

Company Registration No. SC072886 (Scotland)

**SKENE ENTERPRISES (ABERDEEN)  
LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2019**



# SKENE ENTERPRISES (ABERDEEN) LIMITED

## COMPANY INFORMATION

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**Directors** C P Skene  
A J K Skene  
J A MacKenzie

**Secretary** LC Secretaries Limited

**Company number** SC072886

**Registered office** Johnstone House  
52 - 54 Rose Street  
Aberdeen  
AB10 1HA

**Auditor** Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
ABERDEEN  
AB10 1YL

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# **SKENE ENTERPRISES (ABERDEEN) LIMITED**

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# SKENE ENTERPRISES (ABERDEEN) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 JANUARY 2019**

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

### Business Review

The company is engaged in the development of a continuing care retirement community through its housing developments and operation of a nursing home.

The directors are pleased to report satisfactory trading results for the year. The company continues to commit considerable resources to the operation of its retirement community and nursing home.

### Principal Risks and Uncertainties

Although the company's activities are not directly impacted by the downturn of the oil and gas sector of the North East of Scotland, the valuation of the housing market and the surrounding area have seen potential homeowners not being able to buy at Inchmarlo due to lack of finance. In recent months the local housing market has started to improve with house prices across Aberdeen city on the increase for the first time in many months.

The final outcome of the Brexit process continues to cause uncertainty for the company, in particular with regard to the employment status of EU citizens. The company are closely monitoring the situation and have identified those roles which may be affected. As a company we offer employment to qualified personnel from across the international market for care industry specialists and believe that we have suitable coverage to fulfil any roles, even where there are changes in legislation.

Increased competition in the area of retirement living is a key risk although demand is also on the increase. The directors have identified a programme of improvements for the estate to be implemented over the coming months and years.

### Financial Key Performance Indicators

Management consider revenue growth and operating profit to be the primary indicators of the Company's financial performance. Revenue decreased by 20% due to no new developments being available to sell in the year to January 2019. Operating margin was 17.8% compared to 19.5% last year. Profit margins are affected by continued increases in National Living Wage as well as ongoing work required to maintain the care home property. The Directors are satisfied that margins remain within acceptable levels for the type of trading activity.

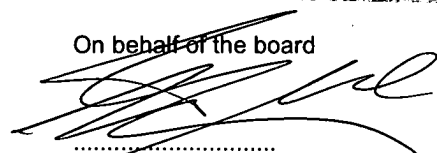
Net current assets have increased from £4.8million to £5.3million. Total assets have increased from £7.3million to £7.9million.

### Other Key Performance Indicators

Management review the occupancy levels of the care home and house sales activities of the retirement village. Occupancy continues to outperform director's targets and house sales are in line with expectations.

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On behalf of the board



.....  
C P Skene  
Director  
29/10/19  
.....

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present their annual report and financial statements for the year ended 31 January 2019.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C P Skene  
A J K Skene  
J A MacKenzie

### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Future developments

The directors continue to focus on growing the business by providing high quality retirement accommodation and care from its Inchmarlo facility.

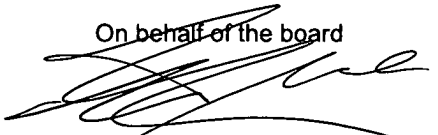
### Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

  
.....  
C P Skene  
Director  
Date: 29/10/19

# **SKENE ENTERPRISES (ABERDEEN) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JANUARY 2019***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SKENE ENTERPRISES (ABERDEEN) LIMITED

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#### Opinion

We have audited the financial statements of Skene Enterprises (Aberdeen) Limited (the 'company') for the year ended 31 January 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and related 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 January 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 Auditor's 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 included in the annual report, other than the financial statements and our auditor's report 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **SKENE ENTERPRISES (ABERDEEN) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SKENE ENTERPRISES (ABERDEEN) LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of our 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 and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement, 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 is 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.

#### **Auditor's 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 an auditor's report 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.



# SKENE ENTERPRISES (ABERDEEN) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SKENE ENTERPRISES (ABERDEEN) LIMITED

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#### Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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 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.

