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REGISTERED NUMBER: SC518693 (Scotland)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

FOR

SCOTIA HOMES (HOLDINGS) LIMITED

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COMPANIES HOUSE

BAIN HENRY REID

CHARTERED ACCOUNTANTS

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CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

COMPANY INFORMATION
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

DIRECTORS:	Mrs C Beaton Mr P J Boyle Mr R G Begbie Mr W M Bruce Mr D J Cameron Mr G J Gerrard Mr B R Linton Mr A Lonie Ms F MacLennan
SECRETARY:	HMS Secretaries Limited
REGISTERED OFFICE:	The Ca'd'oro 45 Gordon Street Glasgow G1 3PE
REGISTERED NUMBER:	SC518693 (Scotland)
AUDITORS:	Bain Henry Reid Statutory Auditors Chartered Accountants 28 Broad Street Peterhead Aberdeenshire AB42 1BY
SOLICITORS:	Harper Macleod LLP The Ca'd'oro Gordon Street Glasgow G1 3PE

GROUP STRATEGIC REPORT
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

The directors present their strategic report of the company and the group for the period 1 May 2019 to 30 June 2020.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of the acquisition and development of land and the construction and sale of residential property.

GROUP STRUCTURE
The company (Scotia Homes (Holdings) Limited) was incorporated on 26 October 2015 and subsequently acquired the entire share capital of Scotia Homes Limited and its subsidiary undertakings as part of the restructuring of the group. On 28 May 2020 85.80% of the issued share capital of Scotia Homes (Holdings) Limited was purchased by Camlin (No.4) Limited.

REVIEW OF BUSINESS
Results
The results for the 14 month period to 30 June 2020 and the financial position of the group are as shown in the annexed financial statements.

Key Performance Indicators

	2020	2019 as restated	Movement %
Turnover	£37.04m	£35.43m	5
Gross profit margin	16%	26%	(10)
Operating profit	£1.50m	£3.85m	(61)
Net bank debt	£5.74m	£0m	(£5.74m)
Net assets	£17.17m	£29.23m	(£12.06m)

Turnover for the 14-month period ended 30th June 2020 was 5% ahead of the previous financial year but on an annualised basis, this represents a reduction of £3.68m (10%). These results were negatively impacted by the onset of the COVID-19 pandemic which resulted in the complete shutdown of the business for a 3-month period between 23rd March 2020 and mid-June 2020. In addition, the Brent Crude oil price dropped to $20 per barrel during April 2020 which is the lowest level for almost 20 years. Whilst completions increased marginally to 182 units (2019 169 units), this reflects the higher activity levels seen during 2019, particularly in relation to affordable housing which represented 36% of the total completions during the period.

As a consequence of the 3-month UK lockdown during 2020, the board implemented a number of initiatives to protect the business which included placing almost the entire workforce on the Coronavirus Job Retention Scheme, substantial salary reductions for Directors and the launch of a collective consultation for staff redundancies. These actions were difficult but absolutely necessary. Due to the impact of the COVID-19 pandemic and the dramatic oil price collapse affecting the Aberdeen & NE Scotland economy, the board considered it appropriate to undertake a full reassessment of its landbank and work-in-progress which resulted in a non-cash impairment charge of £13.95m. The assumptions used to write stock down to net realisable value were independently validated. The impairment also included some legacy sites and land options for which residential development is no longer proceeding. Underlying operating profit remained robust at £1.5m but was clearly impacted by reduction in sales revenues and requirement to cover fixed costs during the lockdown period.

The consolidated balance sheet remains strong with net assets of £17.17m and bank debt of £5.74m outstanding as at 30th June 2020. The group has remained in compliance with its financial covenants throughout the period and has substantial headroom available within its revolving credit facility with Bank of Scotland which is committed until June 2023. The written down value of the group's landbank and work-in-progress remained at c.£26m as at the period end.

During May 2020, the business was acquired by Camlin Group for an undisclosed sum. Camlin is a joint venture company owned by David Cameron and Bruce Linton who are two leading Scottish property entrepreneurs.

FUTURE OUTLOOK

Following a period of unprecedented uncertainty caused by COVID-19 pandemic, the residential property market reopened in June 2020 with increased customer demand which was supported by Government led initiatives such as the LBTT holiday and continuation of Help-to-Buy and First Home Fund schemes. Lockdown has encouraged consumers to prioritise moving home, placing increasing importance on outdoor space and additional rooms for homeworking. The business has benefited from increased sales activity across our operational sites and increased selling prices on those sites, outwith Aberdeen and NE Scotland. The Aberdeen & NE market is showing signs of stabilisation and has now fallen to a more sustainable and affordable level but it continues to be necessary to use incentives such as part-exchange, assisted sale, discounts, etc to support sales levels. The board continues to monitor the level of incentives being utilised very closely.

