Horizon Capital 2000 Limited

Annual report and financial statements for the year ended 31 December 2021

Registered office

The Mound
Edinburgh
EH1 1YZ

Registered number

SC144653

Current directors

M S J Daly
N S Burnett

Company Secretary

D D Hennessey

Member of Lloyds Banking Group

Directors' report

For the year ended 31 December 2021

The directors present their Annual report and the audited financial statements of Horizon Capital 2000 Limited (the "Company") for the year ended 31 December 2021.

General information

The Company is a private limited company, limited by shares, incorporated in United Kingdom, registered and domiciled in Scotland (registered number: SC144653).

The Company qualifies as a small company in accordance with Sections 381-382 of the Companies Act 2006 ("the Act") and the Directors' Report has therefore been prepared taking into consideration the provisions of Part 15 of the Act.

The Company is an investment holding company. During the year the Company continued to manage investments acquired in previous years.

The Company is funded entirely by other companies within the Lloyds Banking Group (the "Group").

Business Review

The directors consider that the Company's activities will continue unchanged in the foreseeable future.

As anticipated, investment in the subsidiary company, West Craigs Limited, increased during the year by £3,721,770 (2020: £2,914,036) from cash held. This was to support further site works including enablement and infrastructure works as planning milestones progress at the site held by the subsidiary. Further details of this increase in investment may be found in note 10.

The Company's profit before tax for the financial year was £24,512 (2020: £30,445).

The Balance Sheet shows a Net asset position of £16,287,729 (2020: £16,267,874).

The Company's actions are governed by the Codes of Business Responsibility of the ultimate parent undertaking, Lloyds Banking Group plc, which set out clear guidelines for responsible behaviour across the business, including human rights, social, ethical and environmental responsibilities. These guidelines can be viewed in the consolidated annual report and financial statements of Lloyds Banking Group plc.

The Company has no employees (2020: none) and therefore the directors have not commented on employee matters.

From the perspective of the Company, the principal risks and uncertainties are managed within the framework established for the Group and are not managed separately for the Company. Further details of the Company's and Group's risk management policy are contained in note 17 to the financial statements.

The global pandemic from the outbreak of COVID-19 is causing widespread disruption to financial markets and normal patterns of business activity across the world, including in the UK. Measures taken to contain the health impacts of the COVID-19 pandemic are resulting in adverse impacts on economic activity across the world, and the duration for which such measures will remain in place is uncertain. The impact on the economy is currently highly uncertain in both its depth and length, and may go beyond current forecasts of scale of loss of output and recession in the UK and globally.

The Company has not been directly impacted by COVID-19 but the directors continue to monitor for further developments however at this stage they do not anticipate any material issues for the Company.

The Company is part of the wider Lloyds Banking Group, and, at that level, following the United Kingdom's ("UK") vote to leave the European Union ("EU") and the UK's subsequent exit from the EU on the 31 December 2020, consideration of many of the potential implications has been undertaken. Work continues to address the impact of the EU exit at the level of the Lloyds Banking Group, as well as for the Company, upon customers, colleagues and products.

The Company has not been directly impacted by UK's exit from the EU but the directors will continue to monitor for further developments however at this stage they do not anticipate any material issues for the Company.

The Russian invasion of Ukraine, beginning in February 2022, has increased tensions between members of the North Atlantic Treaty Organisation (NATO) and Russia and caused sanctions to be imposed. This could have significant adverse economic effects on financial markets and on energy costs and may also result in increased cyber-attacks and an increase in costs associated with such cyber-attacks, all of which could have a materially adverse effect on the Company's results of operations, financial conditions or prospects.

The Company will continue to monitor the situation and risks to the business.

Dividends

No dividends were paid or proposed during the year ended 31 December 2021 (2020: £nil).

Directors' report (continued)

For the year ended 31 December 2021

Going concern

The financial statements have been prepared on a going concern basis. There is a Net asset position as at 31 December 2021 of £16,292,386 (2020: £16,267,874).

The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future being a least 12 months from the date of approval of the financial statements, and, accordingly the financial statements have been prepared on a going concern basis.

