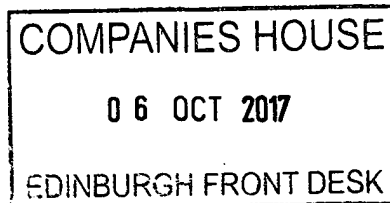


Registered number: SC255675

CALA Land Investments (Bearsden) Limited

Annual report and financial statements

for the year ended 30 June 2017



CALA Land Investments (Bearsden) Limited

Annual report and financial statements for the year ended 30 June 2017

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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

Company secretary

Ledge Services Limited

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 2017.

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.

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 profit for the financial year was £836,142 (2016: loss of £474,037).

Directors

The directors of the company at 30 June 2017 and who served throughout the year and up to the date of this report are shown on page 1.

Future outlook

The residential development of the site is underway and first legal completions occurred in the year ended 30 June 2017.

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 (2016: £nil).

CALA Land Investments (Bearsden) Limited

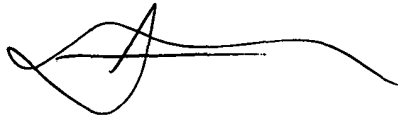
Directors' report (continued)

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



Ledge Services Limited
Company secretary
15 September 2017

CALA Land Investments (Bearsden) Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information 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.

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

Report on the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 30 June 2017; the Profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual report and financial statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

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

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

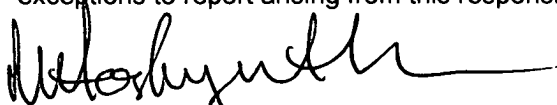
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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 from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
15 September 2017

CALA Land Investments (Bearsden) Limited

Profit and loss account For the year ended 30 June 2017

	Note	2017 £	2016 £
Revenue	1	8,843,991	-
Cost of sales		(7,497,729)	-
Gross profit		<u>1,346,262</u>	<u>-</u>
Operating expenses		<u>(9,033)</u>	<u>(30,976)</u>
Profit/(loss) on ordinary activities before interest and taxation		1,337,229	(30,976)
Interest payable and similar charges	4	<u>(501,087)</u>	<u>(519,398)</u>
Profit/(loss) on ordinary activities before taxation	2	836,142	(550,374)
Tax on profit/(loss) on ordinary activities	5	<u>(150,931)</u>	<u>76,337</u>
Profit/(loss) for the financial year		<u>685,211</u>	<u>(474,037)</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 profit/ (loss) on ordinary activities before taxation and the profit/ (loss) for the financial year, and their historical cost equivalents.

CALA Land Investments (Bearsden) Limited

Balance sheet At 30 June 2017

	Note	2017 £	2016 £
Current Assets			
Inventories	6	12,276,496	9,989,871
Trade and other receivables – due within one year	7	70,369	116,069
Trade and other receivables - due after one year	7	490,042	640,973
Cash at bank and in hand		<u>504,884</u>	<u>693,090</u>
Total assets		<u>13,341,791</u>	<u>11,440,003</u>
Creditors: amounts falling due within one year			
	8	<u>(9,104,946)</u>	<u>(7,888,369)</u>
Net assets		<u>4,236,845</u>	<u>3,551,634</u>
Capital and reserves			
Called up share capital	9	7,576,004	7,576,004
Profit and loss account		<u>(3,339,159)</u>	<u>(4,024,370)</u>
Total shareholders' funds		<u>4,236,845</u>	<u>3,551,634</u>

The financial statements of CALA Land Investments (Bearsden) Limited, company registration number: SC255675, on pages 7 to 15 were approved by the Board of Directors on 15 September 2017 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 2017

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 July 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>
Profit for the financial year	-	685,211	685,211
At 30 June 2017	<u>7,576,004</u>	<u>(3,339,159)</u>	<u>4,236,845</u>

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2017

1. Accounting Policies

General information

CALA Land Investments (Bearsden) Limited (the company) is a private company incorporated and domiciled in Scotland, 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. 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.

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.