Following the takeover by Camlin, the group has made substantial investment in its landbank with new development sites being acquired, mainly in the Cairngorm National Park and Perthshire/Angus regions. This is in accordance with our strategic plan as the board seeks to geographically diversify the business to reduce our reliance on Aberdeen & NE Scotland. The group remains in good shape financially and operationally, and turnover and profitability for the year ended 30th June 2021 are forecast to recover to pre-COVID-19 levels. As we follow the Government roadmap out of lockdown and continue the recovery from the global pandemic, the business is targeting to double its current housebuild completions to 350 per annum over the next 3-years.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's objectives are subject to a number of risks. The key business risks and uncertainties affecting the company relate to periodic downturns in the housing market and the delays in the planning system and in the production of local authority development plans. These risks are formally reviewed by the board and processes are put in place to monitor them and to deal with them as appropriate.

FINANCIAL RISK MANAGEMENT

The group's financial instruments comprise borrowings, cash and short-term deposits, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the group's operations as well as to manage its working capital and liquidity.

The group's operations expose it to a variety of financial risks that include the effects of changes in price risk and liquidity risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and related finance costs. The group does not use derivative financial instruments.
Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price Risk

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services it purchases. The group has no exposure to equity securities price risk as it holds no listed or other equity investments.

Liquidity Risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that it has sufficient available funds for operations and planned expansions.

GROUP STRATEGIC REPORT
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

SECTION 172(1) STATEMENT

In accordance with Section 172 (1) of the Companies Act 2006, the directors of the group have put in place policies and procedures which they consider, are in good faith, will most likely promote the success of the group for the benefit of its members as a whole, and in doing so, the directors have given regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term
- The interests of the group's employees
- The need to foster the group's business relationships with suppliers, customers, and others
- The impact of the group's operations on the community and the environment
- The desirability of the group maintaining a reputation of high standards and business conduct
- The need to act fairly between members of the group

Culture and vision

To enable a culture that promotes the success of the group, the board of directors continuously consider the matters listed above when discharging their duties. We understand that "the way we business" is shaped by leadership.

This is achieved, through cultivating strong business relationships and engaging with stakeholders to deliver the vision and our 5 key strategic long-term objectives. We aim to create a business that generates stakeholder value and is defined by the creation of great places to live.

The 5 key strategic objectives critical to delivery of Scotia's vision are:

- Health Safety Environmental & Quality
- Our people
- Our customers
- Placemaking
- Financial awareness

Risk management

The group operates a bespoke management system accredited to ISO 9001, 14001 and 45001. Our Scotia Integrated Management System (SIMS) integrates all three international standards and provides a framework for strong corporate governance, risk management and improved stakeholder focus.

The risk environment is diverse, and it is critical that there are robust mechanisms for risk management. Our management system enables the identification, evaluation, management and mitigation of risk, and board meeting agendas and information packs focus on key risks facing the business and strategies for mitigation.

Employees

We recognise that our teams of employees are the foundation to our business. The group operates a competency framework that includes topics such as professionalism and ethics, risk management and stakeholder focus helping to embed this into the culture of the business.

An employee engagement forum is being established with representatives from across the business. The forum enables communication to flow in both directions and facilitates enhanced understanding of employee matters.

Stakeholder focus and relationships

By engaging with our stakeholders, we gain a better understanding of what areas they are interested in, any concerns they may have, and how decisions may impact them.

Building strong relationships is vital to the delivery of our vision and long-term strategy of the business. The views and objectives of our stakeholders are carefully considered, and these are managed to ensure that the vision and values of the business are promoted and maintained.

We maintain a register of key stakeholders, documenting their interests and methods for communication to aid effective engagement, and we consult on matters that may impact the long-term success of the business.

Placemaking (communities & environment)

The impact of the group's operations on the community and environment is a key factor in the design and construction of all Scotia developments. For each project, we establish a Project Vision and there is continual assessment of the project's design against core criteria for placemaking. We aim to create great places, that add value and make a positive contribution to society and the communities we operate in.

ON BEHALF OF THE BOARD:

Gary Gerrard

Mr G J Gerrard - Chairman

30 April 2021

REPORT OF THE DIRECTORS
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

The directors present their report with the financial statements of the company and the group for the period 1 May 2019 to 30 June 2020.

DIVIDENDS
An interim dividend of £nil (2019: £349,741) was paid during the financial period. A final dividend of £nil (2019: £nil, as restated) has been authorised, making a total of £nil in respect of the period ended 30 June 2020 (2019: £349,741).

