Skibo Limited

Annual report and financial statements

Registered number SC125259

31 March 2018

Contents

Company information

Directors	PM Andersson (Resigned 27th August 2018) P Crome G Gruber (Appointed 5th May 2017) J Lee Fegget (Appointed 20th September 2018)
Secretary	Burness Paull LLP
Registered office	Skibo Castle Dornoch Sutherland IV25 3RQ
Auditor	KPMG LLP 319 St Vincent Street Glasgow G2 5AS
Bankers	The Royal Bank of Scotland plc 29 Harbour Road Inverness IV1 1NU
Solicitors	Burness Paull LLP 50 Lothian Road Edinburgh EH3 9WJ

Strategic report

The directors present their strategic report for the year ended 31 March 2018.

Principal activity and business review

The principal activity of the company is the running of an international residential golf and sporting club with accommodation and extensive leisure facilities.

The company's turnover for the year was £10,774,000 *(2017: £9,965,000)* and the profit before tax for the year was £457,000 *(2017: loss before tax of £24,000).*

The principal risks and uncertainties affecting the business include the following:

- Major disruption/disaster: the company has insurance in place to minimise the risk of loss or damage. Furthermore, the company has a contingency plan in place in the case of a major disaster.
- Fluctations in quality and/or price of supplies: the company continually monitors the quality of its supplies and regularly checks the prices.
- Compliance with changing legislation: the company utilises external companies who monitor and check our compliance with current legislation.

Key areas of development and performance of the business include:

- The company has a close relationship with its membership and regularly communicates with them.
- Health and Safety: the company continues to seek ways of ensuring that a safe and healthy working environment is progressively improved.
- Skibo Limited is aware of its environmental obligations and is continually seeking to reduce its carbon footprint.

Key financial performance indicators include the following profitability and working capital measures.

	2018	2017	Measure
Financial			
Wage (%)	36%	37%	Wages/turnover
Debtors days	5	5	Trade debtors/turnover x 365
Sales per employee (£000)	54	50	Turnover/number of employees

In summary, the directors are satisfied with the business performance in the year. The directors are looking forward to continuing growth in the coming year.

Dividends

No dividends were either paid or proposed during the financial year *(2017: £Nil).*

By order of the board

Director

Dornoch
Sutherland
IV25 3RQ

30th January 2019

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2018.

Directors

The directors who held office during the year are shown on page 1.

Political and charitable contributions

During the year the company made various charitable contributions amounting to £2,000 (2017: £3,500).

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.

By order of the board

P Crome
Director

Skibo Castle
Dornoch
Sutherland
IV25 3RQ

30th January 2019

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS
United Kingdom

Independent auditor's report to the members of Skibo Limited

Opinion

We have audited the financial statements of Skibo Limited ("the company") for the year ended 31 March 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including 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, including the impact of Brexit, 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.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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:

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

- in our opinion those reports have 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

Katie Morrison (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

31 January 2019

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2018

	Note	2018 £000	2017 £000
Turnover	2	**10,774**	9,965
Cost of sales		**(1,549)**	(1,385)
Gross profit		**9,225**	8,580
Administrative expenses		**(8,329)**	(8,202)
Other operating income		**125**	160
Operating profit		**1,021**	538
Other interest receivable and similar income	6	**1**	84
Interest payable and similar charges	7	**(565)**	(646)
Profit / (Loss) before taxation		**457**	(24)
Tax on profit / (loss)	8	**(62)**	(25)
Profit / (Loss) for the financial year		**395**	(49)

There were no acquisitions or discontinued activities during the current or prior year.

There was no other comprehensive income in the current or prior year other than the profit / (2017:loss) for the financial year.

The notes on pages 11 to 20 form part of these financial statements.

