

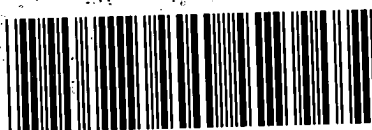
INVERNESS AIRPORT BUSINESS PARK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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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

(Appointed 1 December 2017)

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 2018

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Investment properties	5		150,000		150,000
Current assets					
Stocks		6,103,271		5,079,541	
Debtors	6	414,530		49,737	
Cash at bank and in hand		14,396		-	
		<u>6,532,197</u>		<u>5,129,278</u>	
Creditors: amounts falling due within one year	7	<u>(1,163,685)</u>		<u>(1,188,910)</u>	
Net current assets			5,368,512		3,940,368
Total assets less current liabilities			5,518,512		4,090,368
Creditors: amounts falling due after more than one year	8		(5,058,387)		(3,742,793)
Provisions for liabilities	9		(73,942)		(83,206)
Net assets			<u>386,183</u>		<u>264,369</u>
Capital and reserves					
Called up share capital	10		500,100		500,100
Revaluation reserve			44,363		44,363
Other reserve	11		975,000		975,000
Profit and loss reserves			(1,133,280)		(1,255,094)
Total equity			<u>386,183</u>		<u>264,369</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 6 July 2018 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 2018

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, Section 1A applicable to Smaller Entities" ("FRS 102 Section 1A") 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. Disclosure note 2 details a change in accounting policy from previous financial statements.

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 and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on the going concern basis. The company's bank facilities are due to be renewed in September 2018, for a further year. The directors have received a letter of comfort from the bank advising that they expect the facilities to be renewed when reviewed. The directors are satisfied that the facilities will enable the company to meet its debts as they fall due.

1.3 Turnover

Turnover represents premiums received on the disposals of development land on long term leases net of VAT and other sales related taxes and rental income receivable in the period. Lease premiums are recognised 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 as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Although the accounting policy is in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland, Section 1A applicable to Small Entities" it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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, other than those held at fair value through profit and loss, 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.

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.

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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 Change in accounting policy

Development land

The directors are satisfied that the company is now acting in the capacity of land developers as opposed to landlords and have reclassified the freehold land and access road previously included in tangible fixed assets to stock. This has resulted in £6,103,271 being included as Stock on the balance sheet at 31 March 2018. On this basis, the comparative figures have been restated. Development land of £5,079,541 has been reclassified from tangible fixed assets to stock to reflect the above change in the nature of the company's trade. This reclassification has had no effect on the net profit or net asset position reported for the prior year.

3 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 2018

4 Taxation

	2018 £	2017 £
Deferred tax		
Origination and reversal of timing differences	(9,264)	(9,266)
Changes in tax rates	-	(14,715)
Total deferred tax	<u>(9,264)</u>	<u>(23,981)</u>

5 Investment property

	2018 £
Fair value	
At 1 April 2017 and 31 March 2018	<u>150,000</u>

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 2018. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	3,536	5,884
Other debtors	410,994	43,853
	<u>414,530</u>	<u>49,737</u>

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	-	13,623
Trade creditors	92,373	156,214
Unsecured shareholder loans	926,986	897,848
Other creditors	144,326	121,225
	<u>1,163,685</u>	<u>1,188,910</u>

The bank overdraft is secured by a floating charge over the assets and undertakings of the company.

Included within other creditors are loans from a shareholder of £84,390 (2017 - £80,282) that are secured by a floating charge over the assets of the company.

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

8 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Shareholder and other loans	1,810,976	1,014,845
Redeemable shares	2,660,243	2,136,748
Other creditors	587,168	591,200
	<u>5,058,387</u>	<u>3,742,793</u>

Included within shareholder and other loans are loans from a shareholder of £995,110 (2017 - £266,344) 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	692,443	453,657
	<u>692,443</u>	<u>453,657</u>

9 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Capital gains on upward valuation of investment properties	9,087	9,087
Other timing differences	64,855	74,119
	<u>73,942</u>	<u>83,206</u>
Movements in the year:		2018 £
Liability at 1 April 2017		83,206
Credit to profit or loss		(9,264)
Liability at 31 March 2018		<u>73,942</u>

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

10 Share capital

	2018 £	2017 £
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>2,136,748</u>

Included in creditors falling due after one year are 2,660,243 issued redeemable shares. During the year, the company issued 523,495 redeemable shares at par.

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.

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 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 Jamie Waugh.

The auditor was Johnston Carmichael LLP.

13 Financial commitments, guarantees and contingent liabilities

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

INVERNESS AIRPORT BUSINESS PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 Operating lease commitments

Lessor

The company holds certain areas of land and investment properties for rental purposes. Rental income generated on these during the year was £38,880. The lessee does not have an option to purchase the property at the expiry of the lease period.

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

	2018 £	2017 £
Within one year	35,880	35,880
Between two and five years	48,943	82,323
In over five years	12,083	14,583
	<u>96,906</u>	<u>132,786</u>

15 Related party transactions

During the year, the company received further unsecured loan funding of £29,138 from its shareholders. At the balance sheet date the company owed its shareholders £926,986 (2017 - £897,848) in respect of these loans which are included in creditors falling due within one year.

During the year, the company received further secured loan funding of £812,646 from a shareholder and made repayments of £80,278 against these loans. Included within creditors are secured loans of £1,079,500 (2017 - £346,626). Interest of £14,773 (2017 - £11,866) was charged to the company during the year in respect of these loans.

During the year the company paid certain directors fees of £36,996 (2017 - £34,042). At the balance sheet date the company owed these directors £4,567 (2017 - £4,567).