

# **Cadzow Properties Limited**

Registered number: SC260134

## **Filleted Accounts**

**For the year ended 31 March 2019**

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**CADZOW PROPERTIES LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	M K Glen K Thompson
<b>Company secretary</b>	M K Glen
<b>Registered number</b>	SC260134
<b>Registered office</b>	Strathearn House 211 Hope Street Glasgow G2 2UW
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 100 Queen Street Glasgow G1 3DN
<b>Bankers</b>	Santander 298 Deansgate Manchester M3 4HH
<b>Solicitors</b>	Holmes MacKillop 109 Douglas Street Blythswood Square Glasgow G2 4HB

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**CADZOW PROPERTIES LIMITED**

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**CADZOW PROPERTIES LIMITED**  
**REGISTERED NUMBER: SC260134**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

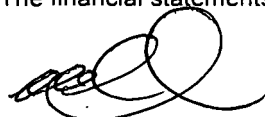
		2019	2018
	<b>Note</b>		
<b>Fixed assets</b>			
Investment property	<b>6</b>	5,557,900	5,537,302
		<u>5,557,900</u>	<u>5,537,302</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	<b>7</b>	388,530	383,993
Cash at bank and in hand	<b>8</b>	213,849	155,829
		<u>602,379</u>	<u>539,822</u>
Creditors: amounts falling due within one year	<b>9</b>	(2,431,930)	(2,352,254)
<b>Net current liabilities</b>		<u>(1,829,551)</u>	<u>(1,812,432)</u>
<b>Total assets less current liabilities</b>		<u>3,728,349</u>	<u>3,724,870</u>
Creditors: amounts falling due after more than one year	<b>10</b>	(2,299,525)	(2,339,525)
<b>Net assets</b>		<u><u>1,428,824</u></u>	<u><u>1,385,345</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Revaluation reserve	<b>12</b>	701,553	701,553
Profit and loss account	<b>12</b>	727,171	683,692
		<u><u>1,428,824</u></u>	<u><u>1,385,345</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M K Glen**  
Director

Date: 20 December 2019

The notes on pages 2 to 8 form part of these financial statements.

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## **CADZOW PROPERTIES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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#### **1. General information**

Cadzow Properties Limited is a Company limited by shares and registered in Scotland.

The registered office is:

Strathearn House  
211 Hope Street  
Glasgow  
G2 2UW

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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 following principal accounting policies have been applied:

##### **2.2 Going concern**

These financial statements have been prepared on a going concern basis which assumes that the Company is able to realise its assets and discharge its liabilities in the normal course of business.

At the date of approval of these financial statements, the Company's current liabilities exceed their current assets by £1,829,551 (2018 - £1,812,433). Therefore, there is an uncertainty in relation to the ability of the Company to realise its assets and discharge its liabilities in the normal course of business. The Parent Company has confirmed that it will provide financial support to the Company for a period of 12 months from the date of signing these financial statements as required.

Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.5 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**2.6 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

**2.7 Investment property**

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)**

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.10 Creditors**

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

**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**3. Auditor's remuneration**

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £2,200 (2018 - £1,900).

**4. Employees**

The Directors, who are considered to be the key management personnel of the Company, received no remuneration during the year (2018 - £nil).

The average monthly number of employees, including Directors, during the year was 2 (2018 - 2).

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**CADZOW PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**5. Taxation**

	<b>2019</b>	<b>2018</b>
<b>Corporation tax</b>		
Current tax on profits for the year	9,953	7,552
Adjustments in respect of previous periods	(1,049)	-
	<u>8,904</u>	<u>7,552</u>
<b>Taxation on profit on ordinary activities</b>	<u>8,904</u>	<u>7,552</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
Profit on ordinary activities before tax	<u>52,383</u>	<u>246,481</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	9,953	46,831
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	1
Ineligible profit on disposals	-	269
Income not chargeable	-	(35,893)
Adjustments to tax charge in respect of prior periods	(1,049)	-
Group relief	-	(3,656)
<b>Total tax charge for the year</b>	<u>8,904</u>	<u>7,552</u>



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**CADZOW PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**6. Investment property**

	<b>Investment property</b>
<b>Valuation</b>	
At 1 April 2018	5,537,302
Additions at cost	20,598
<b>At 31 March 2019</b>	<u><u>5,557,900</u></u>

The Directors, one of whom is a qualified Chartered Surveyor, valued the investment properties on an open market basis at 31 March 2019.

