Company No: SC230212 (Scotland)

LOCH NESS GIFTS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2022
PAGES FOR FILING WITH THE REGISTRAR

Contents

LOCH NESS GIFTS LIMITED
BALANCE SHEET
AS AT 28 FEBRUARY 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	3	234,715	241,742
Investment property	4	79,800	79,800
		314,515	**321,542**
Current assets			
Stocks		76,796	86,963
Debtors	5	9,755	3,417
Cash at bank and in hand		135,724	57,297
		222,275	**147,677**
Creditors			
Amounts falling due within one year	6	(41,509)	(17,892)
Net current assets		**180,766**	**129,785**
Total assets less current liabilities		**495,281**	**451,327**
Creditors			
Amounts falling due after more than one year	7	(32,212)	(41,602)
Provisions for liabilities		(18,830)	(14,411)
Net assets		**444,239**	**395,314**
Capital and reserves			
Called-up share capital	8	2	2
Profit and loss account		444,237	395,312
Total shareholders' funds		**444,239**	**395,314**

For the financial year ending 28 February 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Loch Ness Gifts Limited (registered number: SC230212) were approved and authorised for issue by the Director on 22 April 2022. They were signed on its behalf by:

Ian Miller
Director

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Loch Ness Gifts Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Loch Ness Gifts The Green, Drumnadrochit, Inverness, IV63 6TX, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

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.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Employee benefits

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

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

Taxation

Current tax
Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax
Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Goodwill

Goodwill arises on business combination and represents any excess of consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill is initially recognised as an intangible asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis over its useful economic life, which is [number] years.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Land and buildings	50 years straight line
Fixtures and fittings	6.67 years straight line
Office equipment	4 years straight line
Other property, plant and equipment	5 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Leases

The Company as lessor
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.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and Retained Earnings as described below.

Non-financial assets
At each balance sheet date, the company reviews its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Investment property

Investment property is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

The fair value is determined annually by the directors, on an open market value for existing use basis.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost comprises direct materials.

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.

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 creditors: amounts falling due within one year.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either 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 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.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans 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.

Equity instruments
Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

A grant that specifies performance conditions is recognised in income only when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the grant proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	7	7

3. Tangible assets

	Land and buildings	Fixtures and fittings	Office equipment	Other property, plant and equipment	Total
	£	£	£	£	£
Cost					
At 01 March 2021	325,060	35,001	2,891	2,750	365,702
Additions	0	522	624	0	1,146
At 28 February 2022	**325,060**	**35,523**	**3,515**	**2,750**	**366,848**
Accumulated depreciation					
At 01 March 2021	85,789	33,645	2,326	2,200	123,960
Charge for the financial year	6,501	800	322	550	8,173
At 28 February 2022	**92,290**	**34,445**	**2,648**	**2,750**	**132,133**
Net book value					
At 28 February 2022	**232,770**	**1,078**	**867**	**0**	**234,715**
At 28 February 2021	239,271	1,356	565	550	241,742

4. Investment property

	Investment property
	£
Valuation	
As at 01 March 2021	**79,800**
As at 28 February 2022	**79,800**

Valuation

The investment property was valued at £79,800 by the directors on 28 February 2022 at an open market rate. The directors believe this to be fair value as at 28 February 2022.

5. Debtors

	2022	2021
	£	£
Other debtors	9,755	3,417

6. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	10,288	8,398
Trade creditors	3,200	150
Other creditors	2,319	3,609
Corporation tax	21,198	3,337
Other taxation and social security	4,504	2,398
	41,509	**17,892**

Included in Bank loans is a Coronavirus Bounce Back Loan of £10,288 (2021 £8,398) which is guaranteed by the UK Government.

7. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	32,212	41,602

Included in Bank loans is a Coronavirus Bounce Back Loan of £32,212 (2021 £41,602) which is guaranteed by the UK Government.

8. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully-paid		
2 Ordinary shares of £ 1.00 each	2	2

9. Related party transactions

Transactions with the entity's directors

	2022	2021
	£	£
Directors	8,329	0

The above 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.