

Company Registration No. SC133788 (Scotland)

NESS CASTLE LODGES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR

NESS CASTLE LODGES LIMITED

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NESS CASTLE LODGES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3	5,135,234		5,251,541	
Investments	4		4		4
		<u>5,135,238</u>		<u>5,251,545</u>	
Current assets					
Debtors	5	81,326		176,960	
Cash at bank and in hand		236,527		318,514	
		<u>317,853</u>		<u>495,474</u>	
Creditors: amounts falling due within one year	6	<u>(1,028,393)</u>		<u>(1,197,017)</u>	
Net current liabilities			(710,540)		(701,543)
Total assets less current liabilities			<u>4,424,698</u>		<u>4,550,002</u>
Creditors: amounts falling due after more than one year	7		(1,271,933)		(1,271,933)
Net assets			<u><u>3,152,765</u></u>		<u><u>3,278,069</u></u>
Capital and reserves					
Called up share capital	8		709		709
Revaluation reserve			507,740		507,740
Capital redemption reserve			1,041		1,041
Profit and loss reserves			<u>2,643,275</u>		<u>2,768,579</u>
Total equity			<u><u>3,152,765</u></u>		<u><u>3,278,069</u></u>

NESS CASTLE LODGES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 10 September 2019 and are signed on its behalf by:

D F Sutherland CBE CA
Director

Company Registration No. SC133788

NESS CASTLE LODGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Ness Castle Lodges Limited (SC133788), is a private company limited by shares incorporated in Scotland. The registered office is Oldtown of Leys House, Culduthel, Inverness, IV2 6AE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

The company has recorded a loss in the financial period and has net current liabilities of £710,540 at the year end. It is recognised that the ability of the company to continue as a going concern is dependent on the on-going financial support of the directors. The directors are confident that funds will be made available to allow the company to meet its liabilities as they fall due and that amounts due to the directors and entities controlled by the directors of £580,878 at 31 December 2018, will not be recalled within 12 months from the date of approval of these financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements and have considered a period of twelve months from the date of approval of these financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for holiday lets provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	not depreciated
Plant and machinery	20% straight line

NESS CASTLE LODGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

From 1 January 2018 the directors changed the depreciation policy for fixtures and fittings from 15% reducing balance to 20% straight line, to reflect a more accurate representation of their useful lives. This change in accounting policy has increase their depreciation charge by £94,193.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

NESS CASTLE LODGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiaries comprise a small-sized group.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2017 - 17).

NESS CASTLE LODGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 January 2018	5,106,305	925,801	6,032,106
Additions	-	4,381	4,381
At 31 December 2018	5,106,305	930,182	6,036,487
Depreciation and impairment			
At 1 January 2018	-	780,565	780,565
Depreciation charged in the year	-	120,688	120,688
At 31 December 2018	-	901,253	901,253
Carrying amount			
At 31 December 2018	5,106,305	28,929	5,135,234
At 31 December 2017	5,106,305	145,236	5,251,541

Land and buildings with a carrying amount of £2,837,810 were revalued at 1 April 2016 by Allied Surveyors Scotland Plc, independent valuers not connected with the company on an open market basis. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The directors are satisfied that the revalued amount remains applicable at 31 December 2018.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	4,909,902	4,909,902
Accumulated depreciation	(801,520)	(703,322)
Carrying value	4,108,382	4,206,580

4 Fixed asset investments

	2018 £	2017 £
Investments	4	4

NESS CASTLE LODGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Fixed asset investments (Continued)

Movements in fixed asset investments

Shares in group undertakings

	£
Cost or valuation	
At 1 January 2018 & 31 December 2018	4
Carrying amount	
At 31 December 2018	4
At 31 December 2017	4

5 Debtors

Amounts falling due within one year:

	2018 £	2017 £
Trade debtors	57,144	71,015
Amounts owed by group undertakings	15,000	94,075
Other debtors	9,182	11,870
	<u>81,326</u>	<u>176,960</u>

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans	268,958	300,000
Trade creditors	8,098	22,527
Other taxation and social security	6,937	7,472
Other creditors	744,400	867,018
	<u>1,028,393</u>	<u>1,197,017</u>

The bank loans are secured by way a floating charge over the company's assets.

NESS CASTLE LODGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Preference shares classified as liabilities	1,271,933	1,271,933

The company may redeem all or part of the preference shares at any time at par value. The final redemption date is the twentieth anniversary of the date of the subscription, being June 2029.

Amounts included above which fall due after five years are as follows:

Payable by instalments	1,271,933	1,271,933
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8 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
709 Ordinary shares of £1 each	709	709

9 Related party transactions

	2018 £	2017 £
Amounts due to related parties		
Key management personnel	566,214	616,213
Other related parties	14,664	82,277
	580,878	698,490

	2018 £	2017 £
Amounts due from related parties		
Other related parties	15,000	94,075

Other related parties represent other entities owned by certain directors. These balances are interest free and have no fixed terms of repayment.

No security has been provided on any balances.

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.