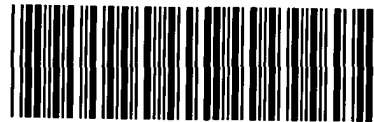


Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2019
for
Pentland Investments Limited

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for the Year Ended 31 December 2019

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Pentland Investments Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:	A D MacLean Mrs P A MacLean Dr C A MacLean R A MacLean
SECRETARY:	Mrs P A MacLean
REGISTERED OFFICE:	The Green St Boswells Melrose Roxburghshire TD6 0EN
REGISTERED NUMBER:	SC031917 (Scotland)
AUDITORS:	Cowan & Partners Limited Statutory Auditors 60 Constitution Street Edinburgh EH6 6RR

Strategic Report
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

The principle activity of the company in the year under review was that of forecourt retailing and hotelier. The company operates the Raeburn Hotel and the petrol station at Lawries Garage. In addition, the company derives rental income in respect of property it owns.

The results for the year and financial position of the company are as shown in the annexed financial statements.

The profit before tax for the year amounted to £934,557 (2018: £925,937).

2019 was a strong year for the company with the hotel enjoying strong levels of room bookings and the bar and restaurant well supported locally in Stockbridge. The investment properties performed well and Lawries Garage petrol station traded profitably.

The company acquired a 5 acre site at Edinburgh Road, Dumfries and began the planning process to get planning permission to build a motor dealership, and planning permission was approved in 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The company lets two properties to Border Automobile Company Ltd, and lets three investment properties to good quality tenants. Lawries Garage petrol station is based on the main trunk road through the Scottish Borders and whilst it is not a modern facility it has good passing trade and is well supported locally.

The Raeburn Hotel continues to be a destination of choice and is consistently voted as one of the top hotels to stay in Edinburgh. It is based in the Stockbridge area of Edinburgh which is regularly voted as one of the best places to live in the United Kingdom, with residents having high levels of disposable income.

The company has a low level of bank borrowings and benefits from being offered very competitive rates for these.

COVID 19

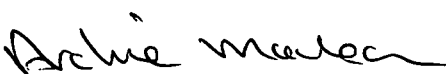
2020 has been an extraordinary year with the United Kingdom government having instructed the country to go into lockdown in March. The speed and scale of the pandemic was totally unforeseen and the effect on the Raeburn Hotel was catastrophic, with the business trading well one day while being closed the next day with no income foreseeable.

We are thankful for the furlough scheme and that COVID 19 did not affect the health of our staff, customers or directors. The hospitality sector was one of the last to be allowed to reopen but we have been pleased with how the business has traded since getting back to work. There are many challenges relating to effectively implementing the new guidelines issued from the UK government but we have a robust process in place to manage social distancing and reduce the risk of COVID 19. There is a great deal of uncertainty facing the hospitality industry as there is a risk that, if infections increase further, this will be one of the first sectors to go back into lockdown.

The investment properties were not affected by COVID 19 and Lawries Garage petrol station traded during lockdown but with reduced turnover.

Looking ahead, the United Kingdom is in recession and the impact of COVID 19 will be felt by all for some time but we believe we are well placed to tackle the consequences of COVID 19 and take advantage of any opportunities that may arise.

ON BEHALF OF THE BOARD:



A D MacLean - Director

26 August 2020

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

A D MacLean
Mrs P A MacLean
Dr C A MacLean
R A MacLean

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cowan & Partners Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



A D MacLean - Director

26 August 2020

Report of the Independent Auditors to the Members of
Pentland Investments Limited

Opinion

We have audited the financial statements of Pentland Investments Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Pentland Investments Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

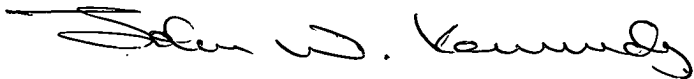
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John W Kennedy CA (Senior Statutory Auditor)
for and on behalf of Cowan & Partners Limited
Statutory Auditors
60 Constitution Street
Edinburgh
EH6 6RR