EVENTS SINCE THE END OF THE PERIOD
Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS
The directors during the period under review were:

Mrs C Beaton	
Mr W H Bruce	- resigned 25/11/19
Mr W M Bruce	
Mr S Burnett	- resigned 28/5/20
Mr D J Cameron	- appointed 28/5/20
Mr F D Fairlie	- resigned 28/5/20
Mr G J Gerrard	
Mr B R Linton	- appointed 28/5/20
Mr W L McLeod	- resigned 28/5/20
Mr D W Watt	- resigned 28/6/19
Mr M L Zanre	- resigned 28/5/20

The beneficial interests of the directors holding office on 30 June 2020 in the issued share capital of the company were as follows:

	30.6.20	1.5.19 or date of appointment if later
Ordinary £1 shares		
Mrs C Beaton	-	-
Mr W M Bruce	1,789,447	4,759,812
Mr D J Cameron	-	-
Mr G J Gerrard	-	-
Mr B R Linton	-	-

Other changes in directors holding office are as follows:

The following directors were appointed as directors after 30 June 2020 but prior to the date of this report:

Mr R G Begbie
Mr P J Boyle
Mr A J Lonie
Ms F MacLennan

REPORT OF THE DIRECTORS
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Gary Gerrard

Mr G J Gerrard - Chairman

30 April 2021

Opinion

We have audited the financial statements of Scotia Homes (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 June 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2020 and of the group's loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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 group'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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page seven, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 group's and the parent 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 group or the parent 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Bain Henry Reid

Katrina Cutler BA (Hons) CA (Senior Statutory Auditor)
for and on behalf of Bain Henry Reid
Statutory Auditors
Chartered Accountants
28 Broad Street
Peterhead
Aberdeenshire
AB42 1BY

30 April 2021

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

	Notes	PERIOD 1/5/19 TO 30/6/20 £	£	YEAR ENDED 30/4/19 as restated £	£
TURNOVER			**37,043,751**		35,427,432
Cost of sales			**31,009,218**		26,150,071
GROSS PROFIT			**6,034,533**		9,277,361
Selling expenses		**996,429**		934,320	
Other operating expenses		**4,799,703**		4,845,939	
			5,796,132		5,780,259
			238,401		3,497,102
Other operating income			**1,267,413**		353,839
OPERATING PROFIT	5		**1,505,814**		3,850,941
Exceptional items	6		**13,963,999**		-
			(12,458,185)		3,850,941
Interest receivable and similar income			**20,944**		132,993
			(12,437,241)		3,983,934
Interest payable and similar expenses	7		**666,629**		434,549
(LOSS)/PROFIT BEFORE TAXATION			**(13,103,870)**		3,549,385
Tax on (loss)/profit	8		**(1,048,958)**		550,033
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD			**(12,054,912)**		2,999,352
(Loss)/profit attributable to: Owners of the parent			**(12,054,912)**		2,999,352

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

	Notes	PERIOD 1/5/19 TO 30/6/20 £	YEAR ENDED 30/4/19 as restated £
(LOSS)/PROFIT FOR THE PERIOD		**(12,054,912)**	2,999,352
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD			2,999,352
	Note		
Prior year adjustment	11	**578,912**	
TOTAL COMPREHENSIVE LOSS SINCE LAST ANNUAL REPORT		**(11,476,000)**	
Total comprehensive income attributable to:			
Owners of the parent		**(11,476,000)**	2,999,352

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30 JUNE 2020

	Notes	2020 £	2020 £	2019 as restated £	2019 as restated £
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		1,093,387		923,064
Investments	14				
Interest in joint venture			50		50
Investment property	15		212,000		222,000
			1,305,437		1,145,114
CURRENT ASSETS					
Stocks	16	25,593,956		34,557,805	
Debtors	17	3,314,163		4,697,158	
Cash at bank and in hand		2,258,025		2,988,161	
		31,166,144		42,243,124	
CREDITORS					
Amounts falling due within one year	18	7,070,785		10,480,362	
NET CURRENT ASSETS			24,095,359		31,762,762
TOTAL ASSETS LESS CURRENT LIABILITIES			25,400,796		32,907,876
CREDITORS					
Amounts falling due after more than one year	19		8,229,380		3,681,548
NET ASSETS			17,171,416		29,226,328
CAPITAL AND RESERVES					
Called up share capital	24		35,788,923		35,788,923
Merger reserve	25		(28,376,415)		(28,376,415)
Retained earnings	25		9,758,908		21,813,820
SHAREHOLDERS' FUNDS			17,171,416		29,226,328

