

Registered number: SC255675

CALA Land Investments (Bearsden) Limited

Annual report and financial statements

for the year ended 30 June 2016

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CALA Land Investments (Bearsden) Limited

Annual report and financial statements for the year ended 30 June 2016

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CALA Land Investments (Bearsden) Limited

Directors and advisers

Directors

A D Brown
N J Stoddart
J G G Reid
G G Craig (Appointed 18 September 2015)
A White (Resigned 17 July 2015)

Company secretary

M R Sibbald

Registered office

Adam House
5 Mid New Cultins
Edinburgh
EH11 4DU

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

CALA Land Investments (Bearsden) Limited

Directors' report

The directors present their report and audited financial statements of the company for the year ended 30 June 2016.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and therefore a strategic report has not been presented.

Change in accounting framework

The Financial Reporting Council ('FRC') developed a set of new financial reporting standards ('FRS') applicable for periods beginning on or after 1 January 2015 that provide a number of options for all UK entities. These revised financial reporting standards fundamentally reform financial reporting and are implemented by FRS100 '*Application of Financial Reporting Requirements*' ('FRS100'). FRS 100 sets out the accounting framework options within FRS101 '*Reduced disclosure Framework*' ('FRS101'), FRS102 '*The Reporting Standard Applicable in the UK and the Republic of Ireland*' ('FRS102') or EU-adopted IFRS.

Transition to FRS 101

Following an assessment of the options available, the directors have chosen to adopt FRS101, a reduced disclosure framework of EU-adopted IFRS. The date of transition from the previously adopted accounting standards was 1 July 2014. No adjustments arose on transition between the accounting standards.

Further explanation of how the transition affected the previously reported financial position and performance of the company is disclosed in note 12 to the financial statements.

Principal activities

The principal activity of the company is house building on a development site located in Bearsden. The company was established for this purpose and the directors do not anticipate any change in the principal activity in the foreseeable future.

The loss for the financial year was £474,037(2015: £329,417).

Directors

The directors of the company at 30 June 2016 and who served throughout the year and up to the date of this report are shown on page 1.

Future outlook

Detailed planning permission for the company's site in Bearsden was obtained and the residential development of the site is underway.

CALA Land Investments (Bearsden) Limited

Directors' report (continued)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risk affecting the company is considered to relate to the strength of the housing market.

Key performance indicators

The directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company.

Dividends

The directors do not recommend the payment of a dividend (2015: £nil).

Independent auditors and disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In accordance with the Companies Act 2006, an elective resolution has been passed by shareholders in order to dispense with the need to hold annual general meetings and to appoint auditors annually. PricewaterhouseCoopers LLP shall therefore continue as auditors to the company.

By order of the board



M R Sibbald
Company secretary
23 September 2016

CALA Land Investments (Bearsden) Limited

Directors' responsibilities statement

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

CALA Land Investments (Bearsden) Limited

Independent auditors' report to the members of CALA Land Investments (Bearsden) Limited

Report on the financial statements

Our opinion

In our opinion, CALA Land Investments (Bearsden) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 30 June 2016;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

CALA Land Investments (Bearsden) Limited

Independent auditors' report to the members of CALA Land Investments (Bearsden) Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

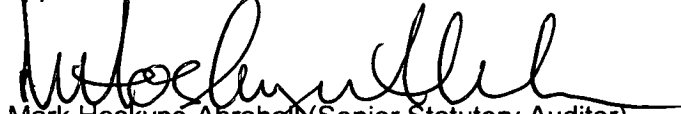
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
28 September 2016

CALA Land Investments (Bearsden) Limited

Profit and loss account For the year ended 30 June 2016

	Note	2016 £	2015 £
Operating expenses		<u>(30,976)</u>	<u>(2,384)</u>
Loss on ordinary activities before interest and taxation		(30,976)	(2,384)
Interest payable and similar charges	4	<u>(519,398)</u>	<u>(413,288)</u>
Loss on ordinary activities before taxation	2	(550,374)	(415,672)
Tax on loss on ordinary activities	5	<u>76,337</u>	<u>86,255</u>
Loss for the financial year		<u>(474,037)</u>	<u>(329,417)</u>

All activities are continuing.

The company has no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of other comprehensive income has been presented.

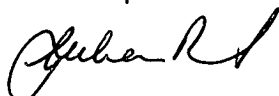
There is no difference between the loss on ordinary activities before taxation and the loss for the financial year, and their historical cost equivalents.

