

DRUM (G3 SQUARE) LIMITED

UNAUDITED

**INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2018**

**COMPANIES HOUSE
EDINBURGH**

27 SEP 2019

FRONT DESK



DRUM (G3 SQUARE) LIMITED



COMPANY INFORMATION

Directors

G M Bone
P F Doherty
S C Oag

Company secretary

Brodies Secretarial Services Limited

Registered number

SC477421

Registered office

12 Rubislaw Terrace Lane
Aberdeen
AB10 1XF

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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DRUM (G3 SQUARE) LIMITED

REGISTERED NUMBER:SC477421

**BALANCE SHEET
AS AT 31 DECEMBER 2018**



	Note	2018 £	2018 £	2017 £	2017 £
Current assets					
Stocks	4	5,411,994		4,636,081	
Debtors: amounts falling due within one year	5	37,188		87,761	
Cash at bank and in hand	6	31,816		570,452	
		<u>5,480,998</u>		<u>5,294,294</u>	
Creditors: amounts falling due within one year	7	<u>(5,540,674)</u>		<u>(5,301,378)</u>	
Net current liabilities			<u>(59,676)</u>		<u>(7,084)</u>
Total assets less current liabilities			<u>(59,676)</u>		<u>(7,084)</u>
Net liabilities			<u>(59,676)</u>		<u>(7,084)</u>
Capital and reserves					
Called up share capital	9		133		133
Profit and loss account			<u>(59,809)</u>		<u>(7,217)</u>
			<u>(59,676)</u>		<u>(7,084)</u>

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

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

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

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

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 by:


.....
S. Oag
Director

Date: 25/09/19

The notes on pages 3 to 6 form part of these financial statements.

1. General information

Drum (G3 Square) Limited is a limited liability company incorporated in Scotland, whose registered office is The Coach House, 12 Rubislaw Terrace Lane, Aberdeen, AB10 1XF. 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 unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry and preparing forecasts, 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 statements, 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 preparing the annual financial statements.

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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Taxation

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.5 Stocks

Stocks and work in progress and valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.6 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.

2.7 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.

2.8 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 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows 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 out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's 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 the contract.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**
2. Accounting policies (continued)
2.9 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2017 - 3).

4. Stocks

	2018 £	2017 £
Work in progress	5,411,994	4,636,081
	<u>5,411,994</u>	<u>4,636,081</u>

5. Debtors

	2018 £	2017 £
Other debtors	37,188	87,761
	<u>37,188</u>	<u>87,761</u>

6. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	31,816	570,452
	<u>31,816</u>	<u>570,452</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	25,851	18,055
Amounts owed to group undertakings	5,512,673	5,281,173
Accruals and deferred income	2,150	2,150
	<u>5,540,674</u>	<u>5,301,378</u>

8. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>31,816</u>	<u>570,452</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
133 (2017 - 133) Ordinary shares of £1.00 each	<u>133</u>	<u>133</u>

10. Related party transactions

Control

Throughout the period the company was controlled by the directors.

Transactions

During the year the company received loans from a company with common directors of £231,500. The amount due to this company as at 31 December 2018 was £5,512,673 (2017 - £5,281,173).

During the year the company paid management fees of £50,001 to a company with common directors. No amounts were outstanding at the year end.

11. Controlling party

The ultimate parent company of Drum (G3 Square) Limited is Drum Development Group Limited, a company registered in Scotland.