Balance Sheet
at 31 March 2018

	Note	2018 £000	£000	2017 £000	£000
Fixed assets					
Tangible assets	*10*		41,007		40,764
Investments	*11*		-		-
			41,007		40,764
Current assets					
Stocks	*12*	345		297	
Debtors	*13*	300		777	
Cash at bank and in hand		798		600	
		1,443		1,674	
Creditors: amounts falling due within one year	*14*	(3,897)		(3,270)	
Net current liabilities			(2,454)		(1,596)
Total assets less current liabilities			38,553		39,168
Creditors: amounts falling due after more than one year	*15*		(20,729)		(21,739)
Net assets			17,824		17,429
Capital and reserves					
Called up share capital	*18*		15,860		15,860
Revaluation reserve			10,962		10,962
Profit and loss account			(8,998)		(9,393)
Shareholders' funds			17,824		17,429

These financial statements were approved by the board of directors on 30th January 2019 and were signed on its behalf by:

Peter Crome
Director

Company registered number: Registered number SC125259

The notes on pages 11 to 20 form part of these financial statements.

Statement of Changes in Equity

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total shareholders funds £000
Balance at 31 March 2016	15,860	10,962	(9,344)	17,478
Total comprehensive income for the year				
Loss for the financial year	-	-	(49)	(49)
Total comprehensive income for the year	-	-	(49)	(49)
Balance at 31 March 2017	15,860	10,962	(9,393)	17,429
Total comprehensive income for the year				
Profit for the financial year	-	-	395	395
Total comprehensive income for the year	-	-	395	395
Balance at 31 March 2018	15,860	10,962	(8,998)	17,824

Cash Flow Statement
for year ended 31 March 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Profit / (Loss) for the year		395	(49)
Adjustments for:			
Interest receivable and similar income	*6*	(1)	(84)
Interest payable and similar charges	*7*	565	646
Gain on disposal of fixed assets	*10*	-	7
Depreciation	*10*	673	727
Decrease/in trade and other debtors		477	411
(Increase) in stocks		(48)	(2)
(Decrease) in trade and other creditors		(497)	(1,415)
Net cash from operating activities		1,564	241
Cash flows from investing activities			
Acquisition of tangible fixed assets	*10*	(916)	(1,926)
Interest received	*6*	1	84
Net cash from investing activities		(915)	(1,842)
Cash flows from financing activities			
Payment of finance lease liabilities		(80)	(69)
Interest paid		(371)	(598)
Net cash from financing activities		(451)	(667)
Net increase / (decrease) in cash and cash equivalents		198	(2,268)
Cash and cash equivalents at 1 April		600	2,868
Cash and cash equivalents at 31 March		798	600

Notes
(forming part of the financial statements)

1 Accounting policies

Skibo Ltd (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with 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 FRS 102 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.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors do not consider there to be any significant judgements made in the application of the accounting policies.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

Notwithstanding net current liabilities of £2.454 million as at 31 March 2018, the financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the following reasons. The company's parent undertaking, Scytherbolle Limited, has indicated that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company to pay its liabilities as they fall due and in particular will not seek repayment of the amounts currently made available, which at 31 March 2018 amounted to £7.468 million. The parent has sufficient resources to make this commitment. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities 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.

Based on the undertakings from Scytherbolle Limited, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The financial statements have been prepared on the going concern basis. The company's parent undertaking,

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- buildings 10% of value over 50 years
- plant and equipment 5-20 years
- fixtures and fittings 5-10 years
- motor vehicles 4 years
- office equipment 4 years

Assets in course of construction are not depreciated until they are brought into use.

Leasing and hire purchase

Assets held under lease purchase agreements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related obligations is included in creditors. The interest element of the lease purchase obligations is charged to the profit and loss account so as to provide a constant periodic rate of charge.

Rentals in respect of all other leases are charged to the profit and loss account as incurred.

Investments

Investments held as fixed assets are recorded at cost, less provision for permanent impairment.

Stocks

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

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Annual membership subscriptions, included within turnover, are accounted for on an accruals basis. Revenue from Membership joining fees is recognised upon receipt of funds.

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. 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.

Notes *(continued)*

2 Turnover

The total turnover of the company for the year has been derived from its principle activity wholly arising in the UK.