The financial statements were approved by the Board of Directors and authorised for issue on 30 April 2021 and were signed on its behalf by:

Gary Gerrard

Mr G J Gerrard - Chairman

The notes form part of these financial statements

COMPANY BALANCE SHEET
30 JUNE 2020

		2020		2019 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		-		-
Investments	14		**18,788,935**		35,788,935
Investment property	15		-		-
			18,788,935		35,788,935
CURRENT ASSETS					
Debtors	17	**27,548,323**		19,276,329	
Cash at bank		**179,068**		95,985	
		27,727,391		19,372,314	
CREDITORS					
Amounts falling due within one year	18	**2,521,908**		14,714,088	
NET CURRENT ASSETS			**25,205,483**		4,658,226
TOTAL ASSETS LESS CURRENT LIABILITIES			**43,994,418**		40,447,161
CREDITORS					
Amounts falling due after more than one year	19		**8,000,000**		3,000,000
NET ASSETS			**35,994,418**		37,447,161
CAPITAL AND RESERVES					
Called up share capital	24		**35,788,923**		35,788,923
Retained earnings	25		**205,495**		1,658,238
SHAREHOLDERS' FUNDS			**35,994,418**		37,447,161
Company's (loss)/profit for the financial year			**(1,452,743)**		670,926

The financial statements were approved by the Board of Directors and authorised for issue on 30 April 2021 and were signed on its behalf by:

Mr W M Bruce - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
Balance at 1 May 2018	35,788,923	19,164,209	(28,376,415)	26,576,717
Changes in equity				
Dividends	-	(349,741)	-	(349,741)
Total comprehensive income	-	2,420,440	-	2,420,440
Balance at 30 April 2019	35,788,923	21,234,908	(28,376,415)	28,647,416
Prior year adjustment	-	578,912	-	578,912
As restated	35,788,923	21,813,820	(28,376,415)	29,226,328
Changes in equity				
Total comprehensive loss	-	(12,054,912)	-	(12,054,912)
Balance at 30 June 2020	35,788,923	9,758,908	(28,376,415)	17,171,416

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2018	35,788,923	1,337,053	37,125,976
Changes in equity			
Dividends	-	(349,741)	(349,741)
Total comprehensive income	-	670,926	670,926
Balance at 30 April 2019	35,788,923	1,658,238	37,447,161
Changes in equity			
Total comprehensive loss	-	(1,452,743)	(1,452,743)
Balance at 30 June 2020	35,788,923	205,495	35,994,418

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

	Notes	PERIOD 1/5/19 TO 30/6/20 £	YEAR ENDED 30/4/19 as restated £
Cash flows from operating activities			
Cash generated from operations	1	**(4,692,965)**	(1,820,590)
Interest paid		**(329,573)**	(144,624)
Interest element of hire purchase payments paid		**(26,791)**	(8,908)
Finance costs paid		**(310,265)**	(281,017)
Tax paid		**-**	(7,916)
Net cash from operating activities		**(5,359,594)**	(2,263,055)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(840,945)**	(560,547)
Sale of tangible fixed assets		**303,980**	167,976
Interest received		**1,644**	122,712
Net cash from investing activities		**(535,321)**	(269,859)
Cash flows from financing activities			
New loans in year		**5,000,000**	3,000,000
Hire Purchase loans in year		**430,097**	530,570
Capital repayments in year		**(265,318)**	(217,700)
Equity dividends paid		**-**	(868,811)
Net cash from financing activities		**5,164,779**	2,444,059
Decrease in cash and cash equivalents		**(730,136)**	(88,855)
Cash and cash equivalents at beginning of period	2	**2,988,161**	3,077,016
Cash and cash equivalents at end of period	2	**2,258,025**	2,988,161

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	PERIOD 1/5/19 TO 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
(Loss)/profit before taxation	(13,103,870)	3,549,385
Depreciation charges	480,676	301,966
Profit on disposal of fixed assets	(114,033)	(48,966)
Impairment of development WIP	13,953,999	-
Fair value loss on investment property	10,000	-
Finance costs	666,629	434,549
Finance income	(20,944)	(132,993)
	1,872,457	4,103,941
Increase in stocks	(4,990,150)	(7,553,853)
Decrease in trade and other debtors	2,451,255	799,262
(Decrease)/increase in trade and other creditors	(4,026,527)	830,060
Cash generated from operations	(4,692,965)	(1,820,590)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 30 June 2020