Revenue recognition

All revenue is generated from the sale of houses in the United Kingdom. Revenue consists of the sales of houses net of discounts and sales incentives. Sales of houses are recognised on legal completion. The sale proceeds of part exchange properties are not included in revenue however the net gain or loss, inclusive of transaction costs, for the purchase and sale of part exchange properties is included as a reduction in turnover as the purchase and sale of part exchange properties is regarded as a mechanism for selling.

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2017 (continued)

1. Accounting Policies (continued)

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.

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 2017 (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. Profit/ (loss) on ordinary activities before taxation

Fees in respect of audit services were £6,000 (2016: £2,000). Fees in respect of taxation services were £820 (2016: £780).

3. Directors and Employees

	2017 Number	2016 Number
Average monthly number of employees:		
Directors	<u>4</u>	<u>4</u>

No employment costs were incurred during the year (2016: £nil). Directors' remuneration is borne by CALA Management Limited, a fellow group company.

4. Interest payable and similar charges

	2017 £	2016 £
Interest payable on intercompany loans	<u>501,087</u>	<u>519,398</u>

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2017 (continued)

5. Tax on profit/(loss) on ordinary activities	2017	2016
(a) Analysis of tax charge in the year	£	£
United Kingdom corporation tax on profit / (loss) of the year	-	(110,075)
Adjustment in respect of prior years	-	2
Current tax credit	-	(110,073)
Deferred tax:		
Current year	156,894	-
Impact of changes in tax rates	(5,963)	33,736
Total deferred tax	150,931	33,736
Tax on profit/(loss) on ordinary activities	150,931	(76,337)

(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:

	2017 £	2016 £
Profit/(loss) on ordinary activities before taxation	836,142	(550,374)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 19.75% (2016: 20%)	165,144	(110,075)
Effects of:		
Expenses not deductible	16,499	-
Income not taxable	(24,749)	-
Impact of changes in tax rates	(5,963)	33,736
Adjustment in respect of prior years	-	2
Total tax charge/(credit) for the year	150,931	(76,337)

(c) Factors affecting future tax charges

The main rate of corporation tax was reduced from 20% to 19% with effect from 1 April 2017. A further change to the UK corporation tax rate to reduce it to 17% from 1 April 2020 was substantively enacted as part of Finance Bill 2016 on 6 September 2016. Deferred tax has been measured using the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Proposed changes were announced on 16 March 2016 to introduce new rules to restrict the deductibility of net interest costs as well as introducing changes to the existing corporation tax loss relief rules. These changes are expected to be introduced later this year with retrospective effect from 1 April 2017, however, as they are not yet substantively enacted they are not included in the calculation of the tax provision included in these accounts. Had the rules been enacted at the balance sheet date it has been estimated there would have been a nil impact for the company.

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2017 (continued)

6. Inventories

	2017 £	2016 £
Land	7,148,267	8,551,758
Work in progress	5,128,229	1,438,113
	<u>12,276,496</u>	<u>9,989,871</u>

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to £6.9 million (2016: nil).

7. Trade and other receivables

	2017 £	2016 £
Amounts falling due within 1 year:		
Amounts due from group undertakings	-	110,072
Other receivables	70,369	5,997
	<u>70,369</u>	<u>116,069</u>
Amounts falling due after 1 year:		
Deferred tax asset	490,042	640,973
	<u>490,042</u>	<u>640,973</u>
Total trade and other receivables	<u>560,411</u>	<u>757,042</u>

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

Amounts due from group undertakings are unsecured, 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 2016	640,973	640,973
Charged to the income statement	(150,931)	(150,931)
At 30 June 2017	<u>490,042</u>	<u>490,042</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 2017.

The Directors anticipate that the trading losses will be utilised in the next 12 months.

CALA Land Investments (Bearsden) Limited

Notes to the financial statements for the year ended 30 June 2017 (continued)

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,156,818	318,682
Amounts owed to group undertakings	6,941,308	7,554,959
Accruals and deferred income	6,820	14,728
	<u>9,104,946</u>	<u>7,888,369</u>

Amounts owed to group undertakings are unsecured, 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 2017 £	Allotted and fully Paid 2016 £
7,576,003 'A' (2016: 7,576,003) ordinary shares of £1 each	7,576,003	7,576,003
1 'B' (2016: 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.