

REPORT TO: AUDIT AND GOVERNANCE COMMITTEE

MEETING DATE: 17th December 2024

BY: Lisa Deegan, Company Manager, East Lothian Land Ltd

SUBJECT: East Lothian Land Ltd 2023/24

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of the work undertaken by East Lothian Land Ltd in 2023/24

2 RECOMMENDATIONS

- 2.1 That the Audit and Governance Committee note the contents of the report.

3 BACKGROUND

- 3.1 East Lothian Council established East Lothian Land Ltd (ELL) in 2000, a company limited by guarantee (SC208723), through the transfer of undeveloped employment land in council ownership at Macmerry (Opposite the industrial estate) in return for 100% equity in the company.

The transferred employment land at that time was viewed by the private sector as undevelopable providing insufficient return on investment.

No additional financial support was provided to the company by East Lothian Council (ELC). ELL went to the financial market to fund the development costs of the Macmerry Business Park as well as self-funding through selling plots as they were serviced.

In 2016/17 the company developed the empty council building located at Brewery Park, Haddington into 10 individual offices spaces – since opening in October 2016 it has run at between 85% and 100% occupancy.

The company has a board of 2 directors comprising of two elected members. (Note – Following the retirement of Alex McCrorie, Depute Chief Executive, the senior council officer directorship became vacant from 19th March 2021). The board recognise that a key priority is to further strengthen the East Lothian Land board, following the departure of past members, broadening the Board's expertise across a number of disciplines (Legal, Finance). This is considered essential to support East Lothian Land's ambition to more actively drive economic development through

2024 and beyond building a portfolio of commercially viable properties to support the growth of businesses across East Lothian.

Lisa Deegan, has been the Company Secretary and Manager of the company for the duration of the financial year. The manager is supported by the Economic Development Business Development assistant.

The board act on a “*Pro Bono*” basis and do not receive payment. The Company Manager and Business Development assistant undertake the work under ELC job remits.

Board meetings are held on a regular basis linked to ongoing business requirements and commercial developments. Decisions made are taken by a majority with the Chair having the casting vote on any tied outcome.

Minutes of any board meetings are taken and approved at subsequent board meeting by the chair.

3.2 Financial / Legal

ELL has appointed Greaves West & Ayre as auditor for the year to 2023/24. End of Year accounts are approved by the board and signed off accordingly and provided to ELC for group accounting purposes. (See appendix 1 End of year accounts).

ELL auditor opinion is that the financial statements for the company give a true and fair view of the state of the company affairs as at 31st March 2024 and of its loss before taxation of £15,769 for the year then ended.

ELL use the online cloud accounting platform – Xero. The company banks with Handelsbanken. Legal Advice is provided by Addleshaw Goddard.

3.3 2023/24 Projects considered

A vacant field within the Prestongrange site has been considered as a possible opportunity for construction of light industrial units. With significant external investment required to progress this opportunity, the Board has agreed to observe demand and lease arrangements at the Haddington Retail Park’s light industrial site in view of ELLs risk appetite prior to determining whether to pursue this.

3.4 2023 / 24 Projects commenced

Focus has been on establishing whether there is opportunity for ELL to support wider Economic Development while leveraging from the potential disposals from ELCs Asset Review.

(1) JMH Block C feasibility study underway with objective of assessing three development options as follows:

- Mirroring of existing Block B model micro-office/hub working units

- Development into high specification flagship office space for a sizeable professional firm looking to relocate their Head Office in Haddington
- Development of flexible sized office space to medium specification easily adapted to suit the needs of a range of businesses

(2) Ongoing liaison with relevant ELC officers with regards to the Council's asset review and place based approach to identify any future opportunities for realising economic development benefits that ELL Ltd could support.

3.5 Future projects

The company actively scans the market for possible developments and has an ongoing engagement with a number of possible joint ventures.

4 POLICY IMPLICATIONS

4.1 The three strategic goals of the East Lothian Council Local Economy Strategy 2024-2034 are :-

- To increase the number of businesses in East Lothian with growth and employment potential

To reduce income inequality across East Lothian, and to improve access to employment in rural areas.

- To increase the number of socially and environmentally responsible businesses, expand plural ownership of the economy, and grow community wealth.

