

Discover Lanark Limited
Company Limited by Guarantee
Unaudited Financial Statements
For the period ended
31 August 2020

I.A.STEWART & CO
Chartered Accountants
The Mechanics Workshop
New Lanark
ML11 9DB

Discover Lanark Limited

Company Limited by Guarantee

Financial Statements

Period from 10 June 2019 to 31 August 2020

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Discover Lanark Limited

Company Limited by Guarantee

Officers and Professional Advisers

The board of directors

Ms C Freckleton
Ms C McClymont
Mr D Dalgliesh
Ms L Strachan
Mr D C MacMillan
Mr I W Leitch
Mr J A Cunningham
Mr R G McLeish
Mr R A E Lockhart

Registered office

5 Wellgate
Lanark
Scotland
ML11 9DS

Accountants

I.A.Stewart & Co
Chartered Accountants
The Mechanics Workshop
New Lanark
ML11 9DB

Bankers

Bank of Scotland
PO Box 17235
Edinburgh
EH11 1YH

Solicitors

Harper McLeod LLP
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

Discover Lanark Limited

Company Limited by Guarantee

Directors' Report

Period from 10 June 2019 to 31 August 2020

The directors present their report and the unaudited financial statements of the company for the period ended 31 August 2020.

Directors

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

Ms C Freckleton	(Appointed 10 June 2019)
Ms C McClymont	(Appointed 24 September 2019)
Mr D Dalgliesh	(Appointed 5 July 2019)
Ms L Strachan	(Appointed 5 July 2019)
Mr D C MacMillan	(Appointed 10 June 2019)
Mr I W Leitch	(Appointed 5 July 2019)
Mr J A Cunningham	(Appointed 10 June 2019)
Mr R G McLeish	(Appointed 10 June 2019)
Mr R A E Lockhart	(Appointed 24 September 2019)
Mr A T Brooks	(Served from 10 June 2019 to 10 August 2020)
Ms S L Christie-Carmichael	(Served from 5 July 2019 to 13 March 2020)

Principal activity

The company is a not for profit business. The principal activity of the company in the period under review is developing, supporting and delivering a number of identified projects and services in the Discover Lanark Business Improvement District for the benefit of the businesses in the area as well as residents and visitors.

The company has four key project areas as detailed in its Business Plan 2019-2024:

- Appearance and Access: improving how Lanark is presented to locals and visitors
- Business: putting successful businesses at the heart of Lanark's community
- Community: business and community working together for a better Lanark
- Lanark and New Lanark: working together to capitalise on tourism

Business review

The projects undertaken in the first year of operation have been detailed in the Annual Review sent to all levy payers. Activities have included the following:

Appearance and Access

Renovation of the closes

Wellgate light ceiling

Business Frontage Improvement Grant

Designing Lanark Town Masterplan

Discover Lanark Limited

Company Limited by Guarantee

Directors' Report *(continued)*

Period from 10 June 2019 to 31 August 2020

Business review *(continued)*

Business

COVID-19 business support
COVID-19 public information and campaigns
LoyalFree App
Website development
The Space @ Hyndford Place
Cost Reduction Service

Community

Christmas 2019 marketing campaign
High Street banners
Christmas trees and hanging baskets
Lanark in Bloom support

Lanark and New Lanark

Summer family trail - postponed to 2021

The BID levy income is collected by the local authority as per BID regulations, in this case South Lanarkshire Council. Additional income from external funding sources has been used during this period to assist in the delivery of projects and services across the key project areas outlined above.

Directors' responsibilities statement

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 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 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 judgments 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.