26 August 2020

Statement of Comprehensive Income
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER		5,226,887	5,383,618
Cost of sales		<u>3,103,634</u>	<u>3,178,803</u>
GROSS PROFIT		2,123,253	2,204,815
Administrative expenses		<u>2,139,809</u>	<u>1,960,284</u>
		(16,556)	244,531
Other operating income		<u>482,877</u>	<u>505,843</u>
OPERATING PROFIT	4	466,321	750,374
Profit/loss on sale of invest	5	<u>-</u>	<u>181,000</u>
		466,321	931,374
Gain/loss on revaluation of investment property		<u>471,879</u>	<u>-</u>
		938,200	931,374
Interest payable and similar expenses	6	<u>3,643</u>	<u>5,437</u>
PROFIT BEFORE TAXATION		934,557	925,937
Tax on profit	7	<u>70,635</u>	<u>125,058</u>
PROFIT FOR THE FINANCIAL YEAR		863,922	800,879
OTHER COMPREHENSIVE INCOME			
Gain/loss on revaln of inv pr		471,879	-
Revaln recognised through profit & loss		(471,879)	-
Income tax relating to components of other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>863,922</u></u>	<u><u>800,879</u></u>

Statement of Financial Position
31 December 2019

	Notes	31.12.19		31.12.18	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		6,591,239		5,073,692
Investments	9		<u>2,635,000</u>		<u>3,206,812</u>
			9,226,239		8,280,504
CURRENT ASSETS					
Stocks	10	111,301		130,907	
Debtors	11	1,357,340		1,322,185	
Cash at bank and in hand		<u>399,244</u>		<u>571,658</u>	
			1,867,885		2,024,750
CREDITORS					
Amounts falling due within one year	12	<u>1,300,834</u>		<u>1,266,163</u>	
NET CURRENT ASSETS					
			<u>567,051</u>		<u>758,587</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			9,793,290		9,039,091
CREDITORS					
Amounts falling due after more than one year	13		<u>25,311</u>		<u>135,034</u>
NET ASSETS					
			<u>9,767,979</u>		<u>8,904,057</u>
CAPITAL AND RESERVES					
Called up share capital	16		3,000,000		3,000,000
Revaluation reserve	17		80,032		80,032
Other reserves	17		10,901		10,901
Retained earnings	17		<u>6,677,046</u>		<u>5,813,124</u>
SHAREHOLDERS' FUNDS					
			<u>9,767,979</u>		<u>8,904,057</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 August 2020 and were signed on its behalf by:



A D MacLean - Director

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Other reserves £	Total equity £
Balance at 1 January 2018	3,000,000	5,012,245	80,032	10,901	8,103,178
Changes in equity					
Total comprehensive income	-	800,879	-	-	800,879
Balance at 31 December 2018	<u>3,000,000</u>	<u>5,813,124</u>	<u>80,032</u>	<u>10,901</u>	<u>8,904,057</u>
Changes in equity					
Total comprehensive income	-	863,922	-	-	863,922
Balance at 31 December 2019	<u>3,000,000</u>	<u>6,677,046</u>	<u>80,032</u>	<u>10,901</u>	<u>9,767,979</u>

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. **STATUTORY INFORMATION**

Pentland Investments Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Pentland Investments Limited is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on page 1. The company is a forecourt retailer and hotelier within the United Kingdom.

Financial Reporting Standard 102 - reduced disclosure exemptions

Under FRS 102 (Section 1), Pentland Investments Limited is exempt from the requirement to prepare a cash flow statement on the grounds that its parent company (Braemar Investments Limited) includes Pentland Investments Limited's cash flows in its own published consolidated financial statements.

Turnover

Turnover is measured at fair value of the consideration received or receivable and represents the amount receivable for goods or services supplied to customers in the normal course of business, excluding value added tax. The principle turnover streams of the company is forecourt retail and hotelier; the policy is to recognise a sale when substantively all the risks and rewards in connection with the goods have been passed to the buyer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 50% on cost

Land & buildings and improvements to property

No depreciation is provided in respect of land and buildings or improvements to property. This treatment may be a departure from the accounting standard requirements concerning the depreciation of fixed assets. However, the company maintains the buildings in a good state of repair, and the market value of the buildings are not less than their historic cost and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

Investment properties

Investment properties are measured at fair value in accordance with section 16 of FRS 102. Revaluations have taken place in the year and the change in fair value has been recognised this year in the profit and loss account.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Impairment

At each balance sheet date, the company reviews the carrying amounts of its tangible and investment assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Critical accounting judgements and estimation uncertainties

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policy where judgements or estimations are necessarily applied is summarised below.

