

Companies House

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2020
for
Pentland Investments Limited

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COMPANIES HOUSE

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for the Year Ended 31 December 2020

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Pentland Investments Limited

Company Information
for the Year Ended 31 December 2020

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 2020

The directors present their strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS

The principle activity of the company in the year under review was that of forecourt retailing at Lawries Garage in St Boswells, and hospitality at the Raeburn Hotel in Edinburgh. In addition, the company derives rental income from properties 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 £514,676 (2019: £934,557).

2020 was an extremely challenging year for the company with COVID-19 causing the hospitality business to close in March for a period of time as instructed by the UK and Scottish Governments with nearly all staff being put on furlough. When the hotel reopened we are pleased to report that customers eagerly returned to us but that we suffered with customers numbers being reduced with us implementing strict social distancing measures and with further Government restrictions later in the year. The hotel remained closed from late December 2020 until late April 2021 when it reopened for external sales of food and alcohol.

The forecourt retailing business suffered with greatly reduced turnover during the first lockdown and with varying degrees of reduced turnover in subsequent lock downs.

The investment properties performed well and all rents were paid in full and on time.

PRINCIPAL RISKS AND UNCERTAINTIES

The investment properties are rented to good quality tenants who were able to continue trading through the Government enforced restrictions but the lockdowns had a catastrophic effect on the Raeburn Hotel with no income at all. The forecourt retailing business is based on the A68 which is the main trunk road through the Scottish Borders but the restrictions greatly reduced passing customers and the turnover reduced.

COVID 19

2020 and 2021 have been extraordinary years with the United Kingdom gripped in recession caused by the impact of Covid 19 and the restrictions but we record our thanks to the UK Government for the furlough scheme and the business rates relief. We are thankful that Covid 19 has not materially affected the health of our colleagues, customers, suppliers or company directors and that the national vaccination programme continues at speed and gives us all hope for a better future.

Looking to the future it is difficult to predict what is ahead of us because the effects of Covid 19 are expected to be with us for some time but with a strong balance sheet and little debt we believe we are in a good position to continue being successful.

ON BEHALF OF THE BOARD:



A D MacLean - Director

16 June 2021

Pentland Investments Limited (Registered number: SC031917)

Report of the Directors
for the Year Ended 31 December 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 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.

ON BEHALF OF THE BOARD:



A D MacLean - Director

16 June 2021

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 2020 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 2020 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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

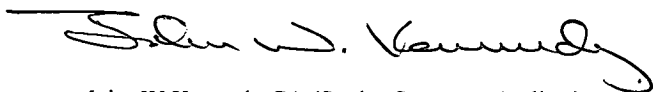
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

16 June 2021

Pentland Investments Limited (Registered number: SC031917)

Statement of Comprehensive Income
for the Year Ended 31 December 2020

| | Notes | 31.12.20 £ | 31.12.19 £ |
|-------------------------------------------------------------------|-------|---------------|---------------|
| TURNOVER | | 3,221,185 | 5,226,887 |
| Cost of sales | | 2,049,422 | 3,103,634 |
| GROSS PROFIT | | 1,171,763 | 2,123,253 |
| Administrative expenses | | 1,476,706 | 2,139,809 |
| | | (304,943) | (16,556) |
| Other operating income | | 820,609 | 482,877 |
| OPERATING PROFIT | 4 | 515,666 | 466,321 |
| Gain/loss on revaluation of investment property | | - | 471,879 |
| | | 515,666 | 938,200 |
| Interest payable and similar expenses | 5 | 990 | 3,643 |
| PROFIT BEFORE TAXATION | | 514,676 | 934,557 |
| Tax on profit | 6 | 101,967 | 70,635 |
| PROFIT FOR THE FINANCIAL YEAR | | 412,709 | 863,922 |
| 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 | | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR; NET OF INCOME TAX | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 412,709 | 863,922 |

The notes form part of these financial statements

Pentland Investments Limited (Registered number: SC031917)

Statement of Financial Position
31 December 2020

| | Notes | 31.12.20 | | 31.12.19 | |
|----------------------------------------------|-------|------------------|-------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 7 | | 6,670,787 | | 6,591,239 |
| Investments | 8 | | 2,635,000 | | 2,635,000 |
| | | | <u>9,305,787</u> | | <u>9,226,239</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 9 | 78,479 | | 111,301 | |
| Debtors | 10 | 1,352,321 | | 1,357,340 | |
| Cash at bank and in hand | | 253,166 | | 399,244 | |
| | | <u>1,683,966</u> | | <u>1,867,885</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | 806,309 | | 1,300,834 | |
| NET CURRENT ASSETS | | | <u>877,657</u> | | <u>567,051</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>10,183,444</u> | | <u>9,793,290</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 12 | | 2,756 | | 25,311 |
| NET ASSETS | | | <u>10,180,688</u> | | <u>9,767,979</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 15 | | 3,000,000 | | 3,000,000 |
| Revaluation reserve | 16 | | 80,032 | | 80,032 |
| Other reserves | 16 | | 10,901 | | 10,901 |
| Retained earnings | 16 | | 7,089,755 | | 6,677,046 |
| SHAREHOLDERS' FUNDS | | | <u>10,180,688</u> | | <u>9,767,979</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 16 June 2021 and were signed on its behalf by:



A D MacLean - Director

Statement of Changes in Equity
for the Year Ended 31 December 2020

| | Called up share capital £ | Retained earnings £ | Revaluation reserve £ | Other reserves £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|-----------------------------|------------------------|--------------------------|
| Balance at 1 January 2019 | 3,000,000 | 5,813,124 | 80,032 | 10,901 | 8,904,057 |
| 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> |
| Changes in equity | | | | | |
| Total comprehensive income | - | 412,709 | - | - | 412,709 |
| Balance at 31 December 2020 | <u><u>3,000,000</u></u> | <u><u>7,089,755</u></u> | <u><u>80,032</u></u> | <u><u>10,901</u></u> | <u><u>10,180,688</u></u> |

Notes to the Financial Statements
for the Year Ended 31 December 2020

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, net of discounts, VAT and other sales-related taxes. The principle turnover streams of the company are 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. This is at the time the services are provided.

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises cash paid and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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 2020

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.

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**

| | 31.12.20 | 31.12.19 |
|--------------------|----------|-----------|
| | £ | £ |
| Wages and salaries | 967,518 | 1,110,414 |

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

| | 31.12.20 | 31.12.19 |
|------------------|-----------|-----------|
| Retail and admin | 6 | 7 |
| Hotel | 52 | 56 |
| | <u>58</u> | <u>63</u> |

| | 31.12.20 | 31.12.19 |
|-------------------------|----------|----------|
| | £ | £ |
| Directors' remuneration | - | - |

4. **OPERATING PROFIT**

The operating profit is stated after charging:

| | 31.12.20 | 31.12.19 |
|-----------------------------|----------|----------|
| | £ | £ |
| Hire of plant and machinery | 1,508 | 1,603 |
| Depreciation - owned assets | 75,042 | 90,837 |
| Auditors' remuneration | 6,000 | 6,000 |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

| | | |
|--------------------|-------------------|-------------------|
| | 31.12.20 | 31.12.19 |
| | £ | £ |
| Term loan interest | 990 | 3,643 |
| | <u> </u> | <u> </u> |

6. **TAXATION**

Analysis of the tax charge

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

| | | |
|--------------------|-------------------|-------------------|
| | 31.12.20 | 31.12.19 |
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 101,967 | 70,635 |
| | <u> </u> | <u> </u> |
| Tax on profit | 101,967 | 70,635 |
| | <u> </u> | <u> </u> |

Reconciliation of total tax charge included in profit and loss

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

| | | |
|-----------------------------------------------------------------------------------------|-------------------|-------------------|
| | 31.12.20 | 31.12.19 |
| | £ | £ |
| Profit before tax | 514,676 | 934,557 |
| | <u> </u> | <u> </u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) | 97,788 | 177,566 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 3,155 | 4,055 |
| Income not taxable for tax purposes | - | (89,657) |
| Capital allowances in excess of depreciation | - | (21,329) |
| Depreciation in excess of capital allowances | 1,024 | - |
| | <u> </u> | <u> </u> |
| Total tax charge | 101,967 | 70,635 |
| | <u> </u> | <u> </u> |

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2020.

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. **TANGIBLE FIXED ASSETS**

| | Land & buildings £ | Improvements to property £ | Fixtures and fittings £ | Totals £ |
|-----------------------|--------------------------|-------------------------------------|----------------------------------|------------------|
| COST | | | | |
| At 1 January 2020 | 3,911,402 | 2,604,795 | 839,641 | 7,355,838 |
| Additions | 154,590 | - | - | 154,590 |
| At 31 December 2020 | <u>4,065,992</u> | <u>2,604,795</u> | <u>839,641</u> | <u>7,510,428</u> |
| DEPRECIATION | | | | |
| At 1 January 2020 | - | - | 764,599 | 764,599 |
| Charge for year | - | - | 75,042 | 75,042 |
| At 31 December 2020 | <u>-</u> | <u>-</u> | <u>839,641</u> | <u>839,641</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2020 | <u>4,065,992</u> | <u>2,604,795</u> | <u>-</u> | <u>6,670,787</u> |
| At 31 December 2019 | <u>3,911,402</u> | <u>2,604,795</u> | <u>75,042</u> | <u>6,591,239</u> |

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

8. **FIXED ASSET INVESTMENTS**

| | Unlisted investments £ |
|-------------------------------------------|------------------------------|
| COST OR VALUATION | |
| At 1 January 2020 and 31 December 2020 | <u>2,635,000</u> |
| NET BOOK VALUE | |
| At 31 December 2020 | <u>2,635,000</u> |
| At 31 December 2019 | <u>2,635,000</u> |

