

Living Lerwick Limited
Company Limited by Guarantee
UNAUDITED FINANCIAL STATEMENTS
for the year ended
31 August 2014

Living Lerwick Limited
Company Limited by Guarantee
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C J Adamson
E R Gibson
G G Jamieson
S Mathieson
B L Mullan
K W S Rae
H Wiggins

REGISTERED OFFICE

c/o Christena Irvine
7 Mounthooly Street
Lerwick
Shetland
Scotland
ZE1 0BJ

BANKERS

Bank of Scotland
117 Commercial Street
Lerwick
Shetland
ZE1 0DN

Living Lerwick Limited

Company Limited by Guarantee

DIRECTORS' REPORT

The directors submit their report and unaudited financial statements of Living Lerwick Limited for the year ended 31 August 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to operate within the regulations set by the Government on Business Improvement Districts and ensure that the company's strategy creates long-term value for businesses within the Lerwick Business Improvement District.

DIRECTORS

The directors who served the company during the year were as follows:

C J Adamson
E M Eunson
E R Gibson
G G Jamieson
H A N Jamieson
S Mathieson
B L Mulla
K W S Rae
I Scott
J R Watt
I Webb
H Wiggins

E M Eunson resigned as a director on 31 July 2014.
H A N Jamieson resigned as a director on 24 September 2013.
I Scott resigned as a director on 16 September 2013.
J R Watt resigned as a director on 16 September 2013.
I Webb resigned as a director on 16 September 2013.

DIRECTORS' INSURANCE

The company has purchased and maintains insurance to cover its directors in relation to their duties to the company.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

C J Adamson
Director

15 December 2014

Living Lerwick Limited
Company Limited by Guarantee
UNAUDITED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 August 2014

		Year to 31 Aug 14 £	Period from 19 Jul 12 to 31 Aug 13 £
INCOME	<i>Notes</i>	108,179	97,031
Project expenditure		<u>55,458</u>	<u>34,987</u>
Gross surplus		52,721	62,044
Administrative expenses		26,624	24,251
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>26,097</u>	<u>37,793</u>
Taxation		—	—
SURPLUS FOR THE FINANCIAL YEAR	10	<u><u>26,097</u></u>	<u><u>37,793</u></u>

Living Lerwick Limited

Company Limited by Guarantee

UNAUDITED BALANCE SHEET

31 August 2014

	<i>Notes</i>	2014 £	2013 £
FIXED ASSETS			
Tangible assets	4	<u>21,532</u>	<u>24,163</u>
CURRENT ASSETS			
Debtors	5	35,191	22,615
Cash at bank and in hand		<u>21,715</u>	<u>8,096</u>
		56,906	30,711
CREDITORS			
Amounts falling due within one year	6	<u>7,378</u>	<u>6,601</u>
NET CURRENT ASSETS			
		<u>49,528</u>	<u>24,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>71,060</u>	<u>48,273</u>
Government grants	7	<u>7,170</u>	<u>10,480</u>
		<u>63,890</u>	<u>37,793</u>
RESERVES			
Income and expenditure account	10	<u>63,890</u>	<u>37,793</u>
MEMBERS' FUNDS			
		<u>63,890</u>	<u>37,793</u>

For the year ended 31 August 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to have an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 3 to 7 were approved by the board of directors and authorised for issue on 15 December 2014 and are signed on their behalf by:

C J Adamson
Chairperson

S Mathieson
Vice Chairperson

Living Lerwick Limited

Company Limited by Guarantee

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

INCOME

Income represents the net value of levy contributions that were invoiced in the period, exclusive of value added tax.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	5 years
Equipment	-	5 years

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

FINANCIAL INSTRUMENTS

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

DEFERRED GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Living Lerwick Limited
 Company Limited by Guarantee
 UNAUDITED NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 August 2014

2 OPERATING SURPLUS

Operating surplus is stated after charging/(crediting):

	Year to 31 Aug 14 £	Period from 19 Jul 12 to 31 Aug 13 £
Amortisation of government grants	(2,160)	(2,621)
Depreciation of owned fixed assets	6,893	6,040
Reallocation of projects' depreciation and amortisation	<u>(4,357)</u>	<u>(3,250)</u>

3 DIRECTORS' REMUNERATION

Directors' remuneration for the year was £Nil.

4 TANGIBLE FIXED ASSETS

	Plant & Machinery £	Equipment £	Total £
Cost			
At 1 September 2013	29,352	851	30,203
Additions	3,232	1,030	4,262
At 31 August 2014	<u>32,584</u>	<u>1,881</u>	<u>34,465</u>
Depreciation			
At 1 September 2013	5,870	170	6,040
Charge for the year	6,517	376	6,893
At 31 August 2014	<u>12,387</u>	<u>546</u>	<u>12,933</u>
Net book value			
At 31 August 2014	<u>20,197</u>	<u>1,335</u>	<u>21,532</u>
At 31 August 2013	<u>23,482</u>	<u>681</u>	<u>24,163</u>

5 DEBTORS

	2014 £	2013 £
Other debtors	29,297	14,626
Prepayments and accrued income	5,894	7,989
	<u>35,191</u>	<u>22,615</u>

Included in other debtors is £17,705 (2013 - £12,232) BID levies due.

