COMPANY REGISTRATION NUMBER: SC723231

Scotia (Brechin) Limited

Filleted Financial Statements

30 June 2023

Scotia (Brechin) Limited

Statement of Financial Position

30 June 2023

	Note	30 Jun 23
		£
Current assets		
Stock and work in progress		5,585,532
Debtors	4	420,520
Cash at bank and in hand		18,807
		6,024,859
Creditors: amounts falling due within one year	5	3,753,738
Net current assets		2,271,121
Total assets less current liabilities		2,271,121
Creditors: amounts falling due after more than one year	6	2,449,900
Net liabilities		(178,779)
Capital and reserves		
Called up share capital	7	100
Profit and loss account		(178,879)
Shareholders deficit		(178,779)

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

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.

These financial statements were approved by the board of directors and authorised for issue on 15 November 2023 , and are signed on behalf of the board by:

G Reid

Director

Company registration number: SC723231

Scotia (Brechin) Limited

Notes to the Financial Statements

Period from 15 February 2022 to 30 June 2023

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the business is Balmacassie, Ellon, AB41 8QR. The registered address of the business is The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors, having made careful enquiry, are of the opinion that the company 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 company has 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 in in preparing the annual financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Impairment of Work in Progress The company'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.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents amounts receivable from the sale 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.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Stocks

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

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

4. Debtors

	30 Jun 23
	£
Trade debtors	104,270
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1
Other debtors	316,249
	420,520

5. Creditors: amounts falling due within one year

	30 Jun 23
	£
Bank loans and overdrafts	2,951,314
Trade creditors	2,460
Amounts owed to group undertakings and undertakings in which the company has a participating interest	546,491
Social security and other taxes	195
Other creditors	253,278
	3,753,738

The company's bankers hold a standard security over the land included in WIP and floating charge over the assets of the company.

6. Creditors: amounts falling due after more than one year

	30 Jun 23
	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,449,900

7. Called up share capital

Issued, called up and fully paid

	30 Jun 23	
	No.	**£**
A Ordinary shares of £ 1 each	33	33
B Ordinary shares of £ 1 each	67	67
	100	100

During the period the company issued 33 A Ordinary shares of £ 1 each and 67 B Ordinary shares of £ 1 each, at par value.

8. Related party disclosures

During the period Scotia (Brechin) Limited received loans totalling £2,487,150 from its shareholders and repaid £37,250. At 30 June 2023 there was a balance of £2,449,900 due to its shareholders. The balance is interest free and repayable on 19th July 2027.

Scotia (Brechin) Limited also incurred subcontractor and other costs of £6,087,218 with a fellow group undertaking of one of its shareholders. As at 30 June 2023 a balance of £546,491 remained due.

Development management fees totalling £141,440 and selling expenses totalling £31,005 were payable to a fellow group undertaking of one of the shareholders during the period.

9. Ultimate controlling party

Scotia (Brechin) Limited is part of a joint venture agreement between Scotia (Tayside) Limited and Housing Growth Partnership III GP LLP. In the opinion of the directors, there is no individual ultimate controlling party.

10. Contingencies

Land creditor At 30 June 2023, the entity was due to pay a further balance of £243,750 to Scotia (Tayside) Limited under the terms of the land purchase agreement. This balance is contingent on both Shareholder Loans being repaid in full and, as such, has not been recognised as a creditor the accounts.

11. Summary audit opinion

The auditor's report dated 15 November 2023 was unqualified .

The senior statutory auditor was Barry Truswell , for and on behalf of Chiene + Tait LLP (trading as CT) .