

Company Registration Number: SC152921

Lochay Group Limited
(formerly Lochay Investments Limited)
Filleted Financial Statements
for the Year Ended
30 September 2017

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Lochay Group Limited
Financial Statements for the Year Ended
Year ended 30 September 2017

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Lochay Group Limited (formerly Lochay Investments Limited)

Directors' Responsibilities Statement

Year ended 30 September 2017

The directors are responsible for preparing the directors' report and the financial statements for the year ended in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for the year ended for each financial year. Under that law the directors have elected to prepare the financial statements for the year ended 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 for the year ended unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements for the year ended, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements for the year ended 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 for the year ended comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

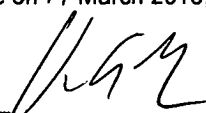
Lochay Group Limited (formerly Lochay Investments Limited)**Statement of Financial Position****30 September 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	4,032	3,841
Investments	6	<u>62,841</u>	<u>467,353</u>
		66,873	471,194
Current assets			
Stocks		2,100	2,100
Debtors	7	736,484	614,926
Cash at bank and in hand		<u>324,111</u>	<u>61,445</u>
		1,062,695	678,471
Creditors: amounts falling due within one year	8	<u>(138,790)</u>	<u>(122,430)</u>
Net current assets		923,905	556,041
Total assets less current liabilities		990,778	1,027,235
Net assets		990,778	1,027,235
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account	10	<u>980,778</u>	<u>1,017,235</u>
Shareholders' funds		990,778	1,027,235

These financial statements for the year ended have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with 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.

These financial statements for the year ended were approved by the board of directors and authorised for issue on 14 March 2018, and are signed on behalf of the board by:



W G R Thomson
Director

Company registration number: SC152921

The notes on pages 3 to 8 form part of these financial statements for the year ended

Lochay Group Limited (formerly Lochay Investments Limited)

Notes to the Financial Statements for the Year Ended

Year ended 30 September 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 12 Hope Street, Edinburgh, EH2 4DB.

2. Statement of compliance

These financial statements for the year ended 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 financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Pension costs

The company makes contributions to defined contribution pension schemes on behalf of certain employees. Contributions are charged to the profit and loss account in the period to which they relate.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

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. See note 5 for carrying amounts of tangible assets.

Lochay Group Limited (formerly Lochay Investments Limited)

Notes to the Financial Statements for the Year Ended *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

ii) Impairment of debtors

The company 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. See note 7 for carrying amount of debtors.

Revenue recognition

Turnover 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. Turnover comprises rents receivable, sales of properties and services provided net of value added tax.

Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period, and is charged in the Statement of Income and Retained Earnings. Deferred tax is provided on the liability method to take account of timing differences between the treatment for certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 25% straight line

Impairment of assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads including financing costs. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Lochay Group Limited (formerly Lochay Investments Limited)

Notes to the Financial Statements for the Year Ended *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

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.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 5 (2016: 6).

5. Tangible assets

	Fixtures and fittings £	Total £
Cost		
At 1 October 2016	9,212	9,212
Additions	1,809	1,809
At 30 September 2017	11,021	11,021
Depreciation		
At 1 October 2016	5,371	5,371
Charge for the year	1,618	1,618
At 30 September 2017	6,989	6,989
Carrying amount		
At 30 September 2017	4,032	4,032
At 30 September 2016	3,841	3,841

Lochay Group Limited (formerly Lochay Investments Limited)

Notes to the Financial Statements for the Year Ended *(continued)*

Year ended 30 September 2017

6. Investments

	Shares in subsidiary undertakings £	Shares in participating interests £	Other investments other than loans £	Total £
Cost				
At 1 October 2016	290	50	467,013	467,353
Additions	—	1	—	1
Disposals	—	—	(404,513)	(404,513)
At 30 September 2017	290	51	62,500	62,841
Impairment				
At 1 Oct 2016 and 30 Sep 2017	—	—	—	—
Carrying amount				
At 30 September 2017	290	51	62,500	62,841
At 30 September 2016	290	50	467,013	467,353

