

Company Registration No. SC428645 (Scotland)

LIVING LERWICK LIMITED
COMPANY LIMITED BY GUARANTEE
REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2016

LIVING LERWICK LIMITED COMPANY LIMITED BY GUARANTEE

COMPANY INFORMATION

Directors

B L Mullay
E R Gibson
G G Jamieson
S Mathieson
H S Jamieson
G M Bain
J Christie
F Richardson

Company number

SC428645

Registered office

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

Accountants

RSM UK Tax and Accounting Limited
Chartered Accountants
St Olaf's Hall
Church Road
Lerwick
Shetland Isles
ZE1 0FD

Bankers

Bank of Scotland
117 Commercial Street
Lerwick
Shetland
ZE1 0DN

LIVING LERWICK LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their report and financial statements for the year ended 31 August 2016.

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

B L Mullay	
E R Gibson	
G G Jamieson	
S Mathieson	
K W S Rae	(Resigned 3 February 2016)
C J Adamson	(Resigned 21 September 2016)
D W Silver	(Resigned 19 January 2016)
H S Jamieson	(Appointed 19 January 2016)
G M Bain	(Appointed 19 January 2016)
C Caldwell	(Appointed 19 January 2016 and resigned 8 March 2017)
J Christie	(Appointed 24 August 2016)
F Richardson	(Appointed 8 March 2017)

Directors' insurance

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

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

On behalf of the board

G M Bain

Director

23 March 2017

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF LIVING LERWICK LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

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, the Balance Sheet and the related notes 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 Board of 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 ICAEW Technical Release 07/16 AAF. 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 RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of 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, RSM UK 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 representation 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 profit of Living Lerwick Limited under the Act. 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 statutory financial statements.

RSM UK Tax and Accounting Limited
Chartered Accountants
St Olaf's Hall
Church Road
Lerwick
Shetland Isles
ZE1 0FD

31 March 2017

LIVING LERWICK LIMITED
COMPANY LIMITED BY GUARANTEE
UNAUDITED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
Income		107,909	96,153
Project expenditure		(66,730)	(74,926)
Gross surplus		41,179	21,227
Administrative expenses		(33,554)	(33,385)
Surplus/(deficit) on ordinary activities before taxation	2	7,625	(12,158)
Tax on surplus/(deficit) on ordinary activities		-	-
Surplus/(deficit) for the financial year	9	7,625	(12,158)

LIVING LERWICK LIMITED
COMPANY LIMITED BY GUARANTEE

UNAUDITED BALANCE SHEET
AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	4		11,678		18,938
Current assets					
Debtors	5	43,347		41,749	
Cash at bank and in hand		27,351		5,994	
		<u>70,698</u>		<u>47,743</u>	
Creditors: amounts falling due within one year	6	(18,175)		(8,629)	
Net current assets			52,523		39,114
Total assets less current liabilities			64,201		58,052
Accruals and deferred income	7		(4,844)		(6,320)
Net assets			<u>59,357</u>		<u>51,732</u>
Reserves					
Income and expenditure account	9		59,357		51,732
Members' funds			<u>59,357</u>		<u>51,732</u>

For the financial year ended 31 August 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain 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 the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 3 to 7 were approved by the board of directors and authorised for issue on 23 March 2017 and are signed on its behalf by:

S Mathieson
Director

G M Bain
Director

LIVING LERWICK LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Going concern

August 2017 sees the end of the first five year term of the Business Improvement District. A ballot will be held in August 2017 to ascertain whether it will be renewed for a second term. In the meantime, the directors have adopted the going concern basis of accounting.

Income

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 - 5 years
Fixtures, fittings and equipment	3 - 5 years

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

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.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its 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.

