

Financial Statements for the Year Ended 31 December 2018

for

Ochil Developments (UK) Limited



Ian Macfarlane & Co.
Chartered Accountants
Statutory Auditors
2 Melville Street
Falkirk
FK1 1HZ

Ochil Developments (UK) Limited

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for the Year Ended 31 December 2018

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Ochil Developments (UK) Limited

Company Information
for the Year Ended 31 December 2018

DIRECTORS:

M M M Altajir
M Altajir
K M M Altajir

REGISTERED OFFICE:

Kirkton Farm
Near Auchterarder
Perthshire
United Kingdom
PH4 1RF

REGISTERED NUMBER:

SC231707 (Scotland)

AUDITORS:

Ian Macfarlane & Co.
Chartered Accountants
Statutory Auditors
2 Melville Street
Falkirk
FK1 1HZ

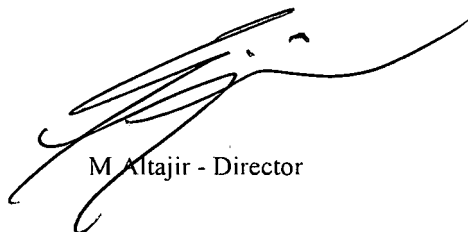
Balance Sheet
31 December 2018

	Notes	31.12.18 £	31.12.17 £
FIXED ASSETS			
Tangible assets	4	67,272,579	63,745,445
CURRENT ASSETS			
Stocks		8,164,865	8,164,865
Debtors	5	3,331,285	3,346,972
Cash at bank and in hand		93,726	35,158
		<u>11,589,876</u>	<u>11,546,995</u>
CREDITORS			
Amounts falling due within one year	6	<u>76,511,771</u>	<u>72,926,338</u>
NET CURRENT LIABILITIES		<u>(64,921,895)</u>	<u>(61,379,343)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,350,684	2,366,102
CREDITORS			
Amounts falling due after more than one year	7	-	(2,845)
PROVISIONS FOR LIABILITIES		<u>(2,445,768)</u>	<u>(2,445,782)</u>
NET LIABILITIES		<u><u>(95,084)</u></u>	<u><u>(82,525)</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Retained earnings		<u>(95,085)</u>	<u>(82,526)</u>
SHAREHOLDERS' FUNDS		<u><u>(95,084)</u></u>	<u><u>(82,525)</u></u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 28 January 2020 and were signed on its behalf by:



M. Altajir - Director

Ochil Developments (UK) Limited

Notes to the Financial Statements
for the Year Ended 31 December 2018

1. **STATUTORY INFORMATION**

Ochil Developments (UK) Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings under construction	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.

The directors consider that the land and buildings held are still under development. All costs relating to the development are capitalised these include loan interest, depreciation and other costs related to the development. These will continue to be capitalised until the development reaches a conclusion.

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.

2. **ACCOUNTING POLICIES - continued**

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.

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.

Classification of financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies 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.

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

Basic 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.

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.

2. ACCOUNTING POLICIES - continued

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.

Deferred tax

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.

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 other creditors, and will continue to do so until the liabilities are dispatched.

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.

Ochil Developments (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 13 (2017 - 13).

4. **TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2018	63,610,024	695,363	64,305,387
Additions	3,556,389	5,215	3,561,604
	<hr/>	<hr/>	<hr/>
At 31 December 2018	67,166,413	700,578	67,866,991
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 January 2018	-	559,942	559,942
Charge for year	-	34,470	34,470
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	594,412	594,412
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2018	67,166,413	106,166	67,272,579
	<hr/>	<hr/>	<hr/>
At 31 December 2017	63,610,024	135,421	63,745,445
	<hr/>	<hr/>	<hr/>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18 £	31.12.17 £
Amounts owed by group undertakings	3,266,366	3,260,283
Other debtors	64,919	86,689
	<hr/>	<hr/>
	3,331,285	3,346,972
	<hr/>	<hr/>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18 £	31.12.17 £
Trade creditors	378,097	656,305
Taxation and social security	10,559	10,155
Other creditors	76,123,115	72,259,878
	<hr/>	<hr/>
	76,511,771	72,926,338
	<hr/>	<hr/>

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.18 £	31.12.17 £
Other creditors	-	2,845
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Ochil Developments (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18 £	31.12.17 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

9. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Kevin Gilmour CA (Senior Statutory Auditor)
for and on behalf of Ian Macfarlane & Co.

10. **ULTIMATE CONTROLLING PARTY**

The immediate parent undertaking is Ochil Developments Limited, which is registered in Gibraltar.

The directors regard Park Tower Holdings Establishment, a company registered in Liechtenstein, to be the ultimate parent company.

11. **GUARANTEE**

The company acts as the guarantor for a commercial loan to Carltop Establishment, a related company. As at the 31st December 2018 the amount of the loan extended was £66,000,000.