The work East Lothian Land Ltd undertakes mirrors and supports the strategic goals set out in the Local Economy Strategy with the company objectives as follows :- *“To promote, support and/or effect the development of land and property within the area served by East Lothian Council, with a view to stimulate economic development and regeneration and so to assist in the creation of employment opportunities.”*

INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

5 RESOURCE IMPLICATIONS

5.1 Financial - None

5.2 Personnel - Companies Manager, ED Business Development assistant and senior ELC officer.

5.3 Other – none

AUTHOR'S NAME	Lisa Deegan
DESIGNATION	Companies Manager
CONTACT INFO	Tel 07854 191597 lideegan@eastlothian.gov.uk
DATE	03/12/2024

Appendix 1 – End of Year Accounts

Company registration number SC208723 (Scotland)

EAST LoTHIAN LAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

EAST LOTHIAN LAND LIMITED

COMPANY INFORMATION

Directors	Mr N Hampshire Mr J McMillan
Secretary	Mr R Baty
Company number	SC208723
Registered office	John Muir House Room 2.19 Brewery Park Haddington East Lothian EH413HA
Auditor	Greaves West & Ayre (Haddington) 8 St. Ann's Place Haddington East Lothian EH41 4BS
Business address	John Muir House Room 2.19 Brewery Park Haddington East Lothian EH413HA
Bankers	Handelsbanken 18 Charlotte Square Edinburgh EH2 4DF
Solicitors	Addleshaw Goddard LLP Exchange Tower 19 Canning Street Edinburgh United Kingdom EH3 8EH

EAST LOTHIAN LAND LIMITED

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EAST LOTHIAN LAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the company continued to be that of trading in land for development.

Directors

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

Mr N Hampshire
Mr J McMillan

Statement of directors' responsibilities

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.

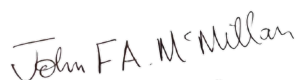
Statement of disclosure to auditor

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.

Small companies exemption

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

On behalf of the board



Mr J McMillan
Director

5 July 2024

EAST LOTHIAN LAND LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF EAST LOTHIAN LAND LIMITED

Opinion

We have audited the financial statements of East Lothian Land Limited (the 'company') for the year ended 31 March 2024 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including 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 March 2024 and of its loss 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 the provisions available for small entities, in the circumstances set out in note 11 to the financial statements, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

EAST LoTHIAN LAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF EAST LoTHIAN LAND LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the land development and trading sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Companies Act 2006, taxation legislation and employment legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, contacting the entity's solicitor for any details of non-compliance and inspecting current year legal expenditure; and
- identified laws and regulations of particular relevance were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

EAST LOTHIAN LAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF EAST LOTHIAN LAND LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, including any fraud associated with revenue recognition, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in investment property valuations were indicative of potential bias;
- evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- tested interest receivable from loan to East Lothian Council.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims against the company;
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

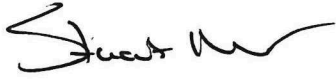
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

EAST LoTHIAN LAND LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF EAST LoTHIAN LAND LIMITED**



Stuart Millar CA
Senior Statutory Auditor
For and on behalf of Greaves West & Ayre (Haddington)

Date: 12/8/22

Chartered Accountants
Statutory Auditor

8 St. Ann's Place
Haddington
East Lothian
EH41 4BS

EAST LOTHIAN LAND LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Turnover	-	-
Administrative expenses	(24,490)	(11,656)
Operating loss	(24,490)	(11,656)
Interest receivable and similar income	6,527	366
Loss before taxation	(17,963)	(11,290)
Tax on loss	2,194	2,822
Loss for the financial year	(15,769)	(8,468)

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

EAST LOTHIAN LAND LIMITED

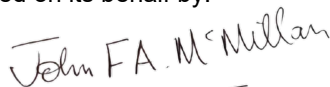
BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Investment property	4		100,000		100,000
Current assets					
Debtors	5	8,242		30,151	
Cash at bank and in hand		547,520		533,658	
		<u>555,762</u>		<u>563,809</u>	
Creditors: amounts falling due within one year	6	<u>(15,926)</u>		<u>(6,010)</u>	
Net current assets			<u>539,836</u>		<u>557,799</u>
Total assets less current liabilities			<u>639,836</u>		<u>657,799</u>
Provisions for liabilities			<u>(12,239)</u>		<u>(14,433)</u>
Net assets			<u>627,597</u>		<u>643,366</u>
Capital and reserves					
Called up share capital	7		800,000		800,000
Non-distributable profits reserve	8		87,761		82,745
Distributable profit and loss reserves			<u>(260,164)</u>		<u>(239,379)</u>
Total equity			<u>627,597</u>		<u>643,366</u>

