LOCHAILORT INVESTMENTS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

Wellden Turnbull

Chartered Accountants and
Chartered Tax Advisers
Statutory Auditors

LOCHAILORT INVESTMENTS LIMITED
REGISTERED NUMBER:05605197

BALANCE SHEET
AS AT 31 OCTOBER 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	4		10,162		12,066
Current assets					
Stocks		278,930		968,789	
Debtors: amounts falling due within one year	5	1,213,719		2,750,780	
Cash at bank and in hand		1,528,485		351,427	
		3,021,134		4,070,996	
Creditors: amounts falling due within one year	6	(1,397,887)		(2,183,587)	
Net current assets			1,623,247		1,887,409
Total assets less current liabilities			1,633,409		1,899,475
Net assets			1,633,409		1,899,475
Capital and reserves					
Called up share capital	7		100		100
Profit and loss account			1,633,309		1,899,375
			1,633,409		1,899,475

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 income and retained earnings 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:

H P Haig
Director

Date: 16 April 2019

The notes on pages 2 to 6 form part of these financial statements.

1. General information

Lochailort Investments Limited is a private company, limited by shares and incorporated in England and Wales, registered number 05605197. The registered office address is Eagle House, 108-110 Jermyn Street, London SW1Y 6EE.

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.

These financial statements are presented in sterling, which is the functional currency of the Company and rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 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.

Development project income is recognised when contracts are exchanged.
Rental income is recognised on a receivable basis over the period it is due.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.4 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in the Statement of income and retained earnings, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	25%
Furniture	-	20%
Office equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 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 income and retained earnings.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2017 - 3).

LOCHAILORT INVESTMENTS LIMITED

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

4. Tangible fixed assets

	Motor vehicles	Furniture	Office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 November 2017	48,790	2,745	2,813	54,348
Additions	-	-	1,780	1,780
At 31 October 2018	48,790	2,745	4,593	56,128
Depreciation				
At 1 November 2017	37,695	2,203	2,384	42,282
Charge for the year on owned assets	2,774	271	639	3,684
At 31 October 2018	40,469	2,474	3,023	45,966
Net book value				
At 31 October 2018	8,321	271	1,570	10,162
At 31 October 2017	11,095	542	429	12,066

5. Debtors

	2018	2017
	£	£
Trade debtors	70,842	-
Other debtors	1,083,239	2,746,524

Prepayments and accrued income	6,801	4,256
Tax recoverable	52,837	-
	1,213,719	2,750,780

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

6. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	9,453	31,574
Corporation tax	88,782	88,759
Other taxation and social security	2,917	5,935
Other creditors	41,943	833,972
Accruals and deferred income	1,254,792	1,223,347
	1,397,887	2,183,587

7. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
100 (2017 - 100) Ordinary shares of £1 each	100	100

8. Transactions with directors

A director has an overdrawn loan account of £56,745 (2017 - £86,872). The reduction in the year was due to business expenses paid for by the director. Interest at 2.5% was charged on the loan and amounted to £1,287 (2017 - £2,498). The loan was fully repaid on 26 March 2019.

9. Related party transactions

A director, is owed £40,182 (2017 - £830,198) by the company. Interest charged at 7% on the loan amounted to £30,463 (2017 - 143,867). The accrued interest balance at the year end was £1,247,857 (2017 - £1,217,394).