

Company Registration No. SC231707 (Scotland)

OCHIL DEVELOPMENTS (UK) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

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OCHIL DEVELOPMENTS (UK) LIMITED

COMPANY INFORMATION

Directors	M. Al Tajir K M M Al Tajir M.M.M. Al Tajir
Secretary	Burness Paull LLP
Company number	SC231707
Registered office	Kirkton Farm Near Auchterarder Perthshire PH4 1RF
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor Centenary House 69 Wellington Street Glasgow G2 6HG

OCHIL DEVELOPMENTS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OCHIL DEVELOPMENTS (UK) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3	61,232,698		51,722,277	
Current assets					
Stocks		8,164,865		7,962,916	
Debtors	4	1,298,491		1,298,030	
Cash at bank and in hand		7,511		78,236	
		<u>9,470,867</u>		<u>9,339,182</u>	
Creditors: amounts falling due within one year	5	<u>(70,301,663)</u>		<u>(274,316)</u>	
Net current (liabilities)/assets		<u>(60,830,796)</u>		<u>9,064,866</u>	
Total assets less current liabilities		<u>401,902</u>		<u>60,787,143</u>	
Creditors: amounts falling due after more than one year	6	(2,845)		(60,375,810)	
Provisions for liabilities		<u>(1,431,548)</u>		<u>(1,534,683)</u>	
Net liabilities		<u>(1,032,491)</u>		<u>(1,123,350)</u>	
Capital and reserves					
Called up share capital	8	1		1	
Profit and loss reserves		<u>(1,032,492)</u>		<u>(1,123,351)</u>	
Total equity		<u>(1,032,491)</u>		<u>(1,123,350)</u>	

The directors of the company have elected not to include a copy of the income statement 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 30/06/17 and are signed on its behalf by:


 M. Al Tajir
 Director

OCHIL DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Ochil Developments (UK) Limited is a private company limited by shares incorporated in Scotland. The registered office is Kirkton Farm, Near Auchterarder, Perthshire, PH4 1RF.

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. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Ochil Developments (UK) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Ochil Developments (UK) Limited for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP. The transition date was 1 January 2015.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Going concern

The financial statements have been prepared on a going concern basis as, after making enquiries, the Directors have the reasonable expectation that the Company will secure adequate resources to continue for the foreseeable future. The Company's ultimate parent company, Park Tower Holdings Establishment, has pledged to guarantee Ochil Developments (UK) Limited to the bank and other creditors, and will continue to do so until the liabilities are dispatched.

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:

Land and buildings Freehold	No depreciation charged
Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	33.33% reducing balance
Motor vehicles	25% reducing balance

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.

OCHIL DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

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. 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). 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.

Recoverable amount is the higher of fair value less costs to sell and 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. 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.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments which include cash at bank and in hand.

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 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.

OCHIL DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Trade, other and inter-company debtors

Trade, other and inter-company debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade, other and inter-company debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade, other or inter-company debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade, other and inter-company debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade, other and inter-company debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Bank loans

Bank loans are initially measured at transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest rate method and is included in interest payable and other similar charges.

Trade, other and inter-company creditors

Trade, other and inter-company creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the instrument with a trade, other and inter-company creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

OCHIL DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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.

Capitalisation of finance costs

Finance costs directly attributable to the construction of tangible fixed assets, incurred up to the time that identifiable major capital projects are ready for service, are capitalised as part of the cost of the assets.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to development work in progress in the balance sheet so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 14 (2015 - 14).

OCHIL DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	51,503,301	741,771	52,245,072
Additions	9,550,534	42,395	9,592,929
Disposals	-	(90,040)	(90,040)
At 31 December 2016	61,053,835	694,126	61,747,961
Depreciation and impairment			
At 1 January 2016	-	522,795	522,795
Depreciation charged in the year	-	57,871	57,871
Eliminated in respect of disposals	-	(65,403)	(65,403)
At 31 December 2016	-	515,263	515,263
Carrying amount			
At 31 December 2016	61,053,835	178,863	61,232,698
At 31 December 2015	51,503,301	218,976	51,722,277

During the year the company capitalised costs of £7,298,292 (2015: £1,542,419) which were directly attributable to the financing of land development. Of these costs £6,496,701 (2015: £487,633) were relating to finance costs.

4 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	-	3,000
Amounts due from group undertakings	1,270,323	1,270,323
Other debtors	28,168	24,707
	1,298,491	1,298,030

OCHIL DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	11,904,059	-
Trade creditors	1,056,147	84,094
Other taxation and social security	10,428	10,309
Other creditors	57,331,029	179,913
	<u>70,301,663</u>	<u>274,316</u>

The loan of £11,904,059 is secured by Park Tower Holdings Establishment, the ultimate parent of the company.

A fixed and floating charge exists over all the property of the company.

6 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	-	11,739,587
Other creditors	2,845	48,636,223
	<u>2,845</u>	<u>60,375,810</u>

7 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	1,431,548	1,534,683
	<u>1,431,548</u>	<u>1,534,683</u>

8 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid 1 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

OCHIL DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Interest payable		Expenses paid	
	2016	2015	2016	2015
	£	£	£	£
Entities under common control	5,349,735	-	99	(644)

The following amounts were outstanding at the reporting end date:

	2016	2015
	£	£
Amounts owed to related parties		
Entities with control, joint control or significant influence over the company	11,052,138	48,529,751
Entities under common control	46,068,918	20,103,528
Key management personnel	2,845	2,944
	<u>57,123,901</u>	<u>68,636,223</u>

The following amounts were outstanding at the reporting end date:

	2016
	Balance
	£
Amounts owed by related parties	
Entities under common control	<u>1,270,323</u>
	2015
	Balance
	£
Amounts owed in previous period	
Entities under common control	<u>1,270,323</u>

10 Parent company

The directors regard Park Tower Holdings Establishment, a company registered in Liechtenstein, to be the ultimate parent company. The immediate parent undertaking is Ochil Developments Limited, which is registered in Gibraltar.

OCHIL DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 January 2015 £	31 December 2015 £
Equity as reported under previous UK GAAP		(1,138,819)	(1,169,708)
Adjustments arising from transition to FRS 102:			
Loan arrangement fee at amortised cost	a	-	46,358
Equity reported under FRS 102		<u>(1,138,819)</u>	<u>(1,123,350)</u>

Reconciliation of (loss)/profit for the financial period

	Notes	2015 £
Loss as reported under previous UK GAAP		(30,889)
Adjustments arising from transition to FRS 102:		
Loan arrangement fee at amortised cost	a	46,358
Profit reported under FRS 102		<u>15,469</u>

Notes to reconciliations on adoption of FRS 102

a) Loan arrangement fee at amortised cost

Under previous UK GAAP the loan arrangement fees were fully recognised and capitalised within fixed assets in the year they were incurred. However under FRS 102 loan arrangement fees are shown at amortised cost which has resulted in a decrease to capitalised expenditure within fixed assets and a corresponding decrease to creditors in the prior year. This transition adjustment has resulted in a reduction in the deferred tax provision for the prior year, as a result of which the reported Profit and Loss and Equity for the year ended 31 December 2015 has increased by £46,358.

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 Alan Aitchison.

The auditor was RSM UK Audit LLP.