Post balance sheet events

There are no post balance sheet events requiring disclosure in these financial statements.

Future developments

The directors expect the general level of activity to remain consistent with 2021 in the forthcoming year.

Directors

The current directors of the Company are shown on the front cover.

There have been changes to directors between the beginning of the reporting period and the approval of the Annual report and financial statements.

M S J Daly	(appointed 15 December 2021)
M M De Vries	(resigned 15 December 2021)

Directors' indemnities

Lloyds Banking Group plc has granted to the directors of the Company, a deed of indemnity through deed poll which constituted 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements or from the date of appointment in respect of the director who joined the board of the Company during the financial year. Directors no longer in office but who served on the Board of the Company at any time in the financial year had the benefit of this deed of indemnity during that period of service. The indemnity remains in force for the duration of a director's period of office. The deed indemnifies the directors to the maximum extent permitted by law. The Deed for existing directors is available for inspection at the registered office of Lloyds Banking Group plc. In addition, the Group has in place appropriate Directors and Officers Liability Insurance cover which was in place throughout the financial year.

Directors' report (continued)

For the year ended (appointed 1 June 2016)
(continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Pursuant to section 487(2) of the Companies Act 2006, the auditors of the Company are deemed re-appointed for each financial year unless the Directors of the Company resolve to terminate their appointment. Following the completion of a tender process, Deloitte LLP are to be appointed as auditors of the Company for accounting periods ending on or after 31 December 2021.

Approved by the board of directors and signed on its behalf by:

M. Daly

M S J Daly
Director

24 August 2022

REGISTERED NUMBER:
SC144653

Statement of comprehensive income

For the year ended 31 December 2021

	Note	**2021** **£**	2020 £
Other Income	3	**15,000**	15,110
Other expenses	5	**(35)**	(37)
Operating Profit		**14,965**	15,073
Finance income	4	**9,547**	15,372
Profit before tax		**24,512**	30,445
Taxation	6	**(4,657)**	(5,785)
Profit for the year, being total comprehensive income		**19,855**	24,660

The accompanying notes to the financial statements are an integral part of these financial statements.

All results derive from continuing operations.

REGISTERED NUMBER:
SC144653

Balance sheet
As at 31 December 2021

	Note	2021	2020
		£	£
ASSETS			
Cash and cash equivalents	7	**1,011,688**	4,723,272
Trade and Other Receivables	8	**49,856**	53,811
Amounts due from jointly controlled entities	9	**1,617,148**	1,604,652
Investment in Joint controlled Entites	11	**100**	100
Investment in Subsidary undertakings	10	**13,614,344**	9,892,574
Total assets		**16,293,136**	16,274,409
LIABILITIES			
Trade Payables	12	**750**	750
Current tax liability	6	**4,657**	5,785
Total liabilities		**5,407**	6,535
EQUITY			
Share capital	13	**35,001,000**	35,001,000
Accumulated losses		**(18,713,271)**	(18,733,126)
Total equity		**16,287,729**	16,267,874
Total equity and liabilities		**16,293,136**	16,274,409

The accompanying notes to the financial statements are an integral part of these financial statements.

The financial statements were approved by the board of directors and were signed on its behalf by:

M. Daly

M S J Daly
Director
24 August 2022

REGISTERED NUMBER:
SC144653

Statement of changes in equity

For the year ended 31 December 2021

	Share capital £	Accumulated losses £	Total equity £
At 1 January 2020	35,001,000	(18,757,786)	16,243,214
Profit for the year being total comprehensive income	-	24,660	24,660
At 31 December 2020	**35,001,000**	**(18,733,126)**	**16,267,874**
As at 1 January 2021	**35,001,000**	**(18,733,126)**	**16,267,874**
Profit for the year being total comprehensive income	-	19,855	19,855
At 31 December 2021	**35,001,000**	**(18,713,271)**	**16,287,729**

The accompanying notes to the financial statements are an integral part of these financial statements.