CALA Land Investments (Bearsden) Limited

Balance sheet At 30 June 2016

	Note	2016 £	2015 £
Current Assets			
Inventories	6	9,989,871	9,805,515
Trade and other receivables – due within one year	7	116,069	892
Trade and other receivables - due greater than one year	7	640,973	674,709
Cash at bank and in hand		693,090	854,324
Total assets		11,440,003	11,335,440
Creditors: amounts falling due within one year			
	8	(7,888,369)	(7,309,769)
Net assets		3,551,634	4,025,671
Capital and reserves			
Called up share capital	9	7,576,004	7,576,004
Profit and loss account		(4,024,370)	(3,550,333)
Total shareholders' funds		3,551,634	4,025,671

The financial statements of CALA Land Investments (Bearsden) Limited, company registration number: SC255675, on pages 7 to 16 were approved by the Board of Directors on 23 September 2016 and signed on its behalf by



J G G Reid
Director

CALA Land Investments (Bearsden) Limited

Statement of changes in equity

For the year ended 30 June 2016

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 July 2014	7,576,004	(3,220,916)	4,355,088
Loss for the financial year	-	(329,417)	(329,417)
At 30 June 2015	<u>7,576,004</u>	<u>(3,550,333)</u>	<u>4,025,671</u>
Loss for the financial year	-	(474,037)	(474,037)
At 30 June 2016	<u>7,576,004</u>	<u>(4,024,370)</u>	<u>3,551,634</u>

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2016

1. Accounting Policies

General information

CALA Land Investments (Bearsden) Limited (the company) is a private company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on pages 2 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

Basis of accounting

The financial statements have been prepared on the historical cost basis and on the basis of going concern. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 June 2016 the company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and in accordance with the Companies Act 2006. No adjustments to the prior year comparatives have been required following the adoption of FRS101. For more details see note 12.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of CALA Group (Holdings) Limited. The group financial statements of CALA Group (Holdings) Limited are available to the public and can be obtained as set out in note 11.

Going concern

The company's most recent financial projections show that for the foreseeable future net assets remain in a positive position at each financial year end.

As a result, the projected trading position for the company enables the directors to form a judgment that the company has adequate resources to continue to trade for the foreseeable future and that the company will be able to realise its assets and discharge its liabilities in the normal course of business.

For these reasons the directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Inventory

Inventories are valued at the lower of cost or net realisable value and include, where appropriate, an element of site overheads. Net realisable value for home building assets is assessed internally after taking account of any relevant available market information.

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting Policies (continued)

Interest

Interest is charged/ credited to the profit and loss account in the year in which it is incurred.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting Policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In applying the company's accounting policies the directors have made no individual judgements that have a significant impact upon the financial statements, except those involving estimation, which are dealt with below.

The key sources of estimation uncertainty at the balance sheet date are:

Land and work in progress

Valuations which include an estimation of costs to complete and remaining revenues are carried out at regular intervals throughout the year, during which site development costs are allocated between units built in the current year and those to be built in future years. These assessments include a degree of inherent uncertainty when estimating the profitability of a site, profit recognition on sales in the financial year and in assessing any impairment provisions which may be required against inventory in the Balance Sheet.

The group has conducted a review of the net realisable value of its inventory carrying values which resulted in no change to the inventory value. The reviews were conducted on a site by site basis, using valuations that incorporated selling price and development cost movements, based on local management and the board's assessment of market conditions existing at the balance sheet date. If there are significant movements in UK house prices or development costs beyond management's expectations then further impairments/reversals of previous write downs of land and work in progress may be necessary.

Deferred tax

Deferred tax assets are recognised following due consideration of the availability of tax losses in relation to future anticipated taxable profits. This assessment includes reasonable downside sensitivities around future sales prices.

2. Loss on ordinary activities before taxation

Fees in respect of audit services were £2,000 (2015: £1,300). Fees in respect of taxation services were £780 (2015: £735).

3. Directors and Employees

	2016 Number	2015 Number
Average monthly number of employees:		
Directors	<u>4</u>	<u>4</u>

No employment costs were incurred during the year (2015: £nil). Directors' remuneration is borne by CALA Management Limited, a fellow group company.

