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<b>COMMITTEE:</b>	Audit & Governance Committee
<b>MEETING DATE:</b>	25 November 2025
<b>BY:</b>	Companies Manager, East Lothian Land Ltd
<b>REPORT TITLE:</b>	East Lothian Land Ltd 2024/25
<b>REPORT STATUS:</b>	Private

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## **1 PURPOSE OF REPORT**

- 1.1 To inform the Audit and Governance Committee of the work undertaken by East Lothian Land Ltd in 2024/25.

## **2 RECOMMENDATIONS**

Members are recommended to:

- 2.1 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 19<sup>th</sup> 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 2025 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 2024/25. 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 of 31<sup>st</sup> March 2025 and of its loss before taxation of £754 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 2024 / 25 Projects

The primary focus during 2024/25 has been to evaluate opportunities for East Lothian Land (ELL) to contribute to broader economic

development initiatives, particularly by leveraging potential disposals identified through East Lothian Council's (ELC) Asset Review.

#### (1) JMH Block C feasibility study

In Quarter 1 of 2024, ELL commissioned a feasibility study for JMH Block C with the objective of assessing three potential development options:

- Replication of the existing Block B model, comprising micro-office and hub-style working units
- Development into high-specification flagship office space, suitable for a professional firm (potential anchor tenant) seeking to relocate its head office to Haddington.
- Creation of flexible office space of medium specification, designed to be adaptable to the requirements of a diverse range of businesses.

To support this feasibility phase, ELL commissioned an architectural report providing initial drawings for each option, accompanied by high-level budget costings. In addition, a surveyor's Red Book valuation report was instructed to inform ongoing discussions with ELC officers. These reports continue to guide deliberations regarding the most appropriate next steps.

ELC officers are engaged in dialogue with the potential anchor tenant to assess both the financial and practical viability of progressing development to the specification and finish required for their occupancy.

#### (2) Ongoing liaison with relevant ELC officers

ELL continues to liaise with relevant ELC officers in relation to the Council's asset review and place-based approach. This collaboration seeks to identify future opportunities where ELL Ltd could support initiatives aimed at realising wider economic development benefits.

## **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.”*

## 5 RESOURCE AND OTHER IMPLICATIONS

- |     |                               |  |
|-----|-------------------------------|--|
| 5.1 | <u>Finance:</u>               | None   |
| 5.2 | <u>Human Resources:</u>       | Companies Manager<br>ED Business Development Assistant<br>Senior ELC Officer |
| 5.3 | <u>Other (e.g. Legal/IT):</u> | None   |
| 5.4 | <u>Risk:</u>                  | None   |

## 6 INTEGRATED IMPACT ASSESSMENT

- 6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

☒

**or**

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	NA
Socio-economic disadvantage/poverty	NA
Climate change, the environment and sustainability	NA
Corporate parenting and care-experienced young people	NA
Storage/collection of personal data	NA
Other	NA

*[Enter information on impacts that have been identified]*

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

[https://www.eastlothian.gov.uk/info/210602/equality\\_and\\_diversity/12014/integrated\\_impact\\_assessments](https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments)

## **7 APPENDICES**

- 7.1 East Lothian Land Ltd. Annual Report and Financial Statements for the Year Ended 31 March 2025

## **8 BACKGROUND PAPERS**

- 8.1 N/A

## **9 AUTHOR AND APPROVAL DETAILS**

### **Report Author(s)**

<b>Name</b>	Lisa Deegan
<b>Designation</b>	Company Manager
<b>Tel/Email</b>	Tel 07854 191597 <a href="mailto:ldeeagan@eastlothian.gov.uk">ldeeagan@eastlothian.gov.uk</a>
<b>Date</b>	18/11/2025

**Head of Service Approval**

<b>Name</b>	Sarah Fortune
<b>Designation</b>	Depute Chief Executive – Resources & Economy
<b>Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed</b>	NA
<b>Approval Date</b>	19/11/2025

Company registration number SC208723 (Scotland)

**EAST LOTHIAN LAND LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

# **EAST LoTHIAN LAND LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr N Hampshire Mr J McMillan
<b>Secretary</b>	Mrs L Deegan
<b>Company number</b>	SC208723
<b>Registered office</b>	John Muir House Room 2.19 Brewery Park Haddington East Lothian EH41 3HA
<b>Auditor</b>	Greaves West & Ayre (Haddington) 8 St. Ann's Place Haddington East Lothian EH41 4BS
<b>Business address</b>	John Muir House Room 2.19 Brewery Park Haddington East Lothian EH41 3HA
<b>Bankers</b>	Handelsbanken 18 Charlotte Square Edinburgh EH2 4DF
<b>Solicitors</b>	Addleshaw Goddard LLP Exchange Tower 19 Canning Street Edinburgh United Kingdom EH3 8EH

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# **EAST LoTHIAN LAND LIMITED**

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# **EAST LOTHIAN LAND LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2025**

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The directors present their annual report and financial statements for the year ended 31 March 2025.

### **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; and
- 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.