Cash flow statement

For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows generated from operating activities			
Profit before tax		**24,512**	30,445
Adjustments for:			
- Bank Interest	4	**-**	(4,922)
- Net decrease/(increase) trade and other receivables		**3,955**	(28,451)
Cash generated from/(used in) operations		**28,467**	(2,928)
Bank interest received		**-**	4,922
Income tax Paid		**(5,785)**	(18,526)
Net cash generated from/(used in) operating activities		**22,682**	(16,532)
Cash flows used in investing activities			
Increase in investment in subsidiary	10	**(3,721,770)**	(2,914,036)
Cash paid to Jointly Controlled Entities		**(12,496)**	-
Net cash used in investing activities		**(3,734,266)**	(2,914,036)
Cash flows generated from financing activities			
Net cash generated from financing activities		**-**	-
Change in cash and cash equivalents		**(3,711,584)**	(2,930,568)
Cash and cash equivalents at beginning of year		**4,723,272**	7,653,840
Cash and cash equivalents at end of year		**1,011,688**	4,723,272

The accompanying notes to the financial statements are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

1.1 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in both years presented, unless otherwise stated.

These financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). IFRSs comprise accounting standards prefixed IFRS by the IASB and those prefixed IAS issued by the IASB's predecessor body, as well as interpretations issued by the IFRS Interpretations Committee ("IFRS IC") and its predecessor body.

In the preparation of these financial statements the Balance sheet has been arranged in order of liquidity. This is a change in presentation to align to other Lloyds Banking Group entities.

No new IFRS pronouncements that had a material impact have been adopted in these financial statements.

Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2021 and which have not been applied in preparing these financial statements are given in note 23. No standards have been early adopted.

These separate financial statements contain information about the Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemptions under IFRS 10 Consolidated Financial Statements and Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The Company and its subsidiaries are included in the consolidated financial statements of the Company's ultimate parent company.

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities measured at fair value, and on a going concern basis. There is a Net asset position of £16,287,729 (2020: £16,267,874).

The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

1.2 Income recognition

Other income

Other income includeds management fees receivable from Jointly Controlled Entities

1.3 Investments

i) Investments in subsidiary undertakings

Subsidiary undertakings held for investment are stated at cost less impairment.

ii) Investments in jointly controlled entities

Jointly controlled entities are entities over which the Company has joint control under a contractual arrangement with other parties.

The Company records such investments at historic cost less provision for impairment.

iii) Amounts due from jointly controlled entities

Debt securities consist of loan stock issued. These are classified as loans and receivables where there is no active market. They are initially recognised at fair value plus directly related transaction costs and are subsequently carried on the Statement of Financial Position at amortised cost using the effective interest rate method less provision for impairment. Income on debt securities is taken to interest receivable through the Statement of Comprehensive Income.

1. Accounting policies (continued)

1.4 Impairment

Expected credit losses ("ECL") on financial assets held at amortised cost are calculated by using an appropriate probability of default, adjusted to take into account a range of possible future economic scenarios, and applying this to the estimated exposure of the Company at the point of default after taking into account the value of any collateral held or other mitigants of loss and including the impact of discounting using the effective interest rate.

At initial recognition, allowance is made for expected credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). In the event of a significant increase in credit risk, allowance is made for expected credit losses resulting from all possible default events over the expected life of the financial instrument (lifetime expected credit losses). Financial assets where 12-month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

An assessment of whether credit risk has increased significantly since initial recognition considers the change in the risk of default occurring over the remaining expected life of the financial instrument. The assessment is unbiased, probability-weighted and uses forward-looking information consistent with that used in the measurement of expected credit losses. However, unless identified at an earlier stage, the credit risk of financial assets is deemed to have increased significantly when more than 30 days past due. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risk since origination, the asset is transferred back to Stage 1.

Assets are transferred to Stage 3 when they have defaulted or are otherwise considered to be credit impaired. IFRS 9 contains a rebuttable presumption that default occurs no later than when a payment is 90 days past due.