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

The financial statements were approved by the board of directors and authorised for issue on 5 July 2024 and are signed on its behalf by:



Mr J McMillan
Director

Company registration number SC208723 (Scotland)

EAST LOTHIAN LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

East Lothian Land Limited is a private company limited by shares incorporated in Scotland. The registered office is John Muir House Room 2.19, Brewery Park, Haddington, East Lothian, EH413HA.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the date of signing these financial statements the company has cash reserves which are more than sufficient to meet its day to day expenditure, net current assets and net assets.

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 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.4 Cash and cash equivalents

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

1.5 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.

EAST LOTHIAN LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1.6 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.

1.7 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.

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.

EAST LOTHIAN LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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.

Investment Property valuation

Investment property is measured at fair value at each reporting date with changes in fair value recognised in profit or loss account. The Board of Directors determine the fair value of investment property using the assistance of an independent expert, DM Hall LLP. DM Hall LLP is an independent firm of Chartered Surveyors and property experts. Their valuation is prepared in accordance with RICS Valuation - Professional. The valuation methodology considers the area, selling price and comparable sales of similar properties in order to derive the Fair Value of the subject property.

3 Employees

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

	2024 Number	2023 Number
Total	-	-

4 Investment property

	2024 £
Fair value At 1 April 2023 and 31 March 2024	100,000

Investment property comprises of land held west of Satellite Business Park, Macmerry. The fair value of the investment property has been arrived at on the basis of a valuation carried out 22nd May 2023 by DM Hall Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

EAST LOTHIAN LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Debtors			2024	2023
			£	£
Amounts falling due within one year:				
Amounts owed by group undertakings			7,432	22,991
Other debtors			810	744
			<u>8,242</u>	<u>23,735</u>
			2024	2023
			£	£
Amounts falling due after more than one year:				
Amounts owed by group undertakings			-	6,416
			<u>-</u>	<u>6,416</u>
Total debtors			<u>8,242</u>	<u>30,151</u>
6 Creditors: amounts falling due within one year			2024	2023
			£	£
Trade creditors			10,939	-
Taxation and social security			49	-
Other creditors			4,938	6,010
			<u>15,926</u>	<u>6,010</u>
7 Called up share capital				
	2024	2023	2024	2023
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	800,000	800,000	800,000	800,000
	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
8 Non-distributable profits reserve			2024	2023
			£	£
At the beginning of the year			82,745	82,745
Non distributable profits in the year			5,016	-
			<u>87,761</u>	<u>82,745</u>

Non-distributable reserves relate to fair value gains in the remeasurement of investment property in excess of the asset's historical cost.

EAST LoTHIAN LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Related party transactions

Transactions with related parties

During the year, the company benefitted from the provision of IT & employee services from its parent entity, East Lothian Council. The provision of IT infrastructure and remuneration in respect of the entity's "Companies Manager" and her assistant have been jointly provided to the company and to East Lothian Investments Limited for a charge of £10,000 jointly (2023: £nil). This is to be paid in full by East Lothian Land Limited, for which there will be no further recharge, so there are no balances due to or by East Lothian Investments at the yearend (2023: £nil). Therefore there is £10,000 due to East Lothian Council at the yearend (2023: £nil).

10 Parent company

The company is controlled by East Lothian Council whose principal place of business is John Muir House, Brewery Park, Haddington, EH41 3HA. East Lothian Council is the smallest group of undertakings for which group accounts are prepared and of which the company is a member.

11 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

EAST LOTHIAN LAND LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	£	2024 £	£	2023 £
Administrative Expenses				
Management charge - group	10,000		-	
Professional fees	9,873		2,792	
Accountancy	423		3,725	
Audit fees	4,076		5,000	
Bank charges	118		139	
		(24,490)		(11,656)
Operating Loss		(24,490)		(11,656)
Other Income				
Bank interest received	6,348		-	
Other interest received	179		366	
		6,527		366
Net Loss for the Year		(17,963)		(11,290)