Living Lerwick Limited
 Company Limited by Guarantee
 UNAUDITED NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 August 2014

6 CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	3,060	772
Other creditors	4,318	5,829
	<u>7,378</u>	<u>6,601</u>

7 GOVERNMENT GRANTS

	2014	2013
	£	£
Received and receivable:		
At 1 September 2013	13,101	-
Receivable during year	-	13,101
Repayable	(1,150)	-
At 31 August 2014	<u>11,951</u>	<u>13,101</u>
Amortisation:		
At 1 September 2013	2,621	-
Credit to profit and loss account	2,160	2,621
At 31 August 2014	<u>4,781</u>	<u>2,621</u>
Net balance at 31 August 2014	<u>7,170</u>	<u>10,480</u>

8 RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective April 2008).

9 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and had no authorised or issued share capital. In the event of the company being wound up, each member's liability may not exceed £1.

10 INCOME AND EXPENDITURE ACCOUNT

	Year to	Period from
	31 Aug 14	19 Jul 12 to
	£	31 Aug 13
	£	£
At the beginning of the year	37,793	-
Surplus for the financial year	26,097	37,793
At the end of the year	<u>63,890</u>	<u>37,793</u>

11 CONTINGENT LIABILITIES

There are contingent liabilities to repay any of the grants received should their conditions be breached.

Living Lerwick Limited
Company Limited by Guarantee
MANAGEMENT INFORMATION
for the year ended 31 August 2014

The following pages do not form part of the statutory financial statements.

Living Lerwick Limited
 Company Limited by Guarantee
 DETAILED INCOME AND EXPENDITURE ACCOUNT
 for the year ended 31 August 2014

	Year to 31 Aug 14 £	Period from 19 Jul 12 to 31 Aug 13 £
INCOME		
BID Levies receivable	75,946	76,233
Shetland Islands Council core funding	20,000	19,890
Donations received	–	295
Stall rents received	–	613
Miscellaneous income	702	–
Lottery grants received	8,575	–
Lerwick Community Council grants received	2,956	–
	<u>108,179</u>	<u>97,031</u>
PROJECT EXPENDITURE		
Street Market	329	–
Small Town, Big Heart	41,892	9,072
Improve what we have	11,848	18,415
Park and bide	13	3,000
Give a Little - Gain a Lot	1,102	4,000
Let's Keep Lerwick Safe	274	500
	<u>55,458</u>	<u>34,987</u>
Gross surplus	52,721	62,044
OVERHEADS		
Administrative expenses	26,624	24,251
SURPLUS ON ORDINARY ACTIVITIES	<u><u>26,097</u></u>	<u><u>37,793</u></u>

Living Lerwick Limited

Company Limited by Guarantee

NOTES TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 August 2014

	Year to 31 Aug 14 £	Period from 19 Jul 12 to 31 Aug 13 £
ADMINISTRATIVE EXPENSES		
Establishment expenses		
Rent	3,900	4,550
Insurance	626	817
	<u>4,526</u>	<u>5,367</u>
General expenses		
Travel and subsistence	293	–
Telephone	579	461
Computer expenses	402	853
Printing, stationery and postage	1,491	1,305
Project management and administration costs	17,037	10,000
BID Management	–	3,057
General expenses	107	680
Room hire	–	219
Advertising	–	27
Literature and brochures	–	74
Accountancy fees	1,813	2,024
Depreciation	6,893	6,040
Amortisation of government grants	(2,160)	(2,621)
Reallocation projects' depreciation and amortisation	(4,357)	(3,250)
	<u>22,098</u>	<u>18,869</u>
Financial costs		
Bank charges	–	15
	<u>26,624</u>	<u>24,251</u>

ACCOUNTANTS' REPORT TO THE DIRECTORS OF LIVING LERWICK
LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2014

In order to assist you to fulfil your duties under the Companies Act 2006, we prepared for your approval the financial statements of Living Lerwick Limited which comprise the Income and Expenditure Account, Balance Sheet and the related notes as set out on pages 3 to 7 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the directors of Living Lerwick Limited as a body, in accordance with the terms of our engagement letter dated 12 November 2013. Our work has been undertaken solely to prepare for your approval the financial statements of Living Lerwick Limited and state those matters that we have agreed to state to them in accordance with AAF 2/10 as detailed at icaew.com/compilation. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Baker Tilly Tax and Accounting Limited for any purpose or in any context. Any party other than the directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Living Lerwick Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of Living Lerwick Limited under the Companies Act 2006. You consider that Living Lerwick Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Living Lerwick Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

BAKER TILLY TAX AND ACCOUNTING LIMITED

Chartered Accountants
St. Olaf's Hall
Church Road
Lerwick
Shetland ZE1 0FD

16 December 2014