	30/6/20	1/5/19
	£	£
Cash and cash equivalents	2,258,025	2,988,161

Year ended 30 April 2019

	30/4/19 as restated	1/5/18
	£	£
Cash and cash equivalents	2,988,161	3,077,016

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/5/19	Cash flow	At 30/6/20
	£	£	£
Net cash			
Cash at bank and in hand	2,988,161	(730,136)	2,258,025
	2,988,161	(730,136)	2,258,025
Debt			
Finance leases	(483,964)	(164,779)	(648,743)
Debts falling due after 1 year	(3,000,000)	(5,000,000)	(8,000,000)
	(3,483,964)	(5,164,779)	(8,648,743)
Total	(495,803)	(5,894,915)	(6,390,718)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 MAY 2019 TO 30 JUNE 2020

1. STATUTORY INFORMATION

Scotia Homes (Holdings) 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 General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historic .cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

Basis of consolidation
The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30th June 2020. The merger method of accounting has been adopted. Under this method, the carrying amounts of the acquired entity's assets and liabilities are not adjusted to fair value. The results and cash flows of all the combining entities are brought into the combined entity's consolidated financial statements from the beginning of the financial year in which the combination occurred.

In addition, the comparative information is restated by including the results for all the combining entities for the previous reporting period and their balance sheet for the previous reporting period.

Turnover and profits arising on trading between group companies is excluded.

Under section 408 (4) of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Significant judgements and estimates
Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

<u>Useful economic lives of tangible assets</u>
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

<u>Impairment of work in progress</u>
The group's work in progress comprises development land and building cost for the construction of residential properties, which is sensitive to changes in market conditions due to consumer demand and wider economic factors. As a result it is necessary to consider the recoverability of the cost of work in progress and the associated provisioning required. When calculating any work in progress impairment, management considers the current market conditions in the construction industry and the anticipated saleability in the future.

<u>Impairments of debtors</u>
The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Going concern
The directors, having made due and careful enquiry, are of the opinion that the group has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statement, that there is a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents sales of residential properties recognised on completion. Completion occurs when properties are completed and an agreement is in place to transfer the significant risks and rewards of ownership to the customer.

The group also sells development land. Sales of development land are recognised when there is a legally binding obligation to pay by the customer.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their estimated useful life or, if held under a finance lease, over the term of the lease, whichever is the shorter. The rates applicable are:

Plant and machinery	- 25% on reducing balance and 25 - 33% straight line
Fixtures and fittings	- 25 - 33% straight line
Motor vehicles	- 25% on reducing balance and 25% straight line

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Work in progress is also assessed for impairment at each reporting date. The carrying amount is compared with its selling price less costs to complete and sell. If work in progress is impaired, its carrying amount is reduced to its selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Fixed asset investments

Investments held are stated at cost less accumulated impairment losses.

Investment property

Investment properties are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently, investment properties whose fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value. The gains or losses on revaluation are recognised in the Income Statement in the period in which they arise.

Deferred taxation is provided on gains at the rate expected to apply when the property is sold and on losses where these losses are expected to reverse in the future.

2. ACCOUNTING POLICIES - continued

Stocks and work in progress
Stocks, including land held for development and completed and part exchange houses and residential work in progress are stated at the lower of cost and selling price less costs to complete and sell.

Shared purchase properties are stated at the lower of cost and selling price less costs to complete and sell of the equity retained by the company.

Amounts recoverable on contracts are included in debtors and stated at cost plus attributable profit less any foreseeable losses. Attributable profit is recognised in proportion to the stage of completion reached when the outcome of the contract can be assessed with reasonable certainty.

Payments received on account of contracts are deducted from the amounts recoverable on contracts.

Viability reports 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 reports assess the profitability of each site and any impairment provisions which may be required.

Trade debtors
Trade debtors on normal terms are stated at their nominal value and are assessed for recoverability on an ongoing basis.

Trade debtors on extended terms granted as part of a sales transaction are secured by way of a legal charge on the respective properties and are stated at net present value.

Taxation
Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. ACCOUNTING POLICIES - continued

Leases
Leases are classified as finance leases or hire purchase contracts whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance lease or hire purchase contracts are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease or hire purchase contract obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases or hire purchase contracts are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to the profit or loss on a straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Employee benefits
Companies within the group operate defined contribution pension schemes. The assets of these schemes are held separately from those of the companies in independently administered funds. Contributions payable for the year are charged in the profit and loss account.

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.

