
AC&H 231 LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 30 JUNE 2017

MONDAY



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COMPANIES HOUSE

AC&H 231 LIMITED
REGISTERED NUMBER: SC316413

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Current assets			
Work In progress	4	480,057	500,000
Debtors: amounts falling due within one year	5	443,538	723,736
Cash at bank and in hand	6	8,326	1,917
		<u>931,921</u>	<u>1,225,653</u>
Creditors: amounts falling due within one year	7	<u>(2,769,916)</u>	<u>(2,981,617)</u>
Net current liabilities		<u>(1,837,995)</u>	<u>(1,755,964)</u>
Total assets less current liabilities		<u>(1,837,995)</u>	<u>(1,755,964)</u>
Net assets		<u><u>(1,837,995)</u></u>	<u><u>(1,755,964)</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(1,837,996)</u>	<u>(1,755,965)</u>
		<u><u>(1,837,995)</u></u>	<u><u>(1,755,964)</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income 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 18 January 2018.



PM Pearce
Director

The notes on pages 2 to 8 form part of these financial statements.

AC&H 231 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. General information

The company is a private limited company, registered in Scotland (Registered No. SC316413)

The address of the principal place of business and registered office is;

First Floor
29 Bothwell Road
South Lanarkshire
ML3 0AS

The principal activity of the company is property development.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

As disclosed in note 10, the company is financed by a bank loan that was due for repayment on 29 December 2017.

Subsequent to the balance sheet date, in January 2018 the contract for development of the property asset included in work in progress completed. This will enable repayment of the bank loan and resolves the financing of the company.

The directors have therefore prepared the financial statements on the going concern basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.3 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.

Development activities

In respect of long term contracts turnover is stated at cost appropriate to the contracts's stage of completion plus attributable profits, less amounts recognised in prior years.

Turnover in respect of other services is recognised in the period in which contractual delivery is completed.

Investment activity

Rental income is recognised in the period for which it is receivable.

All turnover is exclusive of value added tax and trade discounts (where applicable)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.4 Work in progress

Profits on long-term contracts are recognised as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account. Excess payments on account are included in creditors.

In accordance with guidance, pre-contract costs, significant costs incurred in initial processes and before a contract is secured where recoverability is uncertain, are written off to profit and loss account as incurred.

Short term work in progress is valued at the lower of cost and net realisable value after making due allowance for amounts not recoverable. Costs include all direct costs incurred in development projects.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments 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.

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 balance sheet date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange

AC&H 231 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.7 Financial instruments (continued)

derivatives.

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 comprehensive income 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 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.11 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 comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet date in the countries where the Company operates and generates income.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

AC&H 231 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Impairment of work in progress balances

The company holds significant work in progress assets with development potential. However the local economic circumstances, planning and marketing opportunities for these sites will not be entirely predictable and will change over time. It is therefore essential that regular impairment reviews are carried out to ensure that assets are not overstated and irrecoverable expenditure is expensed as incurred.

4. Work in progress

	2017 £	2016 £
Work in progress	<u>480,057</u>	<u>500,000</u>

During the year an impairment provision of £nil (2016: £172,181) was necessary to reduce the carrying value of work in progress to its recoverable amount (market value).

5. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	410,823	706,697
Other debtors	-	9,920
Prepayments and accrued income	1	7,119
Deferred taxation	32,714	-
	<u>443,538</u>	<u>723,736</u>

6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>8,326</u>	<u>1,917</u>

AC&H 231 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

7. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Bank loans	1,911,248	2,048,095
Amounts owed to joint ventures	452	452
Amounts owed to other participating interests	753,831	753,831
Accruals and deferred income	104,385	179,239
	<u>2,769,916</u>	<u>2,981,617</u>

The bank loan was due for repayment on 29 December 2017. It is secured by a first legal charge and floating charge over freehold property (included in 'work in progress') of the company and its parent undertaking, AC&H 181 Limited. AC&H 181 Limited and AC&H 231 Limited are party to an unlimited multilateral guarantee in respect of the loan.

As explained in note 13, at the time of approving the financial statements a contract was entered into for development of the property asset included in work in progress which will enable repayment of the bank loan and resolves the financing of the company.

8. Deferred taxation

	2017
	£
Charged to profit or loss	32,714
At end of year	<u>32,714</u>

The deferred tax asset is made up as follows:

	2017
	£
Tax losses carried forward	32,714
	<u>32,714</u>

9. Post balance sheet events

In December 2017, a contract was entered into for development of the property asset included in work in progress which will enable repayment of the bank loan and resolves the financing of the company. Completion took place in January 2018.

AC&H 231 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

10. Controlling parties

The immediate parent undertaking is AC&H 181 Limited.

The ultimate controlling parties are Kimberley Securities Limited (registered in England) and AC&H 253 Limited (registered in Scotland).

The financial statements of Kimberley Securities Limited and AC&H 253 Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

11. Auditors' report

The auditors' report on the financial statements for the year ended 30 June 2017 was unqualified.

The audit report was signed on 22 January 2018 by Vicky Szulist (Senior Statutory Auditor) for Crowe Clark Whitehill LLP.