

# ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF LIVING LERWICK LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of Living Lerwick Limited which comprise the statement of financial position and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

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

This report is made solely to the Board of Directors of Living Lerwick Limited, as a body, in accordance with the terms of our engagement letter dated 10 May 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Living Lerwick Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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

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

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

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Company Registration No. SC428645 (Scotland)

**LIVING LERWICK LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2022**  
**PAGES FOR FILING WITH REGISTRAR**

**LIVING LERWICK LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	3		17,073		20,939
<b>Current assets</b>					
Debtors	4	36,485		33,036	
Cash at bank and in hand		34,406		12,202	
		<u>70,891</u>		<u>45,238</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(7,941)</u>		<u>(3,398)</u>	
<b>Net current assets</b>			<u>62,950</u>		<u>41,840</u>
<b>Total assets less current liabilities</b>			80,023		62,779
<b>Deferred income</b>	6		<u>(9,206)</u>		<u>(10,402)</u>
<b>Net assets</b>			<u>70,817</u>		<u>52,377</u>
<b>Reserves</b>					
Income and expenditure account			<u>70,817</u>		<u>52,377</u>
<b>Members' funds</b>			<u>70,817</u>		<u>52,377</u>

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

For the financial year ended 31 August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered 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 12 December 2022 and are signed on its behalf by:

E E L Irvine  
**Director**

S Mathieson  
**Director**

# LIVING LERWICK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

#### Company information

Living Lerwick Limited is a private company limited by guarantee and is registered and incorporated in Scotland. The registered office is 179 Commercial Street, Lerwick, Shetland, ZE1 0HX.

#### 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. The principal accounting policies adopted are set out below.

#### Income and expenditure

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

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	3 - 5 years
Office equipment	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

#### 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 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.

#### Taxation

The company has obtained exemption from HMRC in respect of corporation tax, it being a company not carrying on a business for the purposes of making a profit.

# LIVING LERWICK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies (Continued)

#### Government grants

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### Going concern

The Company undertook a ballot of members in August 2020 to determine whether to continue with operations for a further five years. A 73% majority of those member businesses who voted did so in favour of the Business Improvement District. Therefore Living Lerwick will continue operations, based on the expected levy and grant income and planned project expenditure budgeted for in the new five-year business plan. The directors have therefore prepared the accounts on the going concern basis.

### 2 Employees

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Total	-	-
	<u>          </u>	<u>          </u>

### 3 Tangible fixed assets

	<b>Plant and machinery etc £</b>
<b>Cost</b>	
At 1 September 2021	61,713
Additions	1,789
Disposals	(82)
	<u>          </u>
At 31 August 2022	63,420
	<u>          </u>
<b>Depreciation and impairment</b>	
At 1 September 2021	40,774
Depreciation charged in the year	5,638
Eliminated in respect of disposals	(65)
	<u>          </u>
At 31 August 2022	46,347
	<u>          </u>
<b>Carrying amount</b>	
At 31 August 2022	17,073
	<u>          </u>
At 31 August 2021	20,939
	<u>          </u>

# LIVING LERWICK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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<b>4 Debtors</b>	<b>2022</b>	<b>2021</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Other debtors	29,799	27,491
Prepayments and accrued income	6,686	5,545
	<u>36,485</u>	<u>33,036</u>

Included in other debtors is £27,998 (2021: £25,896) BID levies due.

<b>5 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	6,371	1,968
Other creditors	1,570	1,430
	<u>7,941</u>	<u>3,398</u>

<b>6 Deferred income</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other deferred income	9,206	10,402
	<u>9,206</u>	<u>10,402</u>

### **7 Financial commitments, guarantees and contingent liabilities**

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

### **8 Related party transactions**

There were no disclosable related party transactions during the year (2021 - none) .