

Company Registration No. SC133788 (Scotland)

NESS CASTLE LODGES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
PAGES FOR FILING WITH REGISTRAR

NESS CASTLE LODGES LIMITED

COMPANY INFORMATION

Directors	D F Sutherland CBE CA A M Sutherland C A Clayton LLB (Hons) Dip. LP C G Ramsay A R Duncan CA MAAT
Secretary	C A Clayton LLB (Hons) Dip. LP
Company number	SC133788
Registered office	Old Town of Leys House Culduthel INVERNESS IV2 6AE
Accountants	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH

NESS CASTLE LODGES LIMITED

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NESS CASTLE LODGES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3	5,251,541		5,284,855	
Investments	4		4		4
		<u>5,251,545</u>		<u>5,284,859</u>	
Current assets					
Debtors	5	176,960		168,492	
Cash at bank and in hand		318,514		27,589	
		<u>495,474</u>		<u>196,081</u>	
Creditors: amounts falling due within one year	6	<u>(1,197,017)</u>		<u>(903,265)</u>	
Net current liabilities			(701,543)		(707,184)
Total assets less current liabilities			<u>4,550,002</u>		<u>4,577,675</u>
Creditors: amounts falling due after more than one year	7		(1,271,933)		(1,271,933)
Net assets			<u><u>3,278,069</u></u>		<u><u>3,305,742</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>2,768,579</u>		<u>2,796,252</u>
Total equity			<u><u>3,278,069</u></u>		<u><u>3,305,742</u></u>

NESS CASTLE LODGES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

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 2017 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 Act 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 26 September 2018 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 2017

1 Accounting policies

Company information

Ness Castle Lodges Limited (SC133788), is a private company limited by shares incorporated in Scotland. The registered office is Old Town 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 £701,543 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 £698,490 at 31 December 2017, 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:

Freehold land and buildings	not depreciated
Plant and machinery	20% straight line
Fixtures & fittings	15% reducing balance

NESS CASTLE LODGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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 measured at cost 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.

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 and cash equivalents

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 initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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 and are subsequently carried at amortised cost, using the effective interest method, 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.

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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 direct issue costs.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

On the basis of these financial statements no provision has been made for corporation tax.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences. Deferred tax is calculated at the rates that are expected to arise in the period when the liability is settled. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.11 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.

1.12 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.

NESS CASTLE LODGES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 17 (2016 - 17).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 January 2017 and 31 December 2017	5,106,305	925,801	6,032,106
Depreciation and impairment			
At 1 January 2017	-	747,251	747,251
Depreciation charged in the year	-	33,314	33,314
At 31 December 2017	-	780,565	780,565
Carrying amount			
At 31 December 2017	5,106,305	145,236	5,251,541
At 31 December 2016	5,106,305	178,550	5,284,855

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 2017.

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:

	2017 £	2016 £
Cost	4,909,902	4,909,902
Accumulated depreciation	(703,322)	(605,124)
Carrying value	4,206,580	4,304,778

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Fixed asset investments

	2017 £	2016 £
Investments	4	4
	<u>4</u>	<u>4</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2017 & 31 December 2017	4
Carrying amount	
At 31 December 2017	4
At 31 December 2016	4

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	71,015	69,545
Amounts due from group undertakings	94,075	91,994
Other debtors	11,870	6,953
	<u>176,960</u>	<u>168,492</u>

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	300,000	32,757
Trade creditors	22,527	16,474
Other taxation and social security	7,472	7,949
Other creditors	867,018	846,085
	<u>1,197,017</u>	<u>903,265</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 2017

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Preference shares classified as liabilities	1,271,933	1,271,933

Bank loans are secured by a floating charge over the company's assets.

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

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
709 Ordinary shares of £1 each	709	709

9 Related party transactions

	2017 £	2016 £
Amounts owed to related parties		
Key management personnel	616,213	616,214
Other related parties	82,277	79,079
	698,490	695,293

	2017 Balance £
Amounts owed by related parties	
Entities with control, joint control or significant influence over the company	94,075

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9	Related party transactions	(Continued)
		2016
		Balance
	Amounts owed in previous period	£
	Entities with control, joint control or significant influence over the company	91,994
		<u><u> </u></u>

These above loans are unsecured, interest free and have no fixed terms of repayment.

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.