

Company Registration No. SC223801 (Scotland)

Inverness Airport Business Park Limited

**Unaudited financial statements
for the year ended 31 March 2022**

Pages for filing with the Registrar



Inverness Airport Business Park Limited

Contents

	Page
Statement of financial position	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 12

Inverness Airport Business Park Limited

**Statement of financial position
As at 31 March 2022**

	Notes	£	2022 £	£	2021 £
Fixed assets					
Investment properties	4		1,207,628		1,135,850
Current assets					
Stocks		5,869,431		5,811,645	
Debtors	5	13,164		41,289	
		<u>5,882,595</u>		<u>5,852,934</u>	
Creditors: amounts falling due within one year	6	<u>(1,698,682)</u>		<u>(1,865,624)</u>	
Net current assets			4,183,913		3,987,310
Total assets less current liabilities			<u>5,391,541</u>		<u>5,123,160</u>
Creditors: amounts falling due after more than one year	7		(4,740,317)		(4,417,331)
Provisions for liabilities					
Deferred tax liability	8	117,345		65,150	
		<u>117,345</u>	<u>(117,345)</u>	<u>65,150</u>	<u>(65,150)</u>
Net assets			<u>533,879</u>		<u>640,679</u>
Capital and reserves					
Called up share capital	9		500,100		500,100
Revaluation reserve	10		311,866		288,251
Other reserves	12		975,000		975,000
Profit and loss reserves			(1,253,087)		(1,122,672)
Total equity			<u>533,879</u>		<u>640,679</u>

Inverness Airport Business Park Limited

Statement of financial position (continued)

As at 31 March 2022

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2022 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 4.10.2022 and are signed on its behalf by:


Iain Scott
Director

Company Registration No. SC223801

Inverness Airport Business Park Limited

**Statement of changes in equity
For the year ended 31 March 2022**

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 April 2020	500,100	44,363	975,000	(1,045,833)	473,630
Year ended 31 March 2021:					
Profit for the year	-	-	-	167,049	167,049
Other comprehensive income:					
Reserve movement - transfer of investment property gains and deferred tax thereon	-	243,888	-	(243,888)	-
Balance at 31 March 2021	<u>500,100</u>	<u>288,251</u>	<u>975,000</u>	<u>(1,122,672)</u>	<u>640,679</u>
Year ended 31 March 2022:					
Loss for the year	-	-	-	(106,800)	(106,800)
Other comprehensive income:					
Reserve movement - transfer of investment property gains and deferred tax thereon	-	23,615	-	(23,615)	-
Balance at 31 March 2022	<u><u>500,100</u></u>	<u><u>311,866</u></u>	<u><u>975,000</u></u>	<u><u>(1,253,087)</u></u>	<u><u>533,879</u></u>

1 Accounting policies

Company information

Inverness Airport Business Park Limited is a private company limited by shares incorporated in Scotland. The registered office is c/o Highlands & Inverness Airports Limited, Head Office, 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.

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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. Changes in fair value are recognised in profit or loss.

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.

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies (continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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 profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 statement of financial position 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, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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 income statement 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.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.13 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 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

A key judgement in the accounts is the valuation of the investment properties. These are based upon a valuation calculated based upon the likely rental income to be earned at the sites.

3 Employees

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

4 Investment property

	2022
	£
Fair value	
At 1 April 2021	1,135,850
Net gains or losses through fair value adjustments	63,000
Additions	8,778
	<hr/>
At 31 March 2022	1,207,628
	<hr/>

Investment property comprises of land and buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2022 based on expected yields from rental income under formal lease agreements. The historic cost of the investment property is £788,881 (2021 - £780,103).

Inverness Airport Business Park Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	2,451	27,996
Other debtors	3,703	2,106
Prepayments and accrued income	7,010	11,187
	<u>13,164</u>	<u>41,289</u>

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	172,420	106,277
Other borrowings	1,393,989	1,617,857
Trade creditors	3,789	15,531
Deferred income	12,596	6,770
Accruals and deferred income	115,888	119,189
	<u>1,698,682</u>	<u>1,865,624</u>

Included within other creditors are loans from a shareholder of £225,000 (2021 - £500,000) 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 2022

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other borrowings	4,169,277	3,842,259
Deferred income	571,040	575,072
	<u>4,740,317</u>	<u>4,417,331</u>

Included within other borrowings are loans from a shareholder of £775,000 (2021 - £500,000) that are secured by a floating charge over the assets of the company.

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

Payable by instalments	<u>530,717</u>	<u>633,537</u>
------------------------	----------------	----------------

8 Deferred taxation

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

	Liabilities	Liabilities
	2022	2021
	£	£
Balances:		
Tax losses	(44,341)	(43,765)
Investment property	106,881	67,496
Other timing differences	54,805	41,419
	<u>117,345</u>	<u>65,150</u>

9 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of 1p each	3,385	3,385	34	34
Ordinary B shares of 1p each	6,115	6,115	61	61
Ordinary C shares of 1p each	500	500	5	5
Non-voting Ordinary D shares of £1 each	500,000	500,000	500,000	500,000
	<u>510,000</u>	<u>510,000</u>	<u>500,100</u>	<u>500,100</u>

9 Share capital (continued)

Included in creditors falling due after one year are 2,660,243 issued redeemable shares. All redeemable shares represent non-voting shares redeemable at £1 each.

Redeemable shares totalling a maximum of 3,363,255 are to be issued to Moray Estates Developments 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 Developments Limited and Lord Moray has been drawn down, or on the expiry of the option period on the 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 Developments 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 Developments Limited and Lord Moray. At 31 March 2022, amounts of 523,495 redeemable shares had been issued under this agreement.

Other redeemable shares relate to amounts issued to Highlands and Islands Airports Limited for land transferred to the company and historic funding amounting to 1,861,748 redeemable shares; as well as to Highlands and Islands Enterprise to whom 275,000 redeemable shares were issued for historic funding.

10 Revaluation reserve

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

11 Other reserves

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

12 Profit and loss reserves

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

13 Financial commitments, guarantees and contingent liabilities

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

At 31 March 2022, the company had contracted for but not provided in the financial statements an amount of £600,006 (2021 - £600,006) relating to development and infrastructure costs.

14 Related party transactions

During the year, the company received further unsecured loan funding of £51,132 from its shareholders. At the balance sheet date the company owed its shareholders £1,168,989 (2021 - £1,117,857) in respect of these unsecured loans which are included in creditors falling due within one year.

Included within creditors are secured loans of £1,000,000 (2021 - £1,000,000) due to a shareholder. Interest of £54,858 (2021 - £56,107) 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 (2021 - £2,660,243). These redeemable shares are held by shareholders of the company.

During the year the company paid certain directors fees of £5,227 (2021 - £21,822). At the balance sheet date the company owed these directors £2,082 (2021 - £2,582).