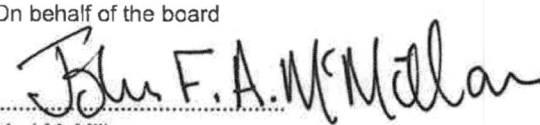
### **Statement of disclosure to auditor**

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

Date: 8/10/2025

# EAST LOTHIAN LAND LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF EAST LOTHIAN LAND LIMITED

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#### Opinion

We have audited the financial statements of East Lothian Land Limited (the 'company') for the year ended 31 March 2025 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 Section 1A *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 2025 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**

### **TO THE MEMBER OF EAST LOTHIAN LAND LIMITED (CONTINUED)**

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#### **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**

### **TO THE MEMBER OF EAST LoTHIAN LAND LIMITED (CONTINUED)**

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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**

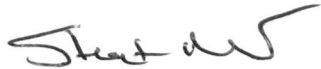
This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to the member in an auditor's report and for no other purpose. 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**

### **TO THE MEMBER OF EAST LoTHIAN LAND LIMITED (CONTINUED)**

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**Stuart Millar CA (Senior Statutory Auditor)**

For and on behalf of Greaves West & Ayre (Haddington), Statutory Auditor

Chartered Accountants

8 St. Ann's Place

Haddington

East Lothian

EH41 4BS

Date: 13/10/2025

## EAST LoTHIAN LAND LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover		-	-
Administrative expenses		(18,292)	(24,490)
Other operating income		4,608	-
<b>Operating loss</b>		<b>(13,684)</b>	<b>(24,490)</b>
Interest receivable and similar income		10,012	6,527
Interest payable and similar expenses		(397)	-
<b>Loss before taxation</b>		<b>(4,069)</b>	<b>(17,963)</b>
Tax on loss		3,315	2,194
<b>Loss for the financial year</b>		<b>(754)</b>	<b>(15,769)</b>

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

# EAST LOTHIAN LAND LIMITED

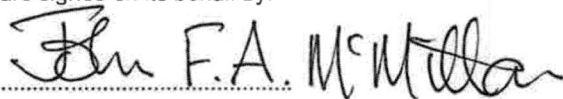
## BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investment property	4		100,000		100,000
<b>Current assets</b>					
Debtors	5	4,608		8,242	
Cash at bank and in hand		548,295		547,520	
		<u>552,903</u>		<u>555,762</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(17,136)</u>		<u>(15,926)</u>	
<b>Net current assets</b>			<u>535,767</u>		<u>539,836</u>
<b>Total assets less current liabilities</b>			<u>635,767</u>		<u>639,836</u>
<b>Provisions for liabilities</b>			<u>(8,924)</u>		<u>(12,239)</u>
<b>Net assets</b>			<u>626,843</u>		<u>627,597</u>
<b>Capital and reserves</b>					
Called up share capital	7	800,000		800,000	
Non-distributable profits reserve	8	75,000		75,000	
Distributable profit and loss reserves		<u>(248,157)</u>		<u>(247,403)</u>	
<b>Total equity</b>			<u>626,843</u>		<u>627,597</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 ..... and are signed on its behalf by:



Mr J McMillan  
Director

8<sup>th</sup> October 2025.

Company registration number SC208723 (Scotland)



# **EAST LOTHIAN LAND LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2025**

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### **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, EH41 3HA.

#### **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.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the asset have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **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.

# EAST LOTHIAN LAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

(Continued)

##### 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.

##### **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.

# **EAST LOTHIAN LAND LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2025**

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### **1 Accounting policies**

**(Continued)**

#### ***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.

#### **1.8 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### **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.

# EAST LOTHIAN LAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 3 Employees

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

	2025 Number	2024 Number
Total	-	-

### 4 Investment property

	2025 £
<b>Fair value</b>	
At 1 April 2024 and 31 March 2025	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 22 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.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2025 £	2024 £
Cost	-	-
Accumulated depreciation	-	-
Carrying amount	-	-

The land held has a negligible historic cost due to its size and a previous disposal of the majority of the site.

### 5 Debtors

	2025 £	2024 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	-	7,432
Other debtors	4,608	810
	4,608	8,242

# EAST LoTHIAN LAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 6 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	285	10,939
Taxation and social security	43	49
Other creditors	16,808	4,938
	<u>17,136</u>	<u>15,926</u>

### 7 Called up share capital

	2025 Number	2024 Number	2025 £	2024 £
Ordinary share capital 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

	2025 £	2024 £
At the beginning of the year	75,000	82,745
Non distributable profits in the year	-	(7,745)
	<u>75,000</u>	<u>75,000</u>

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

### 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 £12,000, split equally, (2024: £10,000 paid wholly by East Lothian Land Limited).

### 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

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2025

#### 12 Prior period adjustment

During the period, it was noted that the deferred tax asset in relation to the losses, not yet utilised, was being netted off against the deferred tax liability, in relation to the revaluation of the investment property. This netted off balance was then being transferred to the non-distributable profits reserve. Therefore, an adjustment has been included to gross up the transfer to the non-distributable profits reserve so that this balance now represents the revaluation on the investment property less the deferred tax liability, which relates to this.

This adjustment has nil overall effect on the net assets and the profit/loss in the prior year.

##### Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 31 Mar 2024 £
Net assets	627,597	-	627,597
<b>Capital and reserves</b>			
Total equity	627,597	-	627,597

##### Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
<b>Period ended 31 March 2024</b>			
Loss for the financial period	(15,769)	-	(15,769)