Discover Lanark Limited

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Directors' Report *(continued)*

Period from 10 June 2019 to 31 August 2020

Small company provisions

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

This report was approved by the board of directors on 5 November 2020 and signed on behalf of the board by:

Mr R G McLeish
Chairman

Mr J A Cunningham
Vice-Chairman

Registered office:
5 Wellgate
Lanark
Scotland
ML11 9DS

Discover Lanark Limited
Company Limited by Guarantee
Income Statement

Period from 10 June 2019 to 31 August 2020

	Period from 10 Jun 19 to 31 Aug 20
	£
Income	235,195
Direct costs	<u>87,918</u>
Gross surplus	147,277
Administrative expenses	<u>67,681</u>
Operating surplus	79,596
Surplus before taxation	6 <u>79,596</u>
Tax on surplus from ordinary activities	<u>-</u>
Surplus for the financial period	<u>79,596</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the period as set out above.

The notes on pages 7 to 10 form part of these financial statements.

Discover Lanark Limited
Company Limited by Guarantee
Statement of Financial Position
31 August 2020

	Note	31 Aug 20 £
Fixed assets		
Tangible assets	7	3,042
Current assets		
Debtors	8	59,975
Cash at bank and in hand		44,683
		<u>104,658</u>
Creditors: amounts falling due within one year	9	<u>28,104</u>
Net current assets		<u>76,554</u>
Total assets less current liabilities		<u>79,596</u>
Net assets		<u><u>79,596</u></u>
Capital and reserves		
Income and expenditure account		<u>79,596</u>
Members funds		<u><u>79,596</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the period ending 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period 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 were approved by the board of directors and authorised for issue on 5 November 2020, and are signed on behalf of the board by:

Mr R G McLeish
Chairman

Mr J A Cunningham
Vice-Chairman

Company registration number: SC632897

The notes on pages 7 to 10 form part of these financial statements.

Discover Lanark Limited

Company Limited by Guarantee

Notes to the Financial Statements

Period from 10 June 2019 to 31 August 2020

1. General information

The company is a private company limited by guarantee, registered in Scotland. The company is a public benefit entity. The address of the registered office is 5 Wellgate, Lanark, ML11 9DS, Scotland.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Income shown in the Statement of Income represents grants received in the period and amounts levied by South Lanarkshire Council with respect to the BID, including amounts which have not yet been received by the company, but which accrue in the period. Income is shown net of any value added tax.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Discover Lanark Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 10 June 2019 to 31 August 2020

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
Project equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution pension plans

Contributions to defined contribution pension plans are recognised as an expense in the period in which the related service is provided.

4. Company limited by guarantee

The company is a private company limited by guarantee not having a share capital. In the event of a winding up each of the member's liability is limited to £1.

5. Employee numbers

The average number of persons employed by the company during the period amounted to 1.

Discover Lanark Limited

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Notes to the Financial Statements *(continued)*

Period from 10 June 2019 to 31 August 2020

6. Surplus before taxation

Surplus before taxation is stated after charging:

	Period from 10 Jun 19 to 31 Aug 20 £
Depreciation of tangible assets	198

7. Tangible assets

	Fixtures and fittings £	Project equipment £	Total £
Cost			
At 10 June 2019	–	–	–
Additions	<u>958</u>	<u>2,282</u>	<u>3,240</u>
At 31 August 2020	<u>958</u>	<u>2,282</u>	<u>3,240</u>
Depreciation			
At 10 June 2019	–	–	–
Charge for the period	<u>160</u>	<u>38</u>	<u>198</u>
At 31 August 2020	<u>160</u>	<u>38</u>	<u>198</u>
Carrying amount			
At 31 August 2020	<u>798</u>	<u>2,244</u>	<u>3,042</u>

8. Debtors

	31 Aug 20 £
Trade debtors	14,800
Other debtors	<u>45,175</u>
	<u>59,975</u>

9. Creditors: amounts falling due within one year

	31 Aug 20 £
Trade creditors	1,596
Social security and other taxes	641
Other creditors	<u>25,867</u>
	<u>28,104</u>

10. Pension commitments

The company operates and contributes to a workplace pension scheme for employees. The assets of the pension scheme are held separately from those of the company. At the period end £459 was owed to the pension scheme.

