

# Wallace Land Investment and Management Limited

Registered number: SC362683

## Unaudited filleted financial statements

For the year ended 31 December 2017



**WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED**  
**REGISTERED NUMBER: SC362683**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	7,732	4,269
<b>Current assets</b>			
Stocks	5	2,466,922	2,050,408
Debtors: amounts falling due within one year	6	1,233,194	40,973
Cash at bank and in hand	7	300,413	371,945
		<u>4,000,529</u>	<u>2,463,326</u>
Creditors: amounts falling due within one year	8	(552,503)	(255,287)
<b>Net current assets</b>		<u>3,448,026</u>	<u>2,208,039</u>
<b>Total assets less current liabilities</b>		<u>3,455,758</u>	<u>2,212,308</u>
Creditors: amounts falling due after more than one year	9	(1,967,033)	(1,666,572)
<b>Provisions for liabilities</b>			
Deferred tax	10	(1,314)	(726)
		<u>(1,314)</u>	<u>(726)</u>
<b>Net assets</b>		<u><u>1,487,411</u></u>	<u><u>545,010</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	20,000	20,000
Profit and loss account	12	1,467,411	525,010
		<u><u>1,487,411</u></u>	<u><u>545,010</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

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**WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED**  
**REGISTERED NUMBER: SC362683**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

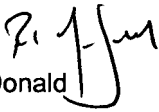
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The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21/5/18

R I MacDonald  
Director



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# WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1. General information

Wallace Land Investment and Management Limited is a private company limited by shares registered in Scotland. The registered office is 2 Coates Crescent, Edinburgh, EH3 7AL.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

#### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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# WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2. Accounting policies (continued)

#### 2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office furniture	-	20%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

#### 2.4 Stocks

Work in progress is valued at the lower of costs and net realisable value after making due allowance for non-continuing projects. The costs at the reporting date represent the cumulative direct outlays of the ongoing development projects and exclude administration and overhead costs and interest.

#### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

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# **WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **2. Accounting policies (continued)**

#### **2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **2.9 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### **2.11 Pensions**

##### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

#### **2.12 Interest income**

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

#### **2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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# WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2. Accounting policies (continued)

#### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3. Employees

The average monthly number of employees, including directors, during the year was 7 (2016 - 6).

# WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 4. Tangible fixed assets

	Office furniture £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2017	4,749	5,523	10,272
Additions	4,298	1,746	6,044
Disposals	-	(2,285)	(2,285)
At 31 December 2017	9,047	4,984	14,031
<b>Depreciation</b>			
At 1 January 2017	2,609	3,394	6,003
Charge for the year	1,092	1,327	2,419
Disposals	-	(2,123)	(2,123)
At 31 December 2017	3,701	2,598	6,299
<b>Net book value</b>			
At 31 December 2017	5,346	2,386	7,732
At 31 December 2016	2,140	2,129	4,269

### 5. Stocks

	2017 £	2016 £
Work in progress	2,466,922	2,050,408

### 6. Debtors

	2017 £	2016 £
Trade debtors	50,000	-
Prepayments and accrued income	1,166,814	5,161
VAT recoverable	16,380	35,812
	1,233,194	40,973



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# WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	300,413	371,945

### 8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	241,614	135,061
Amounts owed to related undertaking (note 15)	17,126	12,439
Corporation tax	276,773	93,433
Other taxation and social security	12,389	12,134
Accruals and deferred income	4,601	2,220
	552,503	255,287

### 9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to related undertaking (note 15)	1,967,033	1,666,572

### 10. Deferred taxation

	2017 £
At beginning of year	(726)
Movement in the year	(588)
At end of year	(1,314)

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# WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 10. Deferred taxation (continued)

The provision for deferred taxation, which is calculated based on a tax rate of 17% (2016 - 17%), is made up as follows:

	2017 £	2016 £
Fixed asset timing differences	(1,314)	(726)

### 11. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
20,000 Ordinary shares of £1 each	20,000	20,000

### 12. Reserves

#### Profit & loss account

This reserve includes all current and prior periods retained profits and losses net of dividends paid.

### 13. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £965 (2016 - £nil).

### 14. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	23,504	10,304
Later than 1 year and not later than 5 years	1,919	12,223
	<u>25,423</u>	<u>22,527</u>

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# **WALLACE LAND INVESTMENT AND MANAGEMENT LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **15. Related party transactions**

At the year end, the company was due £1,984,159 (2016 - £1,679,011) to Granfit Holdings Limited, a company which owns 50% of the issued share capital of the company. Interest, on the loan of £1,967,033 (2016 - £1,666,572), at 2.5% over base, amounting to £47,765 (2016 - £47,215) was paid during the year to Granfit Holdings Limited. The balance due to Granfit Holdings Limited includes an unpaid management charge of £20,000 (2016 - £20,000) offset by a rent recharge of £2,874 (2016 - £7,561).

### **16. Controlling party**

In the opinion of the directors, the company has no ultimate controlling party.