2	Surplus/(deficit) on ordinary activities before taxation	2016 £	2015 £
	Surplus/(deficit) on ordinary activities before taxation is stated after charging/(crediting):		
	Amortisation of government grants	(4,843)	(3,160)
	Depreciation of tangible fixed assets		
	- owned	11,679	9,469
	Loss on disposal of tangible assets	-	59
	Reallocation of projects' depreciation and amortisation	(6,390)	(5,864)
		<u> </u>	<u> </u>

**LIVING LERWICK LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

3 Directors' remuneration

Directors' remuneration for the year was £Nil (2015: £Nil).

4 Tangible fixed assets

	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 September 2015	38,960	1,881	40,841
Additions	4,419	-	4,419
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2016	43,379	1,881	45,260
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 September 2015	20,912	991	21,903
Charge for the year	11,234	445	11,679
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2016	32,146	1,436	33,582
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 August 2016	11,233	445	11,678
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2015	18,048	890	18,938
	<u> </u>	<u> </u>	<u> </u>

5 Debtors

	2016	2015
	£	£
Other debtors	35,401	38,144
Prepayments and accrued income	7,946	3,605
	<u> </u>	<u> </u>
	43,347	41,749
	<u> </u>	<u> </u>

Included in other debtors is £31,791 (2015: £29,963) BID levies due.

6 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	4,631	-
Accruals and deferred income	13,544	8,629
	<u> </u>	<u> </u>
	18,175	8,629
	<u> </u>	<u> </u>

LIVING LERWICK LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

7 Accruals and deferred income

	Government grants £
Balance at 1 September 2015	6,320
Grants received during the year	3,367
Amortisation in the year	(4,843)
	<hr/>
Balance at 31 August 2016	4,844
	<hr/> <hr/>

8 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.

9 Income and expenditure account

	Income and expenditure account £
Balance at 1 September 2015	51,732
Surplus for the year	7,625
	<hr/>
Balance at 31 August 2016	59,357
	<hr/> <hr/>

10 Contingent liabilities

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

11 Related party relationships and transactions

No transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective January 2015).

LIVING LERWICK LIMITED
COMPANY LIMITED BY GUARANTEE
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2016

The following pages do not form part of the statutory accounts

**LIVING LERWICK LIMITED
COMPANY LIMITED BY GUARANTEE**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

		2016		2015
	£	£	£	£
Income				
BID levies receivable		76,650		75,401
World Host Income		5,665		1,300
Lerwick Community Council grants received		1,830		2,000
Shetland Islands Council core funding		23,500		16,500
Miscellaneous income		264		952
		<u>107,909</u>		<u>96,153</u>
Project expenditure				
Street Market	-		520	
Small Town, Big Heart	34,484		46,845	
Improve What We Have	15,835		15,636	
Park and Bide	920		2,590	
Give a Little - Gain a Lot	14,866		8,760	
Let's Keep Lerwick Safe	625		575	
		<u>(66,730)</u>		<u>(74,926)</u>
Gross surplus	38.16%	41,179	22.08%	21,227
Administrative expenses		<u>(33,554)</u>		<u>(33,385)</u>
Operating surplus/(deficit)		<u><u>7,625</u></u>		<u><u>(12,158)</u></u>

LIVING LERWICK LIMITED
COMPANY LIMITED BY GUARANTEE
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 AUGUST 2016

	2016	2015
	£	£
Administrative expenses		
Project management	17,200	21,495
Rent	4,390	5,048
Insurance	559	509
Light and heat	708	674
Repairs and maintenance	246	237
Printing, postage and stationery	347	642
Computer running costs	1,702	1,377
Telephone	420	303
Travelling and meeting expenses	586	72
Mid point assessment expenses	4,494	130
Accountancy	995	940
Bad and doubtful debts	1,298	1,128
Sundry expenses	65	293
Subscriptions	99	33
Amortisation	(4,843)	(3,160)
Depreciation	11,678	9,469
Reallocation of projects' depreciation and amortisation	(6,390)	(5,864)
(Profit) / loss on sale of tangible assets	-	59
	<u>33,554</u>	<u>33,385</u>
