

Company Registration No. SC223801 (Scotland)

**INVERNESS AIRPORT BUSINESS
PARK LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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INVERNESS AIRPORT BUSINESS PARK LIMITED

COMPANY INFORMATION

Directors	Inglis Lyon Andrew Howard Lynda Johnston Iain Scott The Earl of Moray James Campbell Carolyn Caddick
Secretary	Iain Scott
Company number	SC223801
Registered office	Inverness Airport INVERNESS IV2 7JB
Auditor	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH

INVERNESS AIRPORT BUSINESS PARK LIMITED

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INVERNESS AIRPORT BUSINESS PARK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investment properties	4		150,000		150,000
Current assets					
Stocks		6,856,307		6,357,712	
Debtors	5	49,709		33,036	
Cash at bank and in hand		-		318,281	
		<u>6,906,016</u>		<u>6,709,029</u>	
Creditors: amounts falling due within one year	6	<u>(2,175,651)</u>		<u>(1,816,513)</u>	
Net current assets			4,730,365		4,892,516
Total assets less current liabilities			<u>4,880,365</u>		<u>5,042,516</u>
Creditors: amounts falling due after more than one year	7		(4,369,345)		(4,399,906)
Provisions for liabilities	8		(37,390)		(64,677)
Net assets			<u>473,630</u>		<u>577,933</u>
Capital and reserves					
Called up share capital	9		500,100		500,100
Revaluation reserve	10		44,363		44,363
Other reserve	11		975,000		975,000
Profit and loss reserves	12		(1,045,833)		(941,530)
Total equity			<u>473,630</u>		<u>577,933</u>

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

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 18/8/2020 and are signed on its behalf by:


Iain Scott
Director

Company Registration No. SC223801

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Inverness Airport Business Park Limited is a private company limited by shares incorporated in Scotland. The registered office is Inverness Airport, Inverness, IV2 7JB.

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 on the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The company's bank facilities have been renewed in August 2020 on the same terms for a period of 12 months. Furthermore, the directors have obtained appropriate representation from secured and unsecured loan creditors that amounts payable will not be recalled for a period of at least 12 months from the date of approval of the financial statements unless the company has sufficient working capital to repay these balances. Subsequent to 31 March 2020, the company has concluded a further sale of land to provide a significant cash inflow to the business and has progressed negotiations to an advanced stage with other prospective developers.

At the date of approving the financial statements, the directors continue to closely monitor the constantly changing risk of the global COVID-19 pandemic. Whilst the potential impact will depend on the length of the UK outbreak, the company has continued to trade up to the date of approving the financial statements and has experienced minimal disruption to its business.

Whilst ongoing trade and conclusion of potential land sales are uncertain, the directors are satisfied that the company will have sufficient working capital to continue to trade and meet its liabilities as they fall due for a period of at least 12 months from the approval date of these financial statements.

1.3 Turnover

Turnover represents premiums received for the long term leases of development land net of VAT and other sales related taxes in addition to rental income receivable in the period. Premiums are recognised in full upon the transfer of the substantial risks and rewards of the development land and in accordance with relevant legal terms and agreements. Rental income is recognised on an accruals basis.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Stocks

Stock includes development land and the access road which is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the historic purchase price of the land acquired by the company, direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the development land to its present location and condition.

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

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts.

1.7 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 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. 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, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, loans from connected companies and redeemable 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 receipts discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 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 is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10 Government grants

Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.11 Capital instruments

Equity shares are included in shareholders' funds. Other financial instruments which contain an obligation to transfer economic benefits are classified as financial liabilities.

2 Employees

There were no employees during the period other than the directors.

