

COMPANY REGISTRATION NUMBER: SC190852

Scotfarms Limited
Filleted Unaudited Financial Statements
28 February 2017



J D ACCOUNTANCY LTD
Chartered Certified Accountants
16 Nellfred Terrace
Inverurie
Aberdeenshire
AB51 4TJ

Scotfarms Limited

Financial Statements

Year ended 28 February 2017

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Scotfarms Limited

Statement of Financial Position

28 February 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	2,777,583	2,848,827
Investments	6	63,276	10
Biological assets	7	116,850	104,200
		<u>2,957,709</u>	<u>2,953,037</u>
Current assets			
Stocks		164,097	160,147
Debtors	8	1,243,452	288,512
Cash at bank and in hand		–	177,934
		<u>1,407,549</u>	<u>626,593</u>
Creditors: amounts falling due within one year	9	<u>1,122,106</u>	<u>386,756</u>
Net current assets		<u>285,443</u>	<u>239,837</u>
Total assets less current liabilities		3,243,152	3,192,874
Creditors: amounts falling due after more than one year	10	1,825,765	1,911,634
Provisions		<u>76,570</u>	<u>48,474</u>
Net assets		<u><u>1,340,817</u></u>	<u><u>1,232,766</u></u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve		1,029,471	1,029,471
Profit and loss account		<u>311,246</u>	<u>203,195</u>
Members funds		<u><u>1,340,817</u></u>	<u><u>1,232,766</u></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The statement of financial position
continues on the following page.

The notes on pages 4 to 10 form part of these financial statements.

Scotfarms Limited

Statement of Financial Position *(continued)*

28 February 2017

For the year ending 28 February 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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 Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 31 October 2017, and are signed on behalf of the board by:



Mrs M Simmers
Director

Company registration number: SC190852

The notes on pages 4 to 10 form part of these financial statements.

Scotfarms Limited

Statement of Changes in Equity

Year ended 28 February 2017

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 March 2015	100	1,070,096	(17,335)	1,052,861
Profit for the year			220,530	220,530
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account	—	(40,625)	—	(40,625)
Total comprehensive income for the year	—	(40,625)	220,530	179,905
At 29 February 2016	100	1,029,471	203,195	1,232,766
Profit for the year			108,051	108,051
Total comprehensive income for the year	—	—	108,051	108,051
At 28 February 2017	<u>100</u>	<u>1,029,471</u>	<u>311,246</u>	<u>1,340,817</u>

The notes on pages 4 to 10 form part of these financial statements.

Scotfarms Limited

Notes to the Financial Statements

Year ended 28 February 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Mains of Bogfechel Farmhouse, Whiterashes, Aberdeen, AB21 0QU.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 March 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Disclosure exemptions

The entity satisfies the criteria of being a small company as defined in FRS 102. No cash flow statement has been presented for the company.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Scotfarms Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

3. Accounting policies *(continued)*

Taxation *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Buildings	-	2% straight line
Plant and machinery	-	20% reducing balance
Turbine and solar	-	5% straight line
Motor vehicles	-	25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Scotfarms Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

3. Accounting policies *(continued)*

Biological assets

Biological assets measured under the fair value model are valued on initial recognition and at each reporting date at fair value less costs to sell. Changes in fair value less costs to sell are recognised in profit or loss. Agricultural produce harvested from these biological assets is measured at the point of harvest at its fair value less costs to sell.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 3 (2016: 2).

Scotfarms Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

5. Tangible assets

	Freehold property £	Plant and machinery £	Turbine and solar £	Motor vehicles £	Total £
Cost					
At 1 March 2016	1,363,635	76,633	1,619,029	35,586	3,094,883
Additions	–	–	–	22,474	22,474
Disposals	–	–	–	(3,471)	(3,471)
At 28 February 2017	<u>1,363,635</u>	<u>76,633</u>	<u>1,619,029</u>	<u>54,589</u>	<u>3,113,886</u>
Depreciation					
At 1 March 2016	44,422	63,202	110,796	27,636	246,056
Charge for the year	4,273	2,701	80,951	3,840	91,765
Disposals	–	–	–	(1,518)	(1,518)
At 28 February 2017	<u>48,695</u>	<u>65,903</u>	<u>191,747</u>	<u>29,958</u>	<u>336,303</u>
Carrying amount					
At 28 February 2017	<u>1,314,940</u>	<u>10,730</u>	<u>1,427,282</u>	<u>24,631</u>	<u>2,777,583</u>
At 29 February 2016	<u>1,319,213</u>	<u>13,431</u>	<u>1,508,233</u>	<u>7,950</u>	<u>2,848,827</u>