1.5 Taxation, including deferred income taxes

Tax expense comprises current and deferred tax. Current and deferred tax are charged or credited in the Statement of Comprehensive Income except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the Statement of Comprehensive Income (either in other comprehensive income, directly in equity, or through a business combination), in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by Her Majesty's Revenue and Customs ("HMRC") or other relevant tax authority, it is more likely than not that an economic outflow will occur. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. Changes in facts and circumstances underlying these provisions are reassessed at each balance sheet date, and the provisions are re-measured as required to reflect current information.

1.6 Financial assets and liabilities

Management determines the classification of its financial assets and financial liabilities at initial recognition. Financial assets comprise trade and other receivables and cash and cash equivalents. Financial liabilities comprise trade and other payables.

Financial assets are derecognised when the contractual right to receive cash flows from those assets has expired or when the Company has transferred its contractual right to receive the cash flows from the assets and either: substantially all of the risks and rewards of ownership have been transferred; or the Company has neither retained nor transferred substantially all of the risks and rewards, but has transferred control.

Financial instruments measured at amortised cost

Financial assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets measured at amortised cost are predominantly amounts due from Jointly Controlled Entities and payment of trade debtors. Loans and advances are initially recognised when cash is advanced to the borrower at fair value inclusive of transaction costs. Interest income is accounted for using the effective interest method.

Financial liabilities are measured at amortised cost.

Notes to the financial statements (continued)
For the year ended 31 December 2021

1. Accounting policies (continued)

1.7 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

1.8 Cash and cash equivalents

For the purposes of the Balance sheet and Cash flow statement, Cash and cash equivalents with related undertaking comprise balances with less than three months' maturity.

2. Critical accounting estimates and judgements in applying accounting policies

The preparation of the Company's financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the course of preparing these financial statements, there are no critical judgements nor have any critical accounting estimates been made in the process of applying the Company's accounting policies.

3. Other income

	2021	2020
	£	£
Management Fee	**15,000**	15,000
Miscellaneous Income	-	110
	15,000	15,110

4. Finance income

	2021	2020
	£	£
Bank Interest Income	-	4,922
Interest income – jointly controlled undertaking	**9,547**	10,450
	9,547	15,372

5. Other Expenses

	2021	2020
	£	£
Miscellaneous Expenses	**35**	37
	35	37

Fees payable to the company's auditors for the audit of the financial statements have been borne by the ultimate parent company and are not recharged to the company.

The Company has no employees (2020: nil).

The Directors, who are considered to be key management, received no remuneration in respect of their services to the Company. The emoluments of the Directors are paid by a fellow group undertaking on behalf of the ultimate parent, Lloyds Banking Group plc, which makes no recharge to the Company. The Directors are also directors of a number of other subsidiaries of the Group and are also substantially engaged in managing their respective business areas within the Group, it is therefore not possible to make an accurate apportionment of Directors' emoluments in respect of their services to each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of the Directors.

Notes to the financial statements (continued)
For the year ended 31 December 2021

6. Taxation

	2021	2020
	£	£
a) Analysis of charge for the year		
UK corporation tax:		
- Current tax on taxable loss for the year	**(4,657)**	(5,785)
- Adjustments in respect of prior years	**-**	-
Current tax charge	**(4,657)**	(5,785)
Tax charge	**(4,657)**	(5,785)

Corporation tax is calculated at a rate of 19.00% (2020: 19.00%) of the taxable profit for the year.

b) Factors affecting the tax charge for the year

A reconciliation of the charge that would result from applying the standard UK corporation tax rate to the profit before tax to the actual tax charge for the year is given below:

	2021	2020
	£	£
Profit before tax	**24,512**	30,445
Tax charge thereon at UK corporation tax rate of 19.00% (2020: 19.00%)	**(4,657)**	**(5,785)**
Factors affecting credit:		
- UK corporation tax rate change and related impacts	**-**	-
Tax charge on profit on ordinary activities	**(4,657)**	(5,785)
Effective rate	**19.00%**	19.00%

Finance Act 2016 reduced the main rate of corporation tax to 17% with effect from 1 April 2020. This reduction was superseded by Finance Act 2020 which was enacted on 22 July 2020, and maintained the main rate of corporation tax at 19% with effect from 1 April 2020.