The historical cost of the investment properties included at valuation as at 31 March 2019 is £4,856,347 (2018: £4,835,749).

**7. Debtors**

	<b>2019</b>	<b>2018</b>
Trade debtors	17,607	4,959
Amounts owed by group undertakings (Note 13)	360,909	378,184
Prepayments	8,965	850
Other debtors	1,049	-
	<u><u>388,530</u></u>	<u><u>383,993</u></u>

**8. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
Cash at bank and in hand	<u><u>213,849</u></u>	<u><u>155,829</u></u>

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**CADZOW PROPERTIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**9. Creditors: Amounts falling due within one year**

	2019	2018
Bank loan (Note 11)	190,000	190,000
Trade creditors	15,666	7,029
Amounts owed to group undertakings (Note 13)	2,107,533	2,088,484
Corporation tax	9,953	5,166
Other creditors	68,471	22,457
Accruals and deferred income	40,307	39,118
	<u>2,431,930</u>	<u>2,352,254</u>

**10. Creditors: Amounts falling due after more than one year**

	2019	2018
Bank loan (Note 11)	<u>2,299,525</u>	<u>2,339,525</u>

**Secured loans**

The bank loan is secured by a bond and floating charge over the assets of the Company, assignment of rental income and a personal guarantee provided by a Director of the Company. Standard securities are also held over all properties.

**11. Loans**

Analysis of the maturity of loans is given below:

	2019	2018
<b>Amounts falling due within one year</b>		
Bank loans	190,000	190,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	40,000	40,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	2,259,525	2,299,525
	<u>2,489,525</u>	<u>2,529,525</u>

The bank loan facility of £2,540,000 was granted in January 2018. The loan is repayable over 20 years by a monthly installment of capital and interest. Interest is charged at 2.75% p.a. over Base Rate.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**12. Reserves****Profit & loss account**

The profit and loss account represents all accumulated profits and losses available for distribution.

**Fair value reserve**

The fair value reserve represents the accumulated surplus or deficit on the revaluation of investment property which is not available for distribution.

**13. Related party transactions**

The Company has taken advantage of the exemption within FRS 102 not to disclose transactions entered into by two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

During the year, the Company paid management and other expenses of £37,620 (2018 - £12,173) to MG Capital (UK) Ltd, the ultimate parent undertaking. At the reporting date, there was an amount of £358,548 (2018 - £378,036) owed to the Company from MG Capital (UK) Ltd.

During the year, the Company also paid management and other expenses of £62,000 (2018 - £60,000) to Nevisview Limited, the immediate parent undertaking. At the reporting date, there was an amount of £2,107,533 (2018 - £2,086,098) owed to Nevisview Limited.

During the year, the Company received management and other income of £2,361 (2018 - £nil) from Kilpatrick Assets Limited, a company under common control. At the reporting date, there was an amount of £2,361 (2018 - £149), owed to the Company from Kilpatrick Assets Limited.

As a result of group tax relief, at the reporting date the Company owed £nil (2018 - £2,386) to Kilpatrick Property Group Limited.

**14. Controlling party**

The immediate parent Company of Cadzow Properties Limited is Nevisview Limited, a Company incorporated in Scotland, which holds 100% of the Company's share capital. The ultimate parent undertaking is MG Capital (UK) Ltd, a Company also incorporated in Scotland, which is controlled by M K Glen.

**15. Auditor's information**

The auditor's report on the financial statements for the year ended 31 March 2019 was unqualified.

The audit report was signed on 20 December 2019 by Craig Maxwell (Senior Statutory Auditor) on behalf of Mazars LLP.