6. Investments

	Other investments other than loans £
Cost	
At 1 March 2016	10
Additions	63,266
At 28 February 2017	<u>63,276</u>
Impairment	
At 1 Mar 2016 and 28 Feb 2017	<u>–</u>
Carrying amount	
At 28 February 2017	<u>63,276</u>
At 29 February 2016	<u>10</u>

Scotfarms Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

7. Biological assets

Biological assets held at fair value

	Cattle herd £
Valuation	
At 1 March 2016	104,200
Purchases	12,650
At 28 February 2017	116,850

8. Debtors

	2017 £	2016 £
Trade debtors	213,169	259,870
Other debtors	1,030,283	28,642
	<u>1,243,452</u>	<u>288,512</u>

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	907,375	133,423
Trade creditors	168,794	210,210
Corporation tax	–	10,664
Social security and other taxes	322	314
Other creditors	45,615	32,145
	<u>1,122,106</u>	<u>386,756</u>

The bank loans and overdrafts are secured by a charge over the assets of the company.

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

	2017 £	2016 £
Bank loans and overdrafts	1,777,779	1,911,634
Other creditors	47,986	–
	<u>1,825,765</u>	<u>1,911,634</u>

Included within creditors falling due after more than one year are the following bank loans which are repayable after more than five years:

- 1) Balance of £649,582 repayable by monthly instalments of £3,089.
- 2) Balance of £589,705 repayable by quarterly instalments of £28,088.

The bank loans and overdrafts are secured by a charge over the assets of the company.

Scotfarms Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

11. Directors' advances, credits and guarantees

The company was controlled by Mrs Myra Simmers throughout the previous and current financial years.

During the year the company made purchases of £30,356 from Mr Charles Simmers, son of Mrs M Simmers and a total of £101,393 was payable by the company to Mr Charles Simmers at the end of the financial year.

In the year the company incurred a management fee of £25,000 payable to Mr Arthur Simmers, husband of Mrs M Simmers. The amount due by Mr A Simmers to the company at the end of the period amounted to £110,040 which related to a transaction in the previous year. In addition, the company has made the following loans during the year to Mr A Simmers which were outstanding at the end of the year:

20 June 2016	£200,000
25 August 2016	£700,000
14 November 2016	£100,000

The company pays an annual charge of £1,400 for grazing to Mr Brian Simmers, a director of the company. This is included at 28 February 2017 as an amount payable within one year.

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 March 2015.

Scotfarms Limited

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

12. Transition to FRS 102 *(continued)*

Reconciliation of equity

	1 March 2015			29 February 2016		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	2,935,582	109,600	3,045,182	2,848,837	104,200	2,953,037
Current assets	607,697	(109,600)	498,097	730,793	(104,200)	626,593
Creditors: amounts falling due within one year	(397,008)	–	(397,008)	(386,756)	–	(386,756)
Net current assets	<u>210,689</u>	<u>(109,600)</u>	<u>101,089</u>	<u>344,037</u>	<u>(104,200)</u>	<u>239,837</u>
Total assets less current liabilities	3,146,271	–	3,146,271	3,192,874	–	3,192,874
Creditors: amounts falling due after more than one year	(2,093,410)	–	(2,093,410)	(1,911,634)	–	(1,911,634)
Provisions	–	–	–	(48,474)	–	(48,474)
Net assets	<u>1,052,861</u>	<u>–</u>	<u>1,052,861</u>	<u>1,232,766</u>	<u>–</u>	<u>1,232,766</u>
Capital and reserves	<u>1,052,861</u>	<u>–</u>	<u>1,052,861</u>	<u>1,232,766</u>	<u>–</u>	<u>1,232,766</u>

The transitional adjustment relates to the reclassification of the breeding cattle herd as a biological asset under non-current assets shown at fair value less costs to sell. Under previous UK GAAP the livestock herd was categorised as trading stock under current assets.