Finance Act 2021, which received Royal Assent on 10 June 2021, increases the rate of corporation tax from 19% to 25% with effect from 1 April 2023.

7. Cash and cash equivalents

Cash and cash equivalents for the purposes of the Cash flow statement include the following:

	2021	2020
	£	£
Cash at bank	**1,011,688**	4,723,272
	1,011,688	4,723,272

8. Trade and Other Receivables

	2021	2020
	£	£
Management fees receivable	**4,500**	18,000
Stewart Milne (Glasgow) Limited loan interest	**45,356**	35,811
	49,856	53,811

Notes to the financial statements (continued)

For the year ended 31 December 2021

9. Amounts due from jointly controlled entities net of provision

	2021	2020
	£	£
At 1 January	**1,604,652**	1,604,652
Additions	**12,496**	-
	1,617,148	1,604,652

Further details of the impairment provision are found below.

Within the balance is £4,524,654 (2020: £4,524,654) of unsecured redeemable loan stock provided to Stewart Milne (West) Limited which attracts an annual fee payable at a rate of 1% over the Bank of England base rate. The unsecured redeemable loan stock is repayable from land sales. If this does not occur the loan stock will be converted into Ordinary shares.

Also within the balance are amounts provided to Stewart Milne (Glasgow) Limited including secured lending of £850,000 (2020: £850,000) on which interest is charged at 1% over base rate and £408,068 (2020: £408,068) of funding, on which no interest is charged. There are no repayment terms.

As at 31 December 2021, the Bank of England base rate was 0.25% (2020: 0.10%).

Impairment provision

	2021	2020
	£	£
At 1 January	**4,200,000**	4,200,000
At 31 December	**4,200,000**	4,200,000

10. Investments in subsidiary undertaking

	2021	2020
	£	£
Cost brought forward	**9,892,574**	6,978,538
Increase in investment in West Craigs Limited	**3,721,770**	2,914,036
Cost at 31 December	**13,614,344**	**9,892,574**

The increase in investment comprises funding provided to West Craigs Limited of £3,721,770 (2020: £2,914,036).

Details of the Company's subsidiary is as follows:

Subsidiary undertakings	**Company interest**	**Principal activities**	**Registered Address**
West Craigs Limited	100%	Property development	The Mound, Edinburgh, EH1 1YZ

Notes to the financial statements (continued)
For the year ended 31 December 2021

11. Investment in jointly controlled entities

	2021	2020
	£	£
At 1 January	**100**	100
At 31 December	**100**	**100**

Jointly Controlled undertakings	Company interest	Principal activities	Registered Address
Stewart Milne (Glasgow) Limited	50%	Property development	The Mound, Edinburgh, EH1 1YZ
Stewart Milne (West) Limited	50%	Property development	The Mound, Edinburgh, EH1 1YZ

The Company's interest in each of these entities is in the form of ordinary share capital. The proportion of the voting rights in the jointly controlled undertakings held directly by the Company do not differ from the proportion of ordinary shares held.

12. Trade payables

	2021	2020
	£	£
Trade and other payables	**750**	750
	750	**750**

13. Share capital

	2021	2020
	£	£
Allotted, issued and fully paid		
35,001,000 (2020: 35,001,000) ordinary shares of £1 each	**35,001,000**	35,001,000

At 31 December 2021, the authorised share capital of the Company was 35,001,000 divided into 35,001,000 shares of 1 each.

All ordinary shares rank pair passé in all respects including the right to receive all dividends and other distributions declared, made or paid on the ordinary share capital of the Company.

	2021	2020
	£	£
Allotted, issued and fully paid		
ordinary shares of £1 each	**35,001,000**	35,001,000
	35,001,000	35,001,000

Notes to the financial statements (continued)

For the year ended 31 December 2021

14. Financial Risk Management

This note summarises the risks associated with the activities of the Company and the way in which these are managed.

14.1 Governance framework

The Company's ultimate parent is Lloyds Banking Group plc ("Group"). The Group has established a risk management function and framework for monitoring its policies on financial risks.
The risks related to the Company's activities are regularly evaluated.

