

Company Registration No. SC156154 (Scotland)

**PRINCIPAL DEVELOPMENT CO
(INVERNESS) LIMITED
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2018

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PRINCIPAL DEVELOPMENT CO (INVERNESS) LIMITED

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PRINCIPAL DEVELOPMENT CO (INVERNESS) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3	675,275		686,414	
Investment properties	4	8,272,737		8,302,042	
			8,948,012		8,988,456
Current assets					
Stocks		8,000		-	
Debtors	5	359,635		245,625	
			367,635		245,625
Creditors: amounts falling due within one year	6	(562,300)		(527,840)	
Net current liabilities			(194,665)		(282,215)
Total assets less current liabilities			8,753,347		8,706,241
Creditors: amounts falling due after more than one year	7		(2,949,120)		(3,171,943)
Provisions for liabilities					
Deferred tax liability		377,862		408,757	
			(377,862)		(408,757)
Net assets			5,426,365		5,125,541
Capital and reserves					
Called up share capital	8	40,812		40,812	
Fair value reserve		2,615,105		2,615,105	
Profit and loss reserves		2,770,448		2,469,624	
Total equity			5,426,365		5,125,541

PRINCIPAL DEVELOPMENT CO (INVERNESS) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 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 March 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 21 December 2018 and are signed on its behalf by:

B Rizza
Director

Company Registration No. SC156154

PRINCIPAL DEVELOPMENT CO (INVERNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Principal Development Co (Inverness) Limited (SC156154) is a private company limited by shares incorporated in Scotland. The registered office is Clava House, Cradlehall Business Park, INVERNESS, IV2 5GH.

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 investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents rentals receivable net of VAT and is recognised on an accruals basis.

1.3 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:

Assets under construction	nil
Leasehold improvements	Over the term of the lease
Plant and machinery	15% straight line
Fixtures, fittings & equipment	15% straight line
Motor vehicles	25% reducing balance

Although the Companies Act 2006 would normally require the systematic annual depreciation of fixed assets, the director believes that the policy of not providing depreciation on the investment properties is necessary in order for the accounts to give a true and fair view, since the current market value of the investment properties and changes to that value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.5 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.

PRINCIPAL DEVELOPMENT CO (INVERNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash at bank. Bank overdrafts are shown within borrowings in current liabilities.

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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention 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 bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. 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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest method. Financial liabilities classified as payable within one year are not amortised.

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.

PRINCIPAL DEVELOPMENT CO (INVERNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2017 - 2).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2017 and 31 March 2018	737,988	38,398	776,386
Depreciation and impairment			
At 1 April 2017	67,608	27,364	94,972
Depreciation charged in the year	3,200	2,939	6,139
At 31 March 2018	70,808	30,303	101,111
Carrying amount			
At 31 March 2018	667,180	8,095	675,275
At 31 March 2017	675,380	11,034	686,414

PRINCIPAL DEVELOPMENT CO (INVERNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Investment property

	2018 £
Fair value	
At 1 April 2017	8,302,042
Additions	2,305
Transfers	(31,610)
At 31 March 2018	<u>8,272,737</u>

The investment properties are assessed on an open market value basis. The directors have taken into consideration the valuations conducted by Graham and Sibbald, Chartered Surveyors, dated 25 April 2017.

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	52,280	38,167
Corporation tax recoverable	68,153	37,745
Other debtors	239,202	169,713
	<u>359,635</u>	<u>245,625</u>

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	297,852	203,729
Trade creditors	(2,692)	82,551
Corporation tax	93,823	91,277
Other taxation and social security	27,188	12,531
Other creditors	146,129	137,752
	<u>562,300</u>	<u>527,840</u>

The bank loans and overdraft are secured by a standard bond and floating charge, a personal guarantee of £400,000 from director B Rizza and the investment properties held by the company.

7 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	<u>2,949,120</u>	<u>3,171,943</u>

PRINCIPAL DEVELOPMENT CO (INVERNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Creditors: amounts falling due after more than one year (Continued)

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

Payable by instalments	2,121,516	2,361,812
	<u> </u>	<u> </u>

The bank loans are secured by a standard bond and floating charge, a personal guarantee of £400,000 from director B Rizza and the investment properties held by the company.

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
40,812 Ordinary shares of £1 each	40,812	40,812
	<u> </u>	<u> </u>
	40,812	40,812
	<u> </u>	<u> </u>

9 Operating lease commitments

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2018 £	2017 £
	3,787,980	3,128,740
	<u> </u>	<u> </u>

10 Directors' transactions

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Director	-	148,639	125,312	(34,749)	239,202
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		148,639	125,312	(34,749)	239,202
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

The loan is unsecured, interest free and has 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.