

JOHN P CLARK LIMITED

Company registration number SC080373

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

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JOHN P CLARK LIMITED

COMPANY INFORMATION

Directors	Mrs D Clark Ms S Clark Mrs A Grant
Company secretary	Mrs A Grant
Registered number	SC080373
Registered office	10 Ardross Street Inverness IV3 5NS
Accountants	Scott-Moncrieff Chartered Accountants 10 Ardross Street Inverness IV3 5NS

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	1,251,051	930,030
Investments	6	2,250	2,250
		<u>1,253,301</u>	<u>932,280</u>
Current assets			
Stocks	7	346,102	326,175
Debtors: amounts falling due within one year	8	109,229	26,164
Cash at bank and in hand		57,057	32
		<u>512,388</u>	<u>352,371</u>
Creditors: amounts falling due within one year	9	(243,124)	(118,373)
Net current assets		<u>269,264</u>	<u>233,998</u>
Total assets less current liabilities		<u>1,522,565</u>	<u>1,166,278</u>
Creditors: amounts falling due after more than one year	10	(826,989)	(422,007)
Net assets		<u><u>695,576</u></u>	<u><u>744,271</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	11	10,676	10,676
Share premium account		76,500	76,500
Profit and loss account		608,400	657,095
		<u>695,576</u>	<u>744,271</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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.

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

As permitted by Section 444 of the Companies Act 2006, the directors have not delivered to the Registrar a copy of the directors' report or a copy of the company's statement of income and retained earnings for the year ended 31 October 2017.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by on its behalf by:

.....
Mrs D Clark
Director

Date: 31 July 2018

The notes on pages 4 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which (the majority of) the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 October 2017.

The continuing activities of John P Clark Limited ('the company') is that of farming.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC080373.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

Before 1 November 2016 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 13. The date of transition is 1 November 2015.

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company has sufficient financial resources. The directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Thus they continue to operate the going concern basis of accounting in preparing the annual finance statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from services is recognised in the period in which services are provided.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%	on cost
Land	-		not provided
Plant and machinery	-	15%	on cost and 5% on cost
Motor vehicles	-	20%	on cost
Fixtures and fittings	-	20%	on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Trading stocks and crops are valued at the lower of aggregate cost per unit or market value.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.11 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)

2.15 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 5).

4. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	18,400	7,280
	<u>18,400</u>	<u>7,280</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 November 2016	1,081,362	252,987	211,505	18,262	1,564,116
Additions	-	398,166	-	-	398,166
Disposals	-	(1,051)	-	-	(1,051)
At 31 October 2017	1,081,362	650,102	211,505	18,262	1,961,231
Depreciation					
At 1 November 2016	289,381	181,937	146,407	16,361	634,086
Charge for the year on owned assets	15,897	33,191	4,799	743	54,630
Charge for the year on financed assets	-	7,215	15,300	-	22,515
Disposals	-	(1,051)	-	-	(1,051)
At 31 October 2017	305,278	221,292	166,506	17,104	710,180
Net book value					
At 31 October 2017	776,084	428,810	44,999	1,158	1,251,051
At 31 October 2016	791,981	71,050	65,098	1,901	930,030

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	29,155	55,495
Motor vehicles	30,600	45,900
	59,755	101,395

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

6. Fixed asset investments

	Unlisted investments £
Cost	
At 1 November 2016	2,250
At 31 October 2017	2,250
Net book value	
At 31 October 2017	2,250
<i>At 31 October 2016</i>	<i>2,250</i>

7. Stocks

	2017 £	2016 £
Livestock	285,615	260,055
Crop stock	57,439	63,449
Feed stock	3,048	2,671
	<u>346,102</u>	<u>326,175</u>

8. Debtors

	2017 £	2016 £
Trade debtors	1,378	13,181
Other debtors	100,082	10,747
Prepayments and accrued income	7,769	2,236
	<u>109,229</u>	<u>26,164</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	76,646	46,140
Bank loans	54,464	4,328
Trade creditors	60,362	23,455
Other taxation and social security	10,630	8,880
Obligations under finance lease and hire purchase contracts	25,888	32,441
Other creditors	1,844	829
Accruals and deferred income	13,290	2,300
	<u>243,124</u>	<u>118,373</u>

The bank overdraft and term loan are secured by standard charge over Kinnahaird farm, Contin, Strathpeffer, Ross-Shire and a floating charge over all of the company undertakings and assets including uncalled capital.

Hire purchase contracts are secured over the assets to which they pertain.

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	388,611	30,306
Net obligations under finance leases and hire purchase contracts	17,095	37,583
Other creditors	421,283	354,118
	<u>826,989</u>	<u>422,007</u>

11. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
10,676 Ordinary shares of £1 each	<u>10,676</u>	<u>10,676</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

12. Related party transactions

Company Directors

During the year the directors introduced funds and paid expenses on behalf of the company totalling £70,165 (2016 - £52,430) and the company paid expenses on behalf of the directors totalling £3,000 (2016 - £304).

During the year dividends of £nil (2016 - £27,130) were paid to the directors.

The amount due to the related party at the balance sheet date was £421,283 (2016 - £354,118) and is included within other creditors falling due after more than one year.

No interest is charged on loans from directors.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.