INCHMARLO LAND COMPANY LIMITED
SC084643

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017

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INCHMARLO LAND COMPANY LIMITED

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INCHMARLO LAND COMPANY LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	3		26,444		36,601
Investment properties	4		575,000		575,000
			601,444		611,601
Current assets					
Stocks		56,193		53,040	
Debtors	5	193,092		128,824	
Cash at bank and in hand		16,820		12,920	
		266,105		194,784	
Creditors: amounts falling due within one year	6	(215,544)		(136,929)	
Net current assets			50,561		57,855
Total assets less current liabilities			652,005		669,456
Provisions for liabilities			(7,200)		(9,000)
Net assets			644,805		660,456
Capital and reserves					
Called up share capital	7		200		200
Profit and loss reserves			644,605		660,256
Total equity			644,805		660,456

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

For the financial year ended 30 November 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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 30 August 2018 and are signed on its behalf by:

J C A Burnett of Leys
Director

Company Registration No. SC084643

INCHMARLO LAND COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 30 November 2016:				
Balance at 1 December 2015	200	111,880	717,760	829,840
Effect of transition to FRS 102	-	(111,880)	101,380	(10,500)
As restated	200	-	819,140	819,340
Year ended 30 November 2016:				
Loss and total comprehensive income for the year	-	-	(158,884)	(158,884)
Balance at 30 November 2016	200	-	660,256	660,456
Year ended 30 November 2017:				
Loss and total comprehensive income for the year	-	-	(15,651)	(15,651)
Balance at 30 November 2017	200	-	644,605	644,805

1 Accounting policies

Company information

Inchmarlo Land Company Limited is a private company limited by shares in the United Kingdom and incorporated in Scotland. The registered office is Banchory Business Centre, Burn O' Bennie Road, Banchory, Aberdeenshire, AB31 5ZU.

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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 November 2017 are the first financial statements of Inchmarlo Land Company Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 December 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

1.2 Turnover

Turnover represents amounts receivable from the sale and letting of land and property net of VAT and trade discounts. Letting revenue is recognised evenly over the rental period and rent received in advance is carried forward in other creditors.

Land sales are recognised when legal completion has taken place or sale proceeds have been received in full.

1.3 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:

Land and buildings	25 years
Plant and machinery	4 - 7 years
Motor vehicles	4 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 profit or loss.

1.4 Investment properties

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. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand 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.

1.8 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.

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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2016 - 6).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 December 2016	3,328	144,134	147,462
Additions	1,930	-	1,930
Disposals	-	(8,370)	(8,370)
At 30 November 2017	5,258	135,764	141,022
Depreciation and impairment			
At 1 December 2016	-	110,861	110,861
Depreciation charged in the year	-	9,235	9,235
Eliminated in respect of disposals	-	(5,518)	(5,518)
At 30 November 2017	-	114,578	114,578
Carrying amount			
At 30 November 2017	5,258	21,186	26,444
At 30 November 2016	3,328	33,273	36,601

4 Investment property

	2017
	£
Fair value	
At 1 December 2016 and 30 November 2017	575,000

Investment property comprises the golf course, driving range, associated buildings and the Queens Lodge. The fair value of the investment property has been arrived at on the basis of a market value consideration carried out on 30 November 2016 by the directors.

5 Debtors

Amounts falling due within one year:	2017 £	2016 £
Trade debtors	59,397	26,092
Other debtors	133,695	102,732
	193,092	128,824

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	40,152	52,658
Other taxation and social security	16,911	3,973
Other creditors	158,481	80,298
	215,544	136,929

There is a floating charge over the property of the company in favour of Clydesdale Bank PLC.

7 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
102 A ordinary shares of £1 each	102	102
98 B ordinary shares of £1 each	98	98
	200	200

8 Reserves

Included within the profit and loss reserve are non-distributable reserves of £112,410 (2016 - £114,210).

9 Related party transactions

Included in other debtors at the year end is a loan of £40,000 (2016 - £85,000) due from The Banchory Trust. JCA Burnett of Leys is a trustee of The Banchory Trust and a director of Inchmarlo Land Company Limited. Interest is payable at a rate of 4% per annum on the loan which is unsecured and is repayable on demand. During the year interest of £2,225 (2016 - £5,731) was receivable. Accrued interest on the loan of £1,651 (2016 - £1,867) is included within other debtors.

North Banchory Company Limited is a company controlled by AJA Burnett of Leys, son of JCA Burnett of Leys (director). During the year £90,000 was advanced to North Banchory Company Limited and remains outstanding at the year end, the full balance of the loan is included within other debtors.

10 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 December 2015 £	30 November 2016 £
Equity as reported under previous UK GAAP		829,840	669,456
Adjustments arising from transition to FRS 102:			
Deferred taxation	1	(10,500)	(9,000)
Equity reported under FRS 102		819,340	660,456

Reconciliation of loss for the financial period

	Notes	2016 £
Loss as reported under previous UK GAAP		(160,384)
Adjustments arising from transition to FRS 102:		
Deferred taxation	1	1,500
Loss reported under FRS 102		(158,884)

Reconciliation of equity

		At 1 December 2015			At 30 November 2016		
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Tangible assets		315,703	-	315,703	36,601	-	36,601
Investment properties		325,000	-	325,000	575,000	-	575,000
		640,703	-	640,703	611,601	-	611,601
Current assets							
Stocks		63,567	-	63,567	53,040	-	53,040
Debtors		377,855	-	377,855	128,824	-	128,824
Bank and cash		7,289	-	7,289	12,920	-	12,920
		448,711	-	448,711	194,784	-	194,784

10 Reconciliations on adoption of FRS 102 **(Continued)**

		At 1 December 2015			At 30 November 2016		
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£	£	£	£
Creditors due within one year							
Taxation		(1,983)	-	(1,983)	(3,973)	-	(3,973)
Other creditors		(257,591)	-	(257,591)	(132,956)	-	(132,956)
		(259,574)	-	(259,574)	(136,929)	-	(136,929)
Net current assets		189,137	-	189,137	57,855	-	57,855
Total assets less current liabilities		829,840	-	829,840	669,456	-	669,456
Provisions for liabilities							
Deferred tax	1	-	(10,500)	(10,500)	-	(9,000)	(9,000)
Net assets		829,840	(10,500)	819,340	669,456	(9,000)	660,456
Capital and reserves							
Share capital		200	-	200	200	-	200
Revaluation reserve	2	111,880	(111,880)	-	-	-	-
Profit and loss	1 & 2	717,760	101,380	819,140	669,256	(9,000)	660,256
Total equity		829,840	(10,500)	819,340	669,456	(9,000)	660,456

Notes to reconciliations on adoption of FRS 102

1 Deferred tax charge

Deferred tax has been recognised on the investment property held following the transition to FRS 102. An adjustment was made to record the deferred tax on the date of transition and in the year ended 30 November 2016.

2 Reserves

Following the election by the directors to treat the fair value of the investment property as the value determined by their assessment of the market carried out on 30 November 2016, the revaluation reserve has been transferred to the retained earnings.

The amounts transferred to the revaluation reserve have been reversed at the date of transition and in the year ended 30 November 2016.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.