Financial instruments
The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments like loans and other accounts receivable and payable are initially measured at the present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate, or in the case of an outright short term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the net present value of estimated cash flows discounted at the assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, 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.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

2. ACCOUNTING POLICIES - continued

Provisions for liabilities
Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

3. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	**8,053,740**	7,463,028
Social security costs	**849,943**	797,165
Other pension costs	**311,306**	244,845
	9,214,989	8,505,038

The average monthly number of employees during the year was as follows:

	2020	2019
Production	**104**	107
Administration	**104**	106
	208	213

4. DIRECTORS' EMOLUMENTS & KEY MANAGEMENT

	PERIOD 1/5/19 TO 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
Directors' remuneration	**495,707**	570,707
Directors' pension contributions to money purchase schemes	**13,249**	12,985

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	**3**	3

4. DIRECTORS' EMOLUMENTS & KEY MANAGEMENT - continued

Information regarding the highest paid director is as follows:

	PERIOD 1/5/19 TO 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
Emoluments etc	172,497	191,008

Key management:		
Aggregate emoluments	370,608	417,486
Pension contributions to money purchase schemes	33,217	31,304

Directors' remuneration represents amounts payable to the directors of Scotia Homes (Holdings) Limited. Key management remuneration represents amounts payable to the directors of Scotia Homes Limited who are not directors of Scotia Homes (Holdings) Limited at the balance sheet date.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	PERIOD 1/5/19 TO 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
Other operating leases	166,958	149,732
Depreciation - owned assets	126,094	204,853
Depreciation - assets on hire purchase contracts	354,581	97,111
Profit on disposal of fixed assets	(114,033)	(48,966)
Auditors' remuneration	39,875	42,700
Auditors' remuneration for non audit work	18,275	23,500

6. EXCEPTIONAL ITEMS

	PERIOD 1/5/19 TO 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
Impairment of development work in progress	(13,953,999)	-
Fair value losses on investment property	(10,000)	-
	(13,963,999)	-

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	PERIOD 1/5/19 TO 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
Bank interest	313,330	144,556
Other interest	16,243	68
Hire purchase	26,791	8,908
Bank charges	310,265	281,017
	666,629	434,549

8. TAXATION

Analysis of the tax (credit)/charge
The tax (credit)/charge on the loss for the period was as follows:

	PERIOD 1/5/19 TO 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
Current tax:		
Adjustment re previous years	-	7,915
Deferred tax	(1,048,958)	542,118
Tax on (loss)/profit	(1,048,958)	550,033

UK corporation tax has been charged at 19%.

Reconciliation of total tax (credit)/charge included in profit and loss
The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	PERIOD 1/5/19 TO 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
(Loss)/profit before tax	(13,103,870)	3,549,385
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(2,489,735)	674,383
Effects of:		
Expenses not deductible for tax purposes	10,900	28,476
Adjustments to tax charge in respect of previous periods	3,114	7,915
Fair value loss on investment property	1,900	-
Land remediation relief	(13,178)	(17,125)
Other	36,198	24,687
Movement in general provision	1,401,843	(168,303)
Total tax (credit)/charge	(1,048,958)	550,033

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	Period 1/5/19 to 30/6/20	YEAR ENDED 30/4/19 as restated
	£	£
Ordinary shares of £1 each		
Interim	-	349,741
	-	349,741

11. PRIOR YEAR ADJUSTMENT

The company cancelled the final dividend relating to the year ended 30 April 2019 subsequent to the signing of the 2019 accounts and Scotia Homes Limited cancelled the final dividend paid to Scotia Homes (Holdings) Limited relating to the year ended 30 April 2019 subsequent to signing of the 2019 accounts, and accordingly a prior year adjustment was made to reflect this cancellation.

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 May 2019	
and 30 June 2020	**1,036,910**
AMORTISATION	
At 1 May 2019	
and 30 June 2020	**1,036,910**
NET BOOK VALUE	
At 30 June 2020	-
At 30 April 2019	-

13. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 May 2019	1,187,069	254,000	1,093,739	2,534,808
Additions	501,125	102,297	237,523	840,945
Disposals	(574,146)	(10,423)	(288,540)	(873,109)
At 30 June 2020	1,114,048	345,874	1,042,722	2,502,644
DEPRECIATION				
At 1 May 2019	657,238	187,080	767,426	1,611,744
Charge for period	249,524	71,114	160,037	480,675
Eliminated on disposal	(426,183)	(10,422)	(246,557)	(683,162)
At 30 June 2020	480,579	247,772	680,906	1,409,257
NET BOOK VALUE				
At 30 June 2020	633,469	98,102	361,816	1,093,387
At 30 April 2019	529,831	66,920	326,313	923,064

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 May 2019	394,770	288,502	683,272
Additions	501,125	237,523	738,648
Transfer to ownership	-	(22,411)	(22,411)
At 30 June 2020	895,895	503,614	1,399,509
DEPRECIATION			
At 1 May 2019	35,566	82,747	118,313
Charge for period	234,838	119,743	354,581
Transfer to ownership	-	(12,344)	(12,344)
At 30 June 2020	270,404	190,146	460,550
NET BOOK VALUE			
At 30 June 2020	625,491	313,468	938,959
At 30 April 2019	359,204	205,755	564,959

14. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1 May 2019 and 30 June 2020	50
NET BOOK VALUE	
At 30 June 2020	50
At 30 April 2019	50

Company

	Shares in group undertakings £
COST	
At 1 May 2019	35,788,935
Impairments	(17,000,000)
At 30 June 2020	18,788,935
NET BOOK VALUE	
At 30 June 2020	18,788,935
At 30 April 2019	35,788,935

14. FIXED ASSET INVESTMENTS - *continued*

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries	**Registered office**	**Nature of business**	**Class of shares**	**% holding**
Scotia Homes Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (Brechin West) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (Highland) Limited	Scotland	Property investment	Ordinary	100.00
Scotia (Foveran Village) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (Knockhall) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (City & Shire) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia Greenhall Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia Woodside of Drumrossie Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (Stratton) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (Highwood) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (Tayside) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (Midmill) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia (Glenview) Limited	Scotland	Construction and sale of residential property	Ordinary	100.00
Scotia Developments Limited	Scotland	Dormant	Ordinary	100.00
Scotia Homes (North) Limited	Scotland	Dormant	Ordinary	100.00
Scotia (Chapelpark) Limited	Scotland	Dormant	Ordinary	100.00
Scotia (Willowburn) Limited	Scotland	Dormant	Ordinary	100.00
Webster Group Limited	Scotland	Dormant	Ordinary	100.00
Webster Contracts Limited	Scotland	Dormant	Ordinary	100.00
Webster Homes Limited	Scotland	Dormant	Ordinary	100.00

15. INVESTMENT PROPERTY

Group

	Total
	£
FAIR VALUE	
At 1 May 2019	222,000
Fair value adjustment	(10,000)
At 30 June 2020	212,000
NET BOOK VALUE	
At 30 June 2020	212,000
At 30 April 2019	222,000

16. STOCKS

	Group	
	2020	2019 as restated
	£	£
Work in Progress	24,388,329	33,086,247
Shared purchase properties	197,444	197,444
Properties for resale	1,008,183	1,274,114
	25,593,956	34,557,805

17. DEBTORS

	Group		Company	
	2020	2019 as restated	2020	2019 as restated
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	43,549	125,418	-	-
Amounts owed by group undertakings	-	-	27,354,408	19,276,220
Other debtors	530,367	2,577,031	193,915	109
Amounts owed by joint venture	207,000	206,000	-	-
Taxation	52,290	52,291	-	-
	833,206	2,960,740	27,548,323	19,276,329
Amounts falling due after more than one year:				
Trade debtors	945,485	1,249,907	-	-
Other debtors	32,055	32,055	-	-
Deferred tax asset	1,503,417	454,456	-	-
	2,480,957	1,736,418	-	-
Aggregate amounts	3,314,163	4,697,158	27,548,323	19,276,329

Deferred tax asset

	Group		Company	
	2020	2019 as restated	2020	2019 as restated
	£	£	£	£
Accelerated capital allowances	(126,102)	(55,369)	-	-
Other timing differences	1,629,519	509,825	-	-
	1,503,417	454,456	-	-

Trade debtors and other debtors due after more than one year represent the net present value of secured loans amounting to £803,346 (2019: £1,127,068). The cost value of secured loans amounted to £803,346 (2019: £1,127,568).

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019 as restated	2020	2019 as restated
	£	£	£	£
Hire purchase contracts (see note 21)	419,363	227,416	-	-
Deposits in advance	267,577	136,432	-	-
Trade creditors	1,437,193	3,846,718	103,934	-
Land creditor	-	1,603,500	-	-
Amounts owed to group undertakings	-	-	2,371,870	14,689,059
Social security and other taxes	133,324	265,696	-	-
Other creditors	3,496,494	3,041,722	-	-
Accruals and deferred income	1,316,834	1,358,878	46,104	25,029
	7,070,785	10,480,362	2,521,908	14,714,088

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2020	2019 as restated	2020	2019 as restated
	£	£	£	£
Bank loans (see note 20)	8,000,000	3,000,000	8,000,000	3,000,000
Hire purchase contracts (see note 21)	229,380	256,548	-	-
Land creditor	-	425,000	-	-
	8,229,380	3,681,548	8,000,000	3,000,000

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019 as restated	2020	2019 as restated
	£	£	£	£
Amounts falling due between two and five years:				
Bank loans - 2-5 years	8,000,000	3,000,000	8,000,000	3,000,000