The key financial risks relevant to the Company are credit risk, market risk, interest rate risk and liquidity risk.

Financial risks

The Company is exposed to a range of financial risks through its financial assets and financial liabilities. The most important components of this financial risk are credit, market and financial soundness risk.

Financial assets and financial liabilities are measured on an ongoing basis at amortised cost. Descriptions of how the various classes of financial instruments are measured, as well as how income and expenses are recognised, can be found under note 1.

Credit risk

Credit risk is the risk of reductions in earnings and/or value, through financial or reputational loss, as a result of the failure of the party with whom the Company has contracted to meet its obligations.

Credit risk is managed in line with the wider Group Credit Risk Policy.

Cash and cash equivalents are held with other companies within the Group. The credit risk associated with this financial asset is not considered to be significant.

	2021	2020
	£	£
Cash and cash equivalents	**1,011,688**	4,723,272
Amounts due from jointly controlled entities	**1,617,148**	1,604,652
Trade and other receivables	**49,856**	53,811
	2,678,692	6,381,735

These instruments are carried at amortised cost, whereby any indication of impairment would result in an immediate write-down of the carrying value and consist of investments in debt securities of Jointly Controled undertakings, and bank balances with the Lloyds Banking Group plc.

Amounts due from joint ventures are carried at amortised cost adopting the impairment policy described within note 1.4. The reported value above include a provision of £4,200,000 (2020: £4,200,000).

Notes to the financial statements (continued)

For the year ended 31 December 2021

14.2 Financial risks (continued)

Market risk

Market risk is defined as the potential loss in value or earnings of the Company arising from fluctuations in market prices, interest rates or foreign exchange rates. At the reporting date the Company's only exposure to market risk arose from interest rate risk, as all transactions and balances were denominated in Sterling and no equity share investments were held.

Interest rate risk

Interest rate risk exists where the Company's financial assets and liabilities have interest rates set under different bases, or which reset at different times.

As a result of the funding provided to jointly controlled undertakings, the Company is exposed to interest rate fluctuations. Interest is charged on the funding provided at 1% over the Bank of England base rate. At 31 December 2021, the base rate was 0.25% (2020: 0.10%). A sensitivity analysis has been prepared to illustrate the impact of a change in interest rates on the interest income receivable on this funding.

If base rates increased by 0.50% and all other variables remain constant this would increase interest income by £26,873 (2020: £26,873). Similarly, if base rates decreased by 0.50% and all other variables remain constant this would decrease interest income by £26,873 (2020: £26,873).

As at the 31 December 2021 the Company held £1,011,688 (2020: £4,723,272) in corporate current accounts. These accounts accrue interest rate at the prevailing base rate less 0.50%.

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off-Balance Sheet instruments.

The Company's short-term liquidity requirements are supported by a facility with another Group company subject to internal limits. Overall liquidity risk is managed in line with the Lloyds Banking Group High Level Group Liquidity and Funding Policy.

Lloyds Banking Group plc manages its liquidity risk within the risk appetite as defined by its Board and to ensure that it can in all circumstances meet its obligations as they fall due.
All funding is provided by the Group and the table below sets out the cash flows payable by the Company in respect of financial liabilities, by remaining contractual undiscounted repayments of principal and interest at the Statement of Financial Position date.

As at 31 December 2021

Contractual maturity	Up to 1 month	1-3 months	3-12 months	>12 months	Total
		£	£	£	£
Trade and other payable	750	-	-		750
Total liabilities	**750**	**-**	**-**	**-**	**750**

As at 31 December 2020

Contractual maturity	Up to 1 month	1-3 months	3-12 months	>12 months	Total
		£	£	£	£
Trade and other payable	750	-	-		750
Total liabilities	**750**	**-**	**-**	**-**	**750**

14.3 Business risk

Business risk is the risk that the Company's earnings are adversely impacted by a suboptimal business strategy or the suboptimal implementation of the strategy. In assessing business risk consideration is given to internal and external factors such as products, funding, resource capability and economic, political and regulatory factors.

Through regular reports and oversight business risk is managed by corrective actions to plans and reductions in exposures where necessary.