*Johnston Carmichael LLP*

**Fiona Kenneth (Senior Statutory Auditor)**  
for and on behalf of Johnston Carmichael LLP

*30 October 2019*

**Chartered Accountants**  
**Statutory Auditor**

Bishop's Court  
29 Albyn Place  
ABERDEEN  
AB10 1YL

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2019

		2019 £	2018 £
Turnover	3	3,676,295	4,635,709
Cost of sales		(208,115)	(1,058,087)
<b>Gross profit</b>		<b>3,468,180</b>	<b>3,577,622</b>
Administrative expenses		(2,814,506)	(2,672,974)
<b>Operating profit</b>	4	<b>653,674</b>	<b>904,648</b>
Interest receivable and similar income	7	30,249	8,113
<b>Profit before taxation</b>		<b>683,923</b>	<b>912,761</b>
Tax on profit	8	(143,990)	(180,713)
<b>Profit for the financial year</b>		<b>539,933</b>	<b>732,048</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.


# SKENE ENTERPRISES (ABERDEEN) LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	9		2,550,382		2,562,835
<b>Current assets</b>					
Stocks	11	128,993		113,868	
Debtors	12	3,135,454		1,542,029	
Cash at bank and in hand		2,964,411		4,350,898	
		<u>6,228,858</u>		<u>6,006,795</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(909,429)</u>		<u>(1,252,237)</u>	
<b>Net current assets</b>			5,319,429		4,754,558
<b>Total assets less current liabilities</b>			<u>7,869,811</u>		<u>7,317,393</u>
<b>Provisions for liabilities</b>			<u>(18,455)</u>		<u>(5,970)</u>
<b>Net assets</b>			<u><u>7,851,356</u></u>		<u><u>7,311,423</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		10,000		10,000
Profit and loss reserves	17		7,841,356		7,301,423
<b>Total equity</b>			<u><u>7,851,356</u></u>		<u><u>7,311,423</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29/10/19 and are signed on its behalf by:

  
C P Skene  
Director

Company Registration No. SC072886

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 JANUARY 2019**

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	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2017	10,000	6,569,375	6,579,375
Year ended 31 January 2018:			
Profit and total comprehensive income for the year	-	732,048	732,048
Balance at 31 January 2018	10,000	7,301,423	7,311,423
Year ended 31 January 2019:			
Profit and total comprehensive income for the year	-	539,933	539,933
Balance at 31 January 2019	10,000	7,841,356	7,851,356

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# SKENE ENTERPRISES (ABERDEEN) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20	272,987		1,935,444	
Income taxes paid		(184,314)		(222,132)	
<b>Net cash inflow from operating activities</b>		<b>88,673</b>		<b>1,713,312</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(70,437)		(31,355)	
Proceeds on disposal of tangible fixed assets		900		400	
Interest received		30,249		8,113	
<b>Net cash used in investing activities</b>		<b>(39,288)</b>		<b>(22,842)</b>	
Net movement in related party loans		(1,435,872)		(1,916,519)	
<b>Net cash used in financing activities</b>		<b>(1,435,872)</b>		<b>(1,916,519)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(1,386,487)</b>		<b>(226,049)</b>	
Cash and cash equivalents at beginning of year		4,350,898		4,576,947	
<b>Cash and cash equivalents at end of year</b>		<b>2,964,411</b>		<b>4,350,898</b>	

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

#### Company information

Skene Enterprises (Aberdeen) Limited ("the company") is a private company limited by shares domiciled and incorporated in Scotland. The registered office is Johnstone House, 52 - 54 Rose Street, Aberdeen, AB10 1HA.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account any discounts.

Turnover on private property sales is recognised at the point of handover. Turnover in relation to service provision is recognised in the period in which the service is provided. Costs incurred in relation to the sale of private property are recognised by reference to the overall anticipated margin of the contract. This is normally measured by surveys of work performed to date and budgets for costs to complete.

The costs on contracts not yet taken to the profit and loss account are included in stocks as work in progress.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% reducing balance
Fixtures and fittings	20% reducing balance
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.6 Stocks

Stocks and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in the profit and loss account.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including trade creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Construction contracts**

In order to allocate an appropriate level of costs to properties sold, management must estimate the total expected costs for each development site. The valuation of work in progress at the balance sheet date is based on the estimated stage of completion of the site. These estimates, which involve a degree of uncertainty, are determined by management, taking into account all available cost information including interim valuation certificates provided by contractors.