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts 2020	Hire purchase contracts 2019 as restated
	£	£
Gross obligations repayable:		
Within one year	**440,564**	239,919
Between one and five years	**240,804**	269,827
	681,368	509,746
Finance charges repayable:		
Within one year	**21,201**	12,503
Between one and five years	**11,424**	13,279
	32,625	25,782
Net obligations repayable:		
Within one year	**419,363**	227,416
Between one and five years	**229,380**	256,548
	648,743	483,964

Group

	Non-cancellable operating leases 2020	Non-cancellable operating leases 2019 as restated
	£	£
Within one year	**124,610**	125,843
Between one and five years	**226,218**	290,162
	350,828	416,005

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group 2020	Group 2019 as restated	Company 2020	Company 2019 as restated
	£	£	£	£
Bank loans	**8,000,000**	3,000,000	**8,000,000**	3,000,000
Hire purchase contracts	**648,743**	483,964	-	-
Land creditor	-	2,028,500	-	-
	8,648,743	5,512,464	**8,000,000**	3,000,000

Bank loans and overdrafts are secured by standard securities over development land and properties and a bond and floating charge over the assets of the group.

23. DEFERRED TAX

Group

	£
Balance at 1 May 2019	(454,456)
Provided during period	(1,048,961)
Balance at 30 June 2020	(1,503,417)

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019 as restated
			£	£
35,788,923	Ordinary	£1	35,788,923	35,788,923

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distributions, including a distribution arising from a winding up of the company.

25. RESERVES

Group

	Retained earnings	Merger reserve	Totals
	£	£	£
At 1 May 2019	21,234,908	(28,376,415)	(7,141,507)
Prior year adjustment	578,912	-	578,912
	21,813,820	(28,376,415)	(6,562,595)
Deficit for the period	(12,054,912)	-	(12,054,912)
At 30 June 2020	9,758,908	(28,376,415)	(18,617,507)

Company

	Retained earnings
	£
At 1 May 2019	1,658,238
Deficit for the period	(1,452,743)
At 30 June 2020	205,495

Merger reserve
The adoption of the merger method of accounting gives rise to the merger reserve, being the difference between the nominal value of new shares issued by Scotia Homes (Holdings) Limited for the acquisition of the shares of Scotia Homes Limited and the share capital and share premium account of Scotia Homes Limited.

Retained earnings
This reserve records all current and prior period retained profit and loss.

BAIN HENRY REID
CHARTERED ACCOUNTANTS

26. CONTINGENT LIABILITIES

Pension Scheme
The group participates in the Plumbing and Mechanical Services (UK) Industry Pension Scheme, a multi-employer defined benefit scheme. The directors consider that whilst it is possible that a liability could result in the future from a potential funding deficit, at present the amount of any such liability cannot be reliably estimated and no provision is being recognised.

27. CAPITAL COMMITMENTS

	2020	2019 as restated
	£	£
Contracted but not provided for in the financial statements	-	469,986

28. RELATED PARTY DISCLOSURES

Material interests of directors
Services are provided to the company as follows:

Rents are paid to Burnett Management, in which S Burnett, a directors until 28 May 2020, has an interest.

During the year the following transactions were made:

	2020	2019
	£	£
Group		
Burnett Property Management		
Rent	**88,200**	75,600
Outstanding at 30 June	-	-
Company		
Burnett Property Management		
Rent	-	-
Outstanding at 30 June	-	-

29. POST BALANCE SHEET EVENTS

The COVID-19 pandemic has developed rapidly in 2020. Measures taken by the government to contain the virus have affected economic activity. Due to these measures work on the group's development sites ceased during March 2020 and recommenced during June 2020. During this 3-month lockdown period, the board implemented a number of initiatives to protect the business which included the following:

- 98% of colleagues were placed on the Coronavirus Job Retention Scheme (furlough);
- directors salaries were reduced by 50%;
- a collective consultation commenced leading to the redundancy of 27 colleagues during 2020/21.

Following the recommencement of construction activity in June 2020, the board introduced strict controls across its development sites to ensure compliance with government guidelines around social distancing and other health and safety precautions to protect its staff, contractors and suppliers. This enabled a controlled return to work for most of our staff, including homeworking for those colleagues normally office-based, and has ensured that all development sites have remained open since June 2020. As a consequence, turnover for the year ending 30 June 2021 is forecast to recover to pre-COVID-19 levels and the directors are satisfied with the group's ability to continue as a going concern.

30. ULTIMATE CONTROLLING PARTY

Camlin (No4) Limited controls the company by virtue of an interest (directly or indirectly) in 85.80% of the issued share capital in Scotia Homes (Holdings) Limited