Company Registration No. SC129179 (Scotland)

Stracathro Estates Limited

Unaudited financial statements
for the year ended 31 October 2020

Pages for filing with the Registrar

Stracathro Estates Limited

Contents

Stracathro Estates Limited

Balance sheet
As at 31 October 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**3**		-		34,976
Tangible assets	**4**		9,310,781		9,129,032
			9,310,781		9,164,008
Current assets					
Stocks	**5**	656,903		793,061	
Debtors	**6**	391,890		503,217	
Cash at bank and in hand		684,299		-	
		1,733,092		1,296,278	
Creditors: amounts falling due within one year	**7**	(344,342)		(403,071)	
Net current assets			1,388,750		893,207
Total assets less current liabilities			10,699,531		10,057,215
Creditors: amounts falling due after more than one year	**8**		(45,000)		(79,977)
Provisions for liabilities			(477,037)		(314,663)
Net assets			10,177,494		9,662,575
Capital and reserves					
Called up share capital	**9**		19,600		19,600
Share premium account			4,854,806		4,854,806
Capital redemption reserve			400		400
Profit and loss reserves			5,302,688		4,787,769
Total equity			10,177,494		9,662,575

Stracathro Estates Limited

Balance sheet (continued)
As at 31 October 2020

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 31 October 2020 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 22 June 2021 and are signed on its behalf by:

Hugh Campbell Adamson
Director

Company Registration No. SC129179

Stracathro Estates Limited

Statement of changes in equity
For the year ended 31 October 2020

	Notes	Share capital	Share premium account	Revaluation reserve	Capita redemption reserve	Profit and loss reserves	Total
		£	£	£	£	£	£
Balance at 1 November 2018		19,600	4,854,806	226,510	400	4,219,832	9,321,148
Year ended 31 October 2019:							
Profit and total comprehensive income for the year		-	-	-	-	343,677	343,677
Dividends		-	-	-	-	(2,250)	(2,250)
Other movements		-	-	(226,510)	-	226,510	-
Balance at 31 October 2019		19,600	4,854,806	-	400	4,787,769	9,662,575
Year ended 31 October 2020:							
Profit and total comprehensive income for the year		-	-	-	-	517,169	517,169
Dividends		-	-	-	-	(2,250)	(2,250)
Balance at 31 October 2020		19,600	4,854,806	-	400	5,302,688	10,177,494

1 Accounting policies

Company information

Stracathro Estates Limited is a private company limited by shares incorporated in Scotland. The registered office is Brae of Pert, North Water Bridge, Laurencekirk, Kincardineshire, AB30 1QR.

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 a mounts 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.

1.2 Turnover

Turnover represents amounts and services in relation to farming sales including crop sales, rental income and income from renewable energy projects.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

The Basic Payment Scheme income is recognised once all conditions attached have been met.

1.3 Intangible fixed assets other than goodwill

Entitlements under the Basic Payment Scheme are accounted for as an intangible asset acquired by way of government grant. On initial recognition the intangible asset is recognised at fair value based upon traded prices. The asset is amortised over its useful economic life being 5 years. In accordance with the accruals model of recognition, the grant is recognised in income on a systematic basis over the expected useful life of the asset, being 5 years. Hence a deferred income balance is recognised initially which is released to income over 5 years.

Amortisation 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:

Government grants	20% straight line

1 Accounting policies (continued)

1.4 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 Freehold	Nil
Plant and machinery	5% - 33% straight line
Fixtures, fittings & equipment	10% - 33