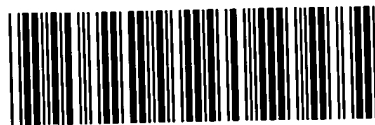


**Report of the Directors and
Financial Statements for the Year Ended 30 September 2018**
for
Craig Developments Limited
Registered number: SC020332

THURSDAY



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EDINBURGH**

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Craig Developments Limited
Contents of the Financial Statements
for the Year Ended 30 September 2018

	Page
Company Information	1
Report of the Directors	2
Statement of Directors' Responsibilities	3
Report of the Independent Auditor	4
Profit and Loss Account and Other Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

Craig Developments Limited
Company Information
for the Year Ended 30 September 2018

DIRECTORS:	EM Walker BE Walker
SECRETARY:	AS Company Services Ltd
REGISTERED OFFICE:	1 Rutland Court Edinburgh EH3 8EY
REGISTERED NUMBER:	SC020332 (Scotland)
AUDITOR:	KPMG LLP, Statutory Auditor Chartered Accountants Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
SOLICITOR:	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY

Craig Developments Limited
Report of the Directors
for the Year Ended 30 September 2018

The directors present their report with the financial statements of the company for the year ended 30 September 2018.

PRINCIPAL ACTIVITY

The company held residential properties in the year under review.

The results for the year are set out in the profit and loss account. The directors consider the results to be satisfactory.

DIVIDENDS

During the year a dividend of £Nil was paid (2017: £45,792).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2017 to the date of this report.

EM Walker
BE Walker

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 auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditors, will be deemed to be reappointed and KPMG LLP, Statutory Auditor, will therefore continue in office.

BY ORDER OF THE BOARD:


.....
AS Company Services Ltd - Secretary

Date: 11/1/19

Craig Developments Limited

**Statement of Directors' Responsibilities
for the Year Ended 30 September 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors report to the members of Craig Developments Limited

Opinion

We have audited the financial statements of Craig Developments Limited ("the company") for the year ended 30 September 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of work in progress and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditors report to the members of Craig Developments Limited (Continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 an auditor's report 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.



Bruce Marks (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Date: 24 January 2019

Craig Developments Limited

Profit and Loss Account and Other Comprehensive Income
for the Year Ended 30 September 2018

	Notes	2018 £	2017 £
TURNOVER		-	886,681
Cost of sales		<u>(4,082)</u>	<u>(830,760)</u>
GROSS (LOSS)/PROFIT		(4,082)	55,921
Administrative expenses		<u>(373)</u>	<u>(373)</u>
OPERATING (LOSS)/PROFIT		(4,455)	55,548
Interest receivable and similar income		<u>-</u>	<u>1,336</u>
		(4,455)	56,884
Interest payable and similar expenses		<u>(3,743)</u>	<u>-</u>
(LOSS)/PROFIT BEFORE TAXATION		(8,198)	56,884
Tax on (loss)/profit	3	<u>1,558</u>	<u>(11,092)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(6,640)	45,792
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(6,640)</u>	<u>45,792</u>

The notes form part of these financial statements

Balance Sheet
30 September 2018

	Notes	2018 £	2017 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	4	284,956	298,945
Debtors: amounts falling due after more than one year	4	<u>20,421</u>	<u>24,164</u>
		305,377	323,109
CREDITORS			
Amounts falling due within one year	5	<u>(261,773)</u>	<u>(272,865)</u>
NET CURRENT ASSETS		<u>43,604</u>	<u>50,244</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,604</u>	<u>50,244</u>
CAPITAL AND RESERVES			
Called up share capital	6	40,040	40,040
Capital redemption reserve		204	204
Retained earnings		<u>3,360</u>	<u>10,000</u>
SHAREHOLDERS' FUNDS		<u>43,604</u>	<u>50,244</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 13TH DECEMBER 2018 and were signed on its behalf by:



EM Walker - Director
Company registered number: SC020332

The notes form part of these financial statements

Craig Developments Limited

**Statement of Changes in Equity
for the Year Ended 30 September 2018**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 October 2016	40,040	10,000	204	50,244
Changes in equity				
Dividends	-	(45,792)	-	(45,792)
Total comprehensive income	-	45,792	-	45,792
Balance at 30 September 2017	<u>40,040</u>	<u>10,000</u>	<u>204</u>	<u>50,244</u>
Changes in equity				
Total comprehensive loss	-	(6,640)	-	(6,640)
Balance at 30 September 2018	<u>40,040</u>	<u>3,360</u>	<u>204</u>	<u>43,604</u>

The notes form part of these financial statements

Craig Developments Limited
Notes to the Financial Statements
for the Year Ended 30 September 2018

1. STATUTORY INFORMATION

Craig Developments Limited is a private company, limited by shares, incorporated, domiciled and 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 were prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102). The financial statements have been prepared under the historical cost convention except for shared equity debt assets which are measured at fair value through the profit or loss.