3 Auditors' remuneration

	2018 £000	2017 £000
Audit of these financial statements	20	21
Amounts receivable by the company's auditor and its associates in respect of:		
Other services relating to taxation	6	5

4 Staff numbers and costs

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

	Number of employees 2018	2017
Management and administration	29	28
Front of house and services	132	131
Golf course and estate	40	39
	201	198
Full time	129	111
Part time	72	87

The aggregate payroll costs of these persons were as follows:

	2018 £000	2017 £000
Wages and salaries	3,848	3,711
Social security costs	318	299
Other staff costs	149	115
	4,315	4,125

Notes *(continued)*

5 Directors' remuneration

	2018 £000	2017 £000
Directors' remuneration	274	305
Company contributions to money purchase pension plans	-	13
	274	318

	Number of directors 2018	2017
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	-

In respect of the highest paid director, he received aggregate remuneration of £150,000 in the year *(2017: 141,5462)* which included a pension contribution of £0 *(2017: £1,562).*

6 Other interest receivable and similar income

	2018 £000	2017 £000
Gain on foreign exchange	-	82
Bank interest	1	2
Total interest receivable and similar income	1	84

Notes *(continued)*

7 Interest payable and similar charges

	2018 £000	2017 £000
On bank loans and overdrafts	353	458
On finance leases	14	15
On other loans	194	173
Exchange Loss	4	-
Total interest payable and similar charges	565	646

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018 £000	2017 £000
Current tax charge	(62)	(25)
Total tax charge	(62)	(25)

Reconciliation of effective tax rate

	2018 £000	2017 £000
Profit/(loss) for the year		
Total tax expense	395	(49)
	62	25
Profit/(loss) excluding taxation	457	(24)
Tax using the UK corporation tax rate of 19% (2017:20%)	87	(5)
Non-deductible expenses	10	8
Recognition of previously unrecognised tax losses	-	-
Movement in deferred tax asset not recognised	(35)	22
Under / (over) provided in prior years	-	-
Total tax expense included in profit or loss	62	25

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax /liability at 31 March 2018 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

The company has an unrecognised deferred tax asset which may be available to reduce current tax charges in future years (refer to note 17)

Notes *(continued)*

9 Intangible assets

	Farm Entitlement £000
Cost	
At beginning and end of year	84
Provision for amortisation	
At beginning and end of year	84
Net book value at 31 March 2018 and 31 March 2017	-

10 Tangible fixed assets

	Freehold land and buildings £000	Tools and equipment £000	Office equipment & fittings £000	Motor vehicles £000	Under construction £000	Total £000
Cost						
Balance at 1 April 2017	46,189	2,229	395	1,346	61	50,220
Additions	53	35	-	148	680	916
Transfer	395	-	-	-	(395)	-
Disposals	-	-	-	(51)	-	(51)
Balance at 31 March 2018	46,637	2,264	395	1,443	346	51,085
Depreciation						
Balance at 1 April 2017	6,476	1,645	357	978	-	9,456
Charge for year	348	156	17	152	-	673
Released on Disposal	-	-	-	(51)	-	(51)
Balance at 31 March 2018	6,824	1,801	374	1,079	-	10,078
Net book value						
At 1 April 2017	39,713	584	38	368	61	40,764
At 31 March 2018	**39,813**	**463**	**21**	**364**	**346**	**41,007**

Included above are assets held under finance lease contracts as follows:

	2018 Net book value £000	2018 Depreciation charge £000	2017 Net book value £000	2017 Depreciation charge £000
Assets held under finance leases	258	86	313	108

Notes *(continued)*

11 Fixed asset investments

	2018 £	2017 £
Subsidiary undertakings	-	-
Highland Grain	1	1
	1	1

The company's investment in its subsidiary companies represents the cost of the acquisition of all of the unpaid ordinary share capital (100%) of Carnegie Clubs (International) Limited and Skibo Golf Limited. Both companies are registered in Scotland at Skibo Castle, Dornoch, IV25 3RQ and are dormant. These investments have been fully written off.

At the beginning and end of the year, the net assets of Skibo Golf Limited consisted of allotted and unpaid share capital. The net assets of Carnegie Clubs (International) Limited amounted to £Nil *(2017: £Nil)*. The companies have ceased trading and are dormant.