Depreciation and residual values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular the useful economic life and residual values, and have concluded that asset lives and residual values are appropriate.

On completion of the refurbishment of the Raeburn in the year, the useful life of assets were reassessed by the directors. It was deemed appropriate to write these off straight line over two years rather than four years. This change in estimate has been applied in the current period and will continue to be the case going forward.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

	31.12.19	31.12.18
	£	£
Wages and salaries	<u>1,110,414</u>	<u>1,118,189</u>

The average number of employees during the year was as follows:

	31.12.19	31.12.18
Retail and admin	7	8
Hotel	<u>56</u>	<u>59</u>
	<u>63</u>	<u>67</u>

	31.12.19	31.12.18
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.19	31.12.18
	£	£
Hire of plant and machinery	1,603	2,577
Depreciation - owned assets	90,837	15,795
Auditors' remuneration	<u>6,000</u>	<u>5,750</u>

5. **EXCEPTIONAL ITEMS**

	31.12.19	31.12.18
	£	£
Profit/loss on sale of invest	<u>-</u>	<u>181,000</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.19	31.12.18
	£	£
Term loan interest	<u>3,643</u>	<u>5,437</u>

7. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	<u>70,635</u>	<u>125,058</u>
Tax on profit	<u>70,635</u>	<u>125,058</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.19	31.12.18
	£	£
Profit before tax	<u>934,557</u>	<u>925,937</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	177,566	175,928
Effects of:		
Expenses not deductible for tax purposes	4,055	1,471
Income not taxable for tax purposes	(89,657)	-
Capital allowances in excess of depreciation	(21,329)	(28,751)
Indexation of capital gain	<u>-</u>	<u>(23,590)</u>
Total tax charge	<u>70,635</u>	<u>125,058</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

7. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	31.12.19 Tax £	Net £
Gain/loss on revaln of inv pr	471,879	-	471,879
Revaln recognised through profit & loss	<u>(471,879)</u>	<u>-</u>	<u>(471,879)</u>
	<u>-</u>	<u>-</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Land & buildings £	Improvements to property £	Fixtures and fittings £	Totals £
COST				
At 1 January 2019	2,421,513	2,604,795	721,146	5,747,454
Additions	446,198	-	118,495	564,693
Reclassification/transfer	<u>1,043,691</u>	<u>-</u>	<u>-</u>	<u>1,043,691</u>
At 31 December 2019	<u>3,911,402</u>	<u>2,604,795</u>	<u>839,641</u>	<u>7,355,838</u>
DEPRECIATION				
At 1 January 2019	-	-	673,762	673,762
Charge for year	<u>-</u>	<u>-</u>	<u>90,837</u>	<u>90,837</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>764,599</u>	<u>764,599</u>
NET BOOK VALUE				
At 31 December 2019	<u>3,911,402</u>	<u>2,604,795</u>	<u>75,042</u>	<u>6,591,239</u>
At 31 December 2018	<u>2,421,513</u>	<u>2,604,795</u>	<u>47,384</u>	<u>5,073,692</u>

There have been no indicators of impairment in the year under review.

9. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1 January 2019	3,206,812
Revaluations	471,879
Reclassification/transfer	<u>(1,043,691)</u>
At 31 December 2019	<u>2,635,000</u>
NET BOOK VALUE	
At 31 December 2019	<u>2,635,000</u>
At 31 December 2018	<u>3,206,812</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

9. **FIXED ASSET INVESTMENTS - continued**

Cost or valuation at 31 December 2019 is represented by:

		Unlisted investments
		£
Valuation in 2019		471,879
Cost		<u>2,163,121</u>
		<u>2,635,000</u>

The Fixed Asset Investment comprises the ownership of land and property, owned for investment purposes, the properties are rented out.