Cost or valuation at 31 December 2020 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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

9. **STOCKS**

| | 31.12.20 | 31.12.19 |
|----------------------|---------------|----------------|
| | £ | £ |
| Shop and fuel stocks | 57,879 | 79,497 |
| Hotel stocks | 20,600 | 31,804 |
| | <u>78,479</u> | <u>111,301</u> |

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

| | 31.12.20 | 31.12.19 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 39,876 | 43,319 |
| Other debtors | 800,000 | 775,000 |
| Directors' current accounts | 359,988 | 351,588 |
| Tax | 114,266 | 114,266 |
| Covid support debtor | 27,408 | - |
| Prepayments and accrued income | 10,783 | 73,167 |
| | <u>1,352,321</u> | <u>1,357,340</u> |

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

| | 31.12.20 | 31.12.19 |
|-----------------------------------------|----------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 13) | 21,765 | 108,484 |
| Trade creditors | 77,571 | 529,149 |
| Tax | 101,967 | 124,901 |
| Social security and other taxes | 13,005 | 38,407 |
| VAT | 70,125 | 26,153 |
| Other creditors | 389,257 | 355,457 |
| Accrued expenses | 132,619 | 118,283 |
| | <u>806,309</u> | <u>1,300,834</u> |

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

| | 31.12.20 | 31.12.19 |
|--------------------------|--------------|---------------|
| | £ | £ |
| Bank loans (see note 13) | <u>2,756</u> | <u>25,311</u> |

13. **LOANS**

An analysis of the maturity of loans is given below:

| | 31.12.20 | 31.12.19 |
|---------------------------------------------------|---------------|----------------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank loans | <u>21,765</u> | <u>108,484</u> |
| Amounts falling due between one and two years: | | |
| Bank loans - 1-2 years | <u>2,756</u> | <u>21,765</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

13. **LOANS - continued**

| | 31.12.20 | 31.12.19 |
|-------------------------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | - | 3,546 |
| | <u> </u> | <u> </u> |

14. **SECURED DEBTS**

The following secured debts are included within creditors:

| | 31.12.20 | 31.12.19 |
|------------|-------------------|-------------------|
| | £ | £ |
| Bank loans | 24,521 | 133,795 |
| | <u> </u> | <u> </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.

15. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.12.20 | 31.12.19 |
|-----------|----------|----------------|-------------------|-------------------|
| | | | £ | £ |
| 3,000,000 | Ordinary | £1 | 3,000,000 | 3,000,000 |
| | | | <u> </u> | <u> </u> |

16. **RESERVES**

| | Retained earnings | Revaluation reserve | Other reserves | Totals |
|---------------------|-------------------|---------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| At 1 January 2020 | 6,677,046 | 80,032 | 10,901 | 6,767,979 |
| Profit for the year | 412,709 | | | 412,709 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| At 31 December 2020 | 7,089,755 | 80,032 | 10,901 | 7,180,688 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

17. **RELATED PARTY DISCLOSURES**

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

| | 31.12.20 | 31.12.19 |
|-------------------------------|-------------------|-------------------|
| | £ | £ |
| Amount due from related party | 359,988 | 351,588 |
| Amount due to related party | - | 360,000 |
| | <u> </u> | <u> </u> |

During the year management charges of £61,583 were paid to a controlling entity.

A loan to a director of £359,988 was outstanding at year end. Interest of £8,399 has been charged on the balance at the year end.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

17. RELATED PARTY DISCLOSURES - continued

Other related parties

| | 31.12.20 | 31.12.19 |
|-------------------------------|----------|----------|
| | £ | £ |
| Sales | 345,725 | 159,093 |
| Amount due from related party | 816,245 | 779,057 |

The company traded on a commercial basis with one related party. During the year under review £345,725 was received by Pentland Investments Limited. Of this, £16,854 is included in trade debtors and £609 in trade creditors.

In addition the company received rents of £305,808 from a related party.

A loan is outstanding at year end, due to the company from one related party. During the year interest of £9,860 was charged and paid. A repayment of £875,000 and a further loan of £900,500 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 £800,000 and was included within other debtors.

18. POST BALANCE SHEET EVENTS

Raeburn flooding

In February 2021, flooding occurred at the Raeburn hotel as a result of bad weather. This has caused significant damage to the front half of the building, which will likely require a six figure repair. The insurer has accepted liability for the damage. However, there is the potential for loss of earnings as the repairs will likely continue after the easing of lockdown restrictions for hospitality venues. The directors are less confident that the insurer will accept liability for lost earnings, and cannot at this stage determine the potential financial impact if this were to occur.

Cluny Centre transfer

In February 2021, the Cluny Centre (carrying amount £1,227,364) was transferred to a separate related company, Pentland Property Developments Limited.

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: £496,204

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