Notes to the financial statements (continued)
For the year ended 31 December 2021

15. Related party transactions

The Company is controlled by the Group. A number of transactions are entered into with related parties in the normal course of business. *A summary of the outstanding balances at the year end and the related income for the year is set out below.*

	2021	2020
	£	£
Amounts due from Jointly Controlled Entities		
Stewart Milne (West) Limited	**1,324,654**	1,324,654
Stewart Milne (Glasgow) Limited	**292,494**	279,998
Total Amounts due from Jointly Controlled Entities net of provision	**1,617,148**	1,604,652
Cash and cash equivalents held with group undertakings		
Lloyds Bank plc	**1,011,688**	4,723,272
Total Cash and cash equivalents	**1,011,688**	4,723,272
Trade and other receivables		
Stewart Milne (West) Limited	**3,000**	12,000
Stewart Milne (Glasgow) Limited	**46,856**	41,811
Total Trade and other receivables	**49,856**	53,811
Other income		
Stewart Milne (West) Limited	**10,000**	10,000
Stewart Milne (Glasgow) Limited	**5,000**	5,000
Total Other income	**15,000**	15,000
Finance income		
Lloyds Bank plc	**-**	4,922
Stewart Milne (Glasgow) Limited	**9,547**	10,450
Total Finance income (see note 4)	**9,547**	15,372

Key management personnel

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Company. Accordingly, key management is comprised of the directors of the Company, the directors of Lloyds Banking Group plc and the members of the Lloyds Banking Group plc board. There were no transactions between the Company and key management personnel during the current or preceding year. Key management personnel are employed by other companies within the Group or the and consider that their services to the Company are incidental to their other activities within those groups.

Related undertakings

In compliance with Section 409 of the Companies Act 2006, the following comprises a list of all related undertakings of the Company, as at 31 December 2021:

Name of undertaking	Class of shareholding	% Held	Country of incorporation	Address
West Craigs Limited	Ordinary	100.00%	Scotland	(i)
Stewart Milne (Glasgow) Limited	Ordinary	50.00%	Scotland	(i)
Stewart Milne (West) Limited	Ordinary	50.00%	Scotland	(i)

Registered office
(i) The Mound, Edinburgh, EH1 1YZ

16. Capital disclosures

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide an adequate return to its shareholders through pricing products and services commensurately with the level of risk and, indirectly, to support the Group's regulatory capital requirements.

The Company's capital comprises all components of equity, movements in which appear in the Statement of changes in equity. The Company receives its funding requirements from its fellow group undertakings and does not raise funding externally.

17. Future developments

The following pronouncements are not applicable for the year ending 31 December 2021 and have not been applied in preparing these financial statements. Save as disclosed below, the impact of these accounting changes is still being assessed by the Company and reliable estimates cannot be made at this stage.With the exception of certain minor amendments, as at the date of signing these financial statements these pronouncements have been endorsed for use in the United Kingdom.

Minor amendments to other accounting standards

The IASB has issued a number of minor amendments to IFRSs effective 1 January 2022 and in later years (including IFRS 9 Financial Instruments and IAS 37 Provisions, Contingent Liabilities and Contingent Assets). These amendments are not expected to have a significant impact on the Company.

18. Ultimate parent undertaking and controlling party

The Company's immediate parent company is Uberior Investments Limited. The immediate parent company of Uberior Investments Limited is LBG Equity Investments Limited. The company regarded by the directors as the ultimate parent company and controlling party is Lloyds Banking Group plc (incorporated in Scotland), which is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member.
Copies of the financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN. The Lloyds Banking Group plc financial statements may be downloaded via https://www.lloydsbankinggroup.com/investors/financial-downloads.html.

Independent auditor's report to the members of Horizon Capital 2000 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Horizon Capital 2000 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Horizon Capital 2000 Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Horizon Capital 2000 Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report to the members of Horizon Capital 2000 Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.

L Cowie

Lyn Cowie CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Union Plaza
1 Union Wynd
Aberdeen AB10 1SL, United Kingdom
Date:- 24 August 2022