

NESS CASTLE LODGES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
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NESS CASTLE LODGES LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	3	4,736,729	3,832,005
Investments	4	2	2
		4,736,731	3,832,007
Current assets			
Debtors	5	160,771	142,171
Cash at bank and in hand		138,242	211,439
		299,013	353,610
Creditors: amounts falling due within one year	6	(678,521)	(702,444)
Net current liabilities		(379,508)	(348,834)
Total assets less current liabilities		4,357,223	3,483,173
Creditors: amounts falling due after more than one year	7	(1,301,055)	(1,310,856)
Provision for liabilities	8	(25,110)	0
Net assets		3,031,058	2,172,317
Capital and reserves			
Called-up share capital	9	709	709
Revaluation reserve		1,407,005	507,740
Capital redemption reserve		1,041	1,041
Profit and loss account		1,622,303	1,662,827
Total shareholders' funds		3,031,058	2,172,317

NESS CASTLE LODGES LIMITED
BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

For the financial year ending 31 December 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Ness Castle Lodges Limited (registered number: SC133788) were approved and authorised for issue by the Director on 12 September 2023. They were signed on its behalf by:

David Sutherland
Director

NESS CASTLE LODGES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Ness Castle Lodges Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Oldtown Of Leys House, Culduthel, Inverness, IV2 6AE, Scotland, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover 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.

Employee benefits

Short term benefits

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

Taxation

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Land and buildings	not depreciated
Plant and machinery etc.	5 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

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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 depreciation and 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.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Non-financial assets

At each balance sheet date, the company reviews its tangible and intangible 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). The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. 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 for which the estimates of future cash flows have not been adjusted.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Cash and cash equivalents

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

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

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Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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. 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.

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

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

A grant that specifies performance conditions is recognised in income only when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the grant proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	21	18

3. Tangible assets

	Land and buildings	Plant and machinery etc.	Total
	£	£	£
Cost			
At 01 January 2022	4,552,673	960,493	5,513,166
Additions	6,957	6,602	13,559
Revaluations	899,265	0	899,265
At 31 December 2022	5,458,895	967,095	6,425,990
Accumulated depreciation			
At 01 January 2022	743,895	937,266	1,681,161
Charge for the financial year	0	8,100	8,100
At 31 December 2022	743,895	945,366	1,689,261
Net book value			
At 31 December 2022	4,715,000	21,729	4,736,729
At 31 December 2021	3,808,778	23,227	3,832,005

Revaluation of tangible assets

Land and buildings with a carrying amount of £4,715,000 were revalued at 1 May 2023 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 was applicable at 31 December 2022.

	2022	2021
	£	£
Historical cost	4,363,227	4,361,646
Accumulated depreciation	(1,149,754)	(1,062,489)
Carrying value	3,213,473	3,299,157

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4. Fixed asset investments

	Other investments	Total
	£	£
Carrying value before impairment		
At 01 January 2022	2	2
At 31 December 2022	2	2
Provisions for impairment		
At 01 January 2022	0	0
At 31 December 2022	0	0
Carrying value at 31 December 2022	2	2
Carrying value at 31 December 2021	2	2

5. Debtors

	2022	2021
	£	£
Trade debtors	940	4,273
Amounts owed by Group undertakings	45,000	15,000
Other debtors	114,831	122,898
	160,771	142,171

6. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	9,787	9,546
Trade creditors	35,063	51,238
Other taxation and social security	5,243	2,101
Other creditors	628,428	639,559
	678,521	702,444

There are no amounts included above in respect of which any security has been given by the small entity.

Amounts owed to Group undertakings are repayable on demand and do not bear interest.

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7. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	29,122	38,923
Other creditors	1,271,933	1,271,933
	1,301,055	1,310,856

There are no amounts included above in respect of which any security has been given by the small entity.

Included within Other creditors are preference shares totalling £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 repayable after more than 5 years are included in creditors falling due over one year:

	2022	2021
	£	£
Other creditors	1,271,933	1,271,933

8. Deferred tax

	2022	2021
	£	£
At the beginning of financial year	0	0
Charged to the Profit and Loss Account	(25,110)	0
At the end of financial year	(25,110)	0

9. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully-paid		
709 Ordinary shares of £ 1.00 each	709	709
1,271,933 Preference shares of £ 1.00 each	1,271,933	1,271,933
	1,272,642	1,272,642

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10. Related party transactions

Transactions with owners holding a participating interest in the entity

	2022	2021
	£	£
Key management personnel	466,212	466,212

Other related party transactions

	2022	2021
	£	£
Amounts due from other related parties	(48,309)	(39,067)
Amounts due to other related parties	0	916

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.