Discover Lanark Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 10 June 2019 to 31 August 2020

11. Other financial commitments

The company received funding from the BID Resilience fund on the basis that the LoyalFree App would also be available for Carluke. Costs regarding this commitment, £2,200 in the year, were covered by the grant.

The expenditure planned as part of the Lanark and New Lanark working together project has been deferred in the expectation that the Covid-19 restrictions in place during the 2020 season will not be repeated in 2021, enabling the project to go ahead then. At 31 August 2020, there was a spend commitment of £12,950 in relation to this project which has not been reflected in these accounts.

12. Related party transactions

In the normal course of its activities the company receives levy income from its directors or businesses in which the directors are interested.

These businesses may be eligible to apply for Business Frontage Improvement (BFI) grants, as available to all businesses in the BID area. Each application goes through the same process and any grant is awarded in accordance with the guidelines. One such grant, relating to a director's business and totalling £607, was approved in the period.

The company also supports local businesses where it can with regard to sourcing goods and services. All transactions are carried out at arm's length.

The company pays rent to Tolbooth Lanark (SCIO), a charity in the BID area. Rent payable to the charity totalled to £4,767 in the year.

None of the directors receive remuneration for their services to the company.

Discover Lanark Limited

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Management Information

Period from 10 June 2019 to 31 August 2020

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

Discover Lanark Limited

Company Limited by Guarantee

Chartered Accountants Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Discover Lanark Limited

Period from 10 June 2019 to 31 August 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Discover Lanark Limited for the period ended 31 August 2020, which comprise the income statement, statement of financial position 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 ICAS, we are subject to its ethical and other professional requirements which are detailed at [icas.com/icas-frameworkpreparation-of-accounts](https://www.icas.com/icas-frameworkpreparation-of-accounts).

This report is made solely to the Board of Directors of Discover Lanark Limited, as a body, in accordance with the terms of our engagement letter dated 16 October 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Discover Lanark Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with the requirements of ICAS as detailed at [icas.com/icas-frameworkpreparation-of-accounts](https://www.icas.com/icas-frameworkpreparation-of-accounts). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Discover Lanark Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Discover Lanark 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 Discover Lanark Limited. You consider that Discover Lanark Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Discover Lanark 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.

The Mechanics Workshop
New Lanark
ML11 9DB

I.A.STEWART & CO
Chartered Accountants

5 November 2020

Discover Lanark Limited

Detailed Income Statement

Period from 10 June 2019 to 31 August 2020

	Period from 10 Jun 19 to 31 Aug 20 £
Income	
BID levy income	153,965
Grant income	78,629
Appearance and access income	1,876
Community Income	725
	<u>235,195</u>
Direct costs	
Appearance and access expense	49,314
Business expense	27,485
Community expense	8,919
LoyalFree App on behalf of Carluke	2,200
	<u>87,918</u>
Gross surplus	<u>147,277</u>
Overheads	
Administrative expenses	67,681
	<u>79,596</u>
Operating surplus	<u>79,596</u>
Surplus before taxation	<u><u>79,596</u></u>

Discover Lanark Limited

Notes to the Detailed Income Statement

Period from 10 June 2019 to 31 August 2020

	Period from 10 Jun 19 to 31 Aug 20 £
Administrative expenses	
Personnel costs	
Wages and salaries	32,083
Staff pension contributions	2,293
	<u>34,376</u>
Establishment expenses	
Rent	4,767
Rates and water	245
Light and heat	983
Insurance	1,726
Repairs and maintenance	110
	<u>7,831</u>
General expenses	
Telephone and broadband	1,000
Office expenses	528
Computer expenses	457
Printing postage and stationery	581
Sundry expenses	381
Subscriptions	154
Legal and professional fees	3,790
Accountancy fees	2,959
Depreciation of tangible assets	198
	<u>10,048</u>
Financial costs	
Provision for doubtful debts	15,396
Bank charges	30
	<u>15,426</u>
	<u><u>67,681</u></u>