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Taxation

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	(27,286)	(9,265)
Adjustment in respect of prior periods	(1)	-
	<u>(27,287)</u>	<u>(9,265)</u>

4 Investment property

	2020 £
Fair value	
At 1 April 2019 and 31 March 2020	150,000

Investment property comprises land and buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors on 31 March 2012. The directors believe that the carrying value is an accurate reflection of the market value at 31 March 2020. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	28,169	11,877
Other debtors	21,540	21,159
	<u>49,709</u>	<u>33,036</u>

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	287,197	-
Trade creditors	76,478	159,561
Unsecured shareholder loans	1,055,260	956,123
Other creditors	756,716	700,829
	<u>2,175,651</u>	<u>1,816,513</u>

Included within other creditors are loans from a shareholder of £593,281 (2019 - £603,442) that are secured by a floating charge over the assets of the company.

The company's bank borrowings are secured.

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Shareholder and other loans	1,129,998	1,156,527
Redeemable shares	2,660,243	2,660,243
Other creditors	579,104	583,136
	<u>4,369,345</u>	<u>4,399,906</u>

Included within shareholder and other loans are loans from a shareholder of £500,000 (2019 - £486,320) that are secured by a floating charge over the assets of the company.

Amounts included above which fall due after five years:

Payable by instalments	381,834	670,209
	<u>381,834</u>	<u>670,209</u>

8 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Tax losses	(24,540)	-
Capital gains on upward valuation of investment properties	10,156	9,087
Other timing differences	51,774	55,590
	<u>37,390</u>	<u>64,677</u>
		2020 £
Movements in the year:		
Liability at 1 April 2019		64,677
Credit to profit or loss		(27,287)
		<u>37,390</u>

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
3,385 Ordinary 'A' shares of 1p each	34	34
6,115 Ordinary 'B' shares of 1p each	61	61
500 Ordinary 'C' shares of 1p each	5	5
500,000 Non-voting Ordinary 'D' shares of £1 each	500,000	500,000
	<u>500,100</u>	<u>500,100</u>
2,660,243 Redeemable shares of £1 each	<u>2,660,243</u>	<u>2,660,243</u>

Included in creditors falling due after one year are 2,660,243 issued redeemable shares.

Redeemable shares totalling a maximum of 3,363,255 are to be issued to Moray Estates Development Company Limited and Lord Moray as certain parcels of land are drawn down under an option agreement between the parties and the company.

The redeemable shares are to be redeemed by the company once all the land available from Moray Estates Development Company Limited and Lord Moray has been drawn down, or on the expiry of the option period on 15 May 2036 or such late date as might be agreed.

If all land is not drawn down by the company, part of the holding of Ordinary Shares by Moray Estates Development Company Limited and Lord Moray shall be redeemed for a nominal amount so that the proportions are then in line with what is equitable by reference to the land contributions actually made by Moray Estates Development Company Limited and Lord Moray.

All redeemable Shares will be redeemed at par.

10 Revaluation reserve

	2020 £	2019 £
At the beginning and end of the year	<u>44,363</u>	<u>44,363</u>

The revaluation reserve represents movements in the fair value of the company's investment properties.

11 Other reserve

The capital contribution represents payment made by the holders of the £1 redeemable shares at the time of their issue towards the funding of the airport access road.

12 Profit and loss reserves

Profit and loss reserves represent accumulated profits less losses and distributions.

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Martin Bannerman.

The auditor was Johnston Carmichael LLP.

14 Financial commitments, guarantees and contingent liabilities

The company's bank borrowings are subject to a guarantee provided by certain shareholders.

At 31 March 2020, the company had contracted for but not provided in the financial statements an amount of £390,006 (2019 - £236,841) relating to development and infrastructure costs.

15 Related party transactions

During the year, the company received further unsecured loan funding of £99,137 from its shareholders. At the balance sheet date the company owed its shareholders £1,055,260 (2019 - £956,123) in respect of these unsecured loans which are included in creditors falling due within one year.

Included within creditors are secured loans of £1,093,281 (2019 - £1,181,988). Interest of £58,516 (2019 - £58,198) was charged to the company during the year in respect of these secured loans.

Included within creditor due after one year are redeemable shares of £2,660,243 (2019 - £2,660,243). These redeemable shares are held by a shareholder of the company.

During the year the company paid certain directors fees of £24,492 (2019 - £24,492). At the balance sheet date the company owed these directors £1,242 (2019 - £3,324).