The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

The Company's ultimate parent undertaking, Walker Holdings (Scotland) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Walker Holdings (Scotland) Limited are available to the public and may be obtained from the address in note 8. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- cash flow statement and related notes;
- key Management Personnel compensation; and
- reconciliation of the number of shares outstanding from the beginning to the end of the year.

As the consolidated financial statements of Walker Holdings (Scotland) Limited include the equivalent disclosures, the company also has taken the exemptions under FRS 102 available in respect of the following disclosure:

The disclosures required by FRS102.11 Basic Financial Instruments and FRS102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of schedule 1.

Preparation of consolidated financial statements

As the company is a wholly owned subsidiary of Walker Holdings (Scotland) Limited, the company has taken advantage of the exemption contained in FRS102.33 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2018**

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

Key Sources of uncertainty

The company makes estimates and assumptions concerning the future. The resulting estimate will, by definition seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Going Concern

The factors likely to affect the company's future performance and financial position are set out in the Strategic report.

The directors have prepared cash flow forecasts for the company for the period for at least twelve months from the date of signing these accounts. The company has no external borrowings and the cash flow forecasts show that the group and the company can operate within their available funds for the foreseeable future. On the basis of their assessment, the directors have a reasonable expectation that this company will continue in operational existence for the foreseeable future. Thus they continue to adopt the Going Concern basis of accounting in preparing the financial statements.

Carrying value of shared equity

The company retains assets through previous shared equity schemes to assist prospective homeowners with their house purchase. The loans are held in long term debtors, at the fair value based on the present value of expected future cash flows taking into account a number of factors, including the expected market value of the property at the time of the loan repayment, the likely date of repayments, and the default rates and an appropriate discount rate to bring the expected cash flows to their present value. Accordingly there are a number of uncertainties which could impact the carrying value.

The company holds a secured charge over property sold under shared equity schemes.

Turnover

Turnover represents the value of land and house sales invoiced in the period.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date. The following timing differences are not provided for; differences between accumulated depreciation & tax allowances for the cost of a fixed asset if and when all conditions for retaining the allowance have been met.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

3. TAXATION

Analysis of the tax (credit)/charge

Total tax expense recognised in the profit and loss account, other comprehensive income and equity.

	2018 £	2017 £
Current tax:		
UK corporation tax	<u>(1,558)</u>	<u>11,092</u>
Tax on (loss)/profit	<u>(1,558)</u>	<u>11,092</u>

UK corporation tax has been charged at 19% (2017 - 19.50%).

Reductions in UK corporation tax from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly

4. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed by group undertakings	283,398	298,945
Tax	<u>1,558</u>	-
	<u>284,956</u>	<u>298,945</u>
Amounts falling due after more than one year:		
Shared equity assets	<u>20,421</u>	<u>24,164</u>
Aggregate amounts	<u>305,377</u>	<u>323,109</u>

Craig Developments Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2018**

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Amounts owed to group undertakings	261,773	261,773
Tax	<u>-</u>	<u>11,092</u>
	<u>261,773</u>	<u>272,865</u>

6. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
40,040	Ordinary	1	<u>40,040</u>	<u>40,040</u>

7. CONTINGENT LIABILITIES

The company has guaranteed the bank borrowings of its holding company and certain other fellow subsidiaries. At 30 September 2018 the facility available to the group was £4.0 million. Amounts which may become due under this guarantee are secured by a bond and floating charge over the whole of the company's assets.

8. ULTIMATE CONTROLLING PARTY

The company is a subsidiary undertaking of Walker Holdings (Scotland) Limited, incorporated in Scotland, which is the ultimate parent company. The only group in which the results of the Company are consolidated is that headed by Walker Holdings (Scotland) Limited. The consolidated financial statements of this group are available to the public and may be obtained from the Registrar of Companies, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.