4. Interest payable and similar charges

	2016 £	2015 £
Interest payable on intercompany loans	<u>519,398</u>	<u>413,288</u>

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

5. Tax on loss on ordinary activities	2016	2015
(a) Analysis of tax charge in the year	£	£
United Kingdom corporation tax on loss of the year	(110,075)	(86,255)
Adjustment in respect of prior years	2	(86,255)
Current tax credit	(110,073)	(86,255)
Deferred tax:		
Adjustment in respect of prior years	-	-
Impact of changes in tax rates	33,736	-
Total deferred tax	33,736	-
Tax on loss on ordinary activities	(76,337)	(86,255)

(b) Factors affecting tax charge for year:

The difference between the tax charge on ordinary activities for the year, reported in the profit and loss account and the current year credit that would result in applying the relevant standard rate of tax to the loss on ordinary activities before taxation, is explained as follows:

	2016 £	2015 £
Loss on ordinary activities before taxation	(550,374)	(415,672)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 20% (2015: 20.75%)	(110,075)	(86,255)
Effects of:		
Adjustment in respect of prior years	2	-
Impact of changes in tax rates	33,736	-
Total tax credit for the year	(76,337)	(86,255)

(c) Factors affecting future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. Deferred taxes balances have been measured using these enacted tax rates and therefore the impact of these rate reductions are reflected in these financial statements.

In addition to the changes in rates of corporation tax disclosed above a further change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change was to reduce the main rate to 17% from 1 April 2020. As this change was not substantively enacted at the balance sheet date its effect is not included in these financial statements.

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

6. Inventories

	2016 £	2015 £
Land	8,551,758	8,551,758
Work in progress	1,438,113	1,253,757
	<u>9,989,871</u>	<u>9,805,515</u>

7. Trade and other receivables

	2016 £	2015 £
Due within 1 year:		
Amounts due from group undertakings	110,072	-
Other receivables	5,997	892
	<u>116,069</u>	<u>892</u>
Due greater than 1 year:		
Deferred tax asset	640,973	674,709
	<u>640,973</u>	<u>674,709</u>
Total trade and other receivables	<u>757,042</u>	<u>675,601</u>

The directors consider that the carrying value of debtors approximates their fair value.

Amounts due from group undertakings bear interest at a market rate and are repayable on demand.

The following table illustrated the deferred tax asset and movement thereon during the current reporting period:

	Trading losses £	Total £
At 1 July 2015	674,709	674,709
Charged to the income statement	(33,736)	(33,736)
At 30 June 2016	<u>(640,973)</u>	<u>(640,973)</u>

Following due consideration of the availability of tax losses in relation to future anticipated taxable profits, the deferred tax asset has been recognised in full as at 30 June 2016.

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

8. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	318,682	3
Amounts owed to group undertakings	7,554,959	7,305,770
Accruals and deferred income	14,728	3,996
	<u>7,888,369</u>	<u>7,309,769</u>

Amounts owed to group undertakings bear interest at a market rate and are repayable on demand.

The directors consider that the carrying value of creditors approximates their fair value.

9. Called up share capital

	Allotted and fully Paid 2016 £	Allotted and fully Paid 2015 £
7,576,003 'A' (2015: 7,576,003) ordinary shares of £1 each	7,576,003	7,576,003
1 'B' (2015: 1) ordinary share of £1 each	1	1
	<u>7,576,004</u>	<u>7,576,004</u>

All classes of share capital rank equally and hold equal voting rights.

10. Related parties

The company has taken advantage of an exemption offered by FRS101, with regard to the non disclosure of related party transactions with other group companies on the grounds it is a wholly owned subsidiary of a group headed by CALA Group (Holdings) Limited whose financial statements are publicly available.

11. Controlling party

The immediate parent undertaking is CALA Ventures Limited.

The intermediate parent company, at which level these financial statements are consolidated, is CALA Group Limited. The consolidated financial statements of CALA Group Limited are available from CALA House, 54 The Causeway, Staines-Upon-Thames, Surrey TW18 3AX.

The ultimate parent company is Haut Investments Limited. Haut Investments Limited is owned in equal share and controlled by Legal & General Investments Limited and Patron Haut LP. Haut Investments Limited is the largest group of financial statements where the results of the company are consolidated.

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

12. Explanation of transition to FRS101

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 101 (FRS 101) as issued by the Financial Reporting Council. This disclosure is required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 101 was therefore 1 July 2014. As a consequence of adopting FRS 101, certain primary statements, accounting policies and note disclosures have been updated to comply with that standard, however the conversion has not resulted in any adjustments being made to the comparative balances disclosed on the profit and loss account or balance sheet.