Shares in subsidiary undertakings

The company holds 100% of the ordinary share capital of Lochay Properties Limited (a property, trading and investment company) which has a year end of 30 September 2017 and is registered in Scotland. The company holds 100% of the ordinary share capital of Lochay (Northern) Limited (ceased trading during the year) which has a year end of 30 September 2017 and is registered in Scotland. The company also holds 90% of the ordinary share capital of Lochay Homes Limited (a housebuilder) which has a year end of 30 September 2017 and is registered in Scotland.

Interests in associated companies

The company holds 50% of the ordinary share capital of Loch Esk Limited and 39 Hanover Limited. The principal business activity of these companies is property development. These associated companies are registered in Scotland.

The company also has a 40% member's interest in Livingston Parkway LLP. This business entity holds an investment property.

The results for subsidiary undertakings and associates which exceed the 25% threshold as at 30 September 2017 are as follows:

Capital and Reserves

	2017 £	2016 £
Loch Esk Limited	11,034	12,718
Livingston Parkway LLP	1,799,274	1,786,208
39 Hanover Limited	14,458	—
Lochay Properties Limited	2,353,271	2,063,923
Lochay Homes Limited	3,286,437	2,253,743
Lochay (Northern) Limited	—	(141,301)

Profit/(Loss) for the year

	2017 £	2016 £
Loch Esk Limited	(1,584)	1,012
Livingston Parkway LLP	(14,701)	115,338
39 Hanover Limited	14,456	—
Lochay Properties Limited	289,348	151,974
Lochay Homes Limited	1,041,638	329,125
Lochay (Northern) Limited	141,301	36,413

Lochay Group Limited (formerly Lochay Investments Limited)

Notes to the Financial Statements for the Year Ended *(continued)*

Year ended 30 September 2017

7. Debtors

	2017 £	2016 £
Trade debtors	3,363	1,782
Amounts owed by undertakings in which the company has a participating interest	697,788	567,945
Other debtors	35,333	45,199
	<u>736,484</u>	<u>614,926</u>

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	81,866	81,797
Corporation tax	—	1,135
Social security and other taxes	17,071	7,266
Other creditors	39,853	32,232
	<u>138,790</u>	<u>122,430</u>

9. Summary audit opinion

The auditor's report was unqualified.

The senior statutory auditor was Barry Truswell CA, for and on behalf of Chiene + Tait LLP.

10. Reserves

Called up share capital - This reserve represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Lochay Group Limited (formerly Lochay Investments Limited)

Notes to the Financial Statements for the Year Ended *(continued)*

Year ended 30 September 2017

11. Related party transactions

At the balance sheet date, an amount of £81,866 (2016: £81,797) was due to a subsidiary undertaking.

At the balance sheet date, an amount of £Nil (2016: £80,000) was due from subsidiary undertakings.

At the balance sheet date, an amount of £Nil (2016: £404,513) was invested in an associated company with common directors. Accrued interest of £Nil (2016: £2,604) is due on the loan.

Included in other debtors is an amount of £20,000 (2016: £20,000) due from a joint arrangement between a subsidiary and a director.

During the year the company was charged an office rent of £41,000 per annum (2016: £41,000) by a director's self-invested pension scheme.

Amounts owed by associated undertakings with common directors/members at the year-end totalled £697,788 (2016: £487,945). All amounts owed are interest free and repayable on demand.

During the year management fees of £153,750 (2016: £131,000) were charged to subsidiary undertakings.

12. Transition to FRS 102

These are the first financial statements prepared in accordance with FRS 102. The company transitioned to FRS 102 on 1 October 2015.

There have been no material changes in accounting policy resulting from the application of FRS 102 and the equity and loss reported for the prior period, under the company's previous accounting framework, are unaffected.