There have been no indicators of impairment in the year under review.

10. **STOCKS**

	31.12.19	31.12.18
	£	£
Shop and fuel stocks	79,497	97,033
Hotel stocks	<u>31,804</u>	<u>33,874</u>
	<u>111,301</u>	<u>130,907</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19	31.12.18
	£	£
Trade debtors	43,319	63,761
Other debtors	775,000	750,000
Directors' current accounts	351,588	425,000
Tax	114,266	-
Prepayments and accrued income	<u>73,167</u>	<u>83,424</u>
	<u>1,357,340</u>	<u>1,322,185</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19	31.12.18
	£	£
Bank loans and overdrafts (see note 14)	108,484	134,603
Trade creditors	529,149	525,002
Tax	124,901	67,058
Social security and other taxes	38,407	34,585
VAT	26,153	50,128
Other creditors	355,457	348,575
Accrued expenses	<u>118,283</u>	<u>106,212</u>
	<u>1,300,834</u>	<u>1,266,163</u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.19	31.12.18
	£	£
Bank loans (see note 14)	<u>25,311</u>	<u>135,034</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

14. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.19 £	31.12.18 £
Amounts falling due within one year or on demand:		
Bank loans	<u>108,484</u>	<u>134,603</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>21,765</u>	<u>109,512</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>3,546</u>	<u>25,522</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.19 £	31.12.18 £
Bank loans	<u>133,795</u>	<u>269,637</u>

The Bank of Scotland hold a bond and floating charge over the whole assets of the company.

The Bank of Scotland also hold a standard security over the garage premises at Edinburgh Road, Dumfries.

The Bank of Scotland also hold a standard security over 2 properties: Rutland Square, Edinburgh; and Sylvanlea, St Boswells.

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19 £	31.12.18 £
3,000,000	Ordinary	£1	<u>3,000,000</u>	<u>3,000,000</u>

17. **RESERVES**

	Retained earnings £	Revaluation reserve £	Other reserves £	Totals £
At 1 January 2019	5,813,124	80,032	10,901	5,904,057
Profit for the year	<u>863,922</u>			<u>863,922</u>
At 31 December 2019	<u>6,677,046</u>	<u>80,032</u>	<u>10,901</u>	<u>6,767,979</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

18. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	31.12.19	31.12.18
	£	£
Amount due from related party	351,588	425,000
Amount due to related party	<u>360,000</u>	<u>240,000</u>

During the year management charges of £393,240 were paid to a controlling entity, of which £360,000 was outstanding at the period end. This is included within trade creditors.

A loan to a director of £351,588 was outstanding at year end. Interest was charged on last year's loan balance of £2,516. In addition, interest of £1,588 has been charged on the balance at the year end.

Other related parties

	31.12.19	31.12.18
	£	£
Sales	159,093	151,086
Amount due from related party	<u>779,057</u>	<u>760,301</u>

The company traded on a commercial basis with one related party. During the year under review £159,093 was received by Pentland Investments Limited. Of this, £4,264 is outstanding and included within trade debtors.

In addition the company received rents of £257,808 from a related party.

A loan is outstanding at year end, due to the company from one related party. During the year interest of £17,389 was charged and paid. A repayment of £953,500 and a further loan of £978,500 were made. Interest is chargeable at 1.5% over the Finance House Base Rate, there is no security over the loan and no fixed repayment terms. The total amount due at the year end was £775,000 and was included within other debtors.

A loan due to the company from another related party was fully repaid during the year. During the year repayments were received of £1,265 and interest charged on the loan of £6.

19. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Braemar Investments Limited, a company controlled by A D MacLean.

20. NON-CANCELLABLE OPERATING LEASES

The company acts as a lessor, providing properties to various related and unconnected parties under non-cancellable operating leases. Payments expected to be received under the leases in operation at the year end are as follows: Due in less than 1 year: £198,234; Due in 2-5 years: £575,829; Due in over 5 year: £79,625.

The total rents received under non-cancellable operating leases and recognised as income during the current year totals £198,234.