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Entry fees	124,505	123,305
Development sites	-	1,296,280
Service income	3,551,790	3,216,124
	<u>3,676,295</u>	<u>4,635,709</u>

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	<u>30,249</u>	<u>8,113</u>

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>3,676,295</u>	<u>4,635,709</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	8,850	8,500
Depreciation of owned tangible fixed assets	82,890	83,323
Profit on disposal of tangible fixed assets	<u>(900)</u>	<u>(400)</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Employees	<u>115</u>	<u>110</u>

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 5 Employees

(Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,993,171	1,819,547
Social security costs	147,574	126,014
Pension costs	48,152	33,404
	<u>2,188,897</u>	<u>1,978,965</u>

### 6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	260,856	215,038
Company pension contributions to defined contribution schemes	6,362	4,189
	<u>267,218</u>	<u>219,227</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	102,636	83,248
Company pension contributions to defined contribution schemes	6,362	-
	<u>109,000</u>	<u>83,248</u>

### 7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest income	<u>30,249</u>	<u>8,113</u>

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 8 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	131,505	184,314
Adjustments in respect of prior periods	-	(127)
Total current tax	<u>131,505</u>	<u>184,187</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	8,143	(3,474)
Adjustment in respect of prior periods	4,342	-
Total deferred tax	<u>12,485</u>	<u>(3,474)</u>
Total tax charge	<u>143,990</u>	<u>180,713</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>683,923</u>	<u>912,761</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.16%)	129,945	174,885
Tax effect of expenses that are not deductible in determining taxable profit	1,251	497
Adjustments in respect of prior years	-	(127)
Permanent capital allowances in excess of depreciation	9,410	5,016
Deferred tax adjustments in respect of prior years	4,342	-
Effect of change in tax rate	(958)	442
Taxation charge for the year	<u>143,990</u>	<u>180,713</u>

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 9 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 February 2018	3,119,677	901,773	58,314	4,079,764
Additions	-	60,692	9,745	70,437
Disposals	-	-	(5,995)	(5,995)
At 31 January 2019	3,119,677	962,465	62,064	4,144,206
<b>Depreciation and impairment</b>				
At 1 February 2018	675,828	797,375	43,726	1,516,929
Depreciation charged in the year	48,877	27,960	6,053	82,890
Eliminated in respect of disposals	-	-	(5,995)	(5,995)
At 31 January 2019	724,705	825,335	43,784	1,593,824
<b>Carrying amount</b>				
At 31 January 2019	2,394,972	137,130	18,280	2,550,382
At 31 January 2018	2,443,849	104,398	14,588	2,562,835

### 10 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	5,996,685	5,863,062
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	737,950	1,035,517

### 11 Stocks

	2019 £	2018 £
Work in progress	128,993	113,868

### 12 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	456,756	395,440
Other debtors	2,453,706	1,017,265
Prepayments and accrued income	224,992	129,324
	3,135,454	1,542,029

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	79,187	31,639
Corporation tax	131,505	184,314
Other taxation and social security	39,974	32,406
Other creditors	512,434	481,076
Accruals and deferred income	146,329	522,802
	<u>909,429</u>	<u>1,252,237</u>

### 14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	18,617	6,773
Short term timing differences	(162)	(803)
	<u>18,455</u>	<u>5,970</u>
<b>Movements in the year:</b>		2019 £
Liability at 1 February 2018		5,970
Charge to profit or loss		12,485
Liability at 31 January 2019		<u>18,455</u>

### 15 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>48,152</u>	<u>33,404</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

### 16 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

Ordinary shares have full voting rights but no right to fixed income or repayment of capital. Distributions are at the discretion of the company.

### 17 Profit and loss reserves

Retained earnings represent accumulated profits less distributions and losses.

### 18 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	<u>299,643</u>	<u>245,523</u>

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	<b>Recharged Expenses</b>	
	2019 £	2018 £
Other related parties	<u>116,026</u>	<u>10,309</u>

	2019 £	2018 £
<b>Amounts due from related parties</b>		
Other related parties	<u>2,452,799</u>	<u>1,016,927</u>

### 19 Controlling party

Throughout the year, the company was controlled by the directors.

# SKENE ENTERPRISES (ABERDEEN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

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### 20 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	539,933	732,048
<b>Adjustments for:</b>		
Taxation charged	143,990	180,713
Investment income	(30,249)	(8,113)
Gain on disposal of tangible fixed assets	(900)	(400)
Depreciation and impairment of tangible fixed assets	82,890	83,323
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(15,125)	492,243
(Increase) in debtors	(157,553)	(283,785)
(Decrease)/increase in creditors	(289,999)	739,415
<b>Cash generated from operations</b>	<u>272,987</u>	<u>1,935,444</u>