Skibo invested £1, in Highland Grain Limited during 2008 representing 100% of the unpaid ordinary share capital. The company is a supplier to Skibo of grain and agricultural services.

12 Stocks

	2018 £000	2017 £000
Raw materials and consumables	161	150
Goods for resale	184	147
	345	297

13 Debtors due within one year

	2018 £000	2017 £000
Trade debtors	147	147
Amounts owed by group undertakings	-	396
Prepayments and accrued income	153	234
	300	777

Notes *(continued)*

14 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	1,109	1,083
Amounts owed to related party (refer to note 20)	138	-
Taxation and social security	444	100
Finance lease liabilities	98	99
Accruals	131	333
Deferred income	1,977	1,655
	3,897	3,270

15 Creditors: amounts falling after more than one year

	2018 £000	2017 £000
Bank loans and overdrafts (refer to note 16)	12,000	12,000
Finance lease liabilities	107	186
Amounts owed to parent undertakings (refer to note 16)	7,462	7,204
Accrued loan interest due to parent undertaking (refer to note 16)	194	258
Deferred income	966	2,091
	20,729	21,739

16 Interest-bearing loans and borrowings

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

	2018 £000	2017 £000
Creditors falling due more than one year		
Secured bank loan	12,000	12,000
Finance lease liabilities	107	186
Loan from parent undertaking	7,656	7,462
	19,763	19,648
Creditors falling due within less than one year		
Secured bank loans	-	-
Finance lease liabilities	98	99
	98	99

Notes *(continued)*

16 Interest-bearing loans and borrowings *(continued)*

Terms and debt repayment schedule

	Currency	Nominal interest rate	2018 £000	2017 £000
Secured bank loan	GBP	LIBOR + 2.5%	12,000	12,000
Finance lease liabilities	GBP		205	285
Loan from parent undertaking	GBP	Base rate +2.0%	7,642	7,462
			19,847	19,747

The bank loan is secured by a standard security over Skibo Castle and Estate and by a bond and floating charge over the whole of the assets of the company. This carries interest at normal commercial rates. As at 31 March 2018, the loan was repayable in 2023.

The loans from parent undertaking are in respect of amounts advanced to the company by its parent, Scytherbolle Limited. Interest is charged at 2.0% above UK base rate. As at 31 March 2018, the loan and interest is repayable in 2024.

17 Deferred tax asset

The company has an unrecognised deferred tax asset of £1,350,656 *(2017: £1,497,474)* which has not been recognised due to uncertainty in its recovery.

18 Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
6,720,744 ordinary shares of £1 each	6,721	6,721
9,139,000 ordinary shares of £1 each	9,139	9,139
	15,860	15,860

19 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2018 £000	2017 £000
Less than one year	20	34
Between one and five years	-	20
More than five years	-	-
	20	54

Notes *(continued)*

20 Related parties

In prior years, the company borrowed £9.4m from its parent undertaking, Scytherbolle Limited. Subsequently, £2.2 million of the loan plus the accrued interest of £6.9 million was capitalised. The remaining loan of £7.6 million was extended to 2024 and as at 31 March 2018, this has accrued interest of £194,000. The terms of this loan and details of repayment are given in note 16.

Ellis Short was a related party during the year. He made purchases during the year of £47,685 *(2017: £304,000)*. The net balance outstanding at 31 March 2018 due to the company from Eliss Short was £Nil (2017: £396,000). The net balance outstanding at 31 March 2018 due from the company to Ellis Short is £138,400 *(2017: £Nil)*.

Per-Magnus Andersson was a related party during the year. He is also a director of Kitano Capital LLC, a company which made sales to Skibo Ltd during the year amounting to £40,000 *(2017: £142,000)*. The balance due to Kitano Capital LLC at the year end was £40,000 *(2017: £142,000)*.

21 Ultimate parent company and parent company of larger group

The Company's ultimate parent undertaking is Scytherbolle Limited, a company registered in Bermuda.