreed percentage.

12. RELATED PARTY DISCLOSURES

Mark Shaw

A director of the company

At the balance sheet date £708,490 (2019 £708,490) was due to the director. This loan is interest free and repayable on demand.

Hazledene Group Limited

A company in which Mark Shaw is a director and shareholder

At the balance sheet date £86,869 (2019 £89,869) was due to Hazledene Group Limited. The loan is interest free and repayable on demand.

13. ULTIMATE CONTROLLING PARTY

The controlling party is M D Shaw.

The company is jointly under the ultimate control of Mark Shaw and a party whose identity is withheld from the public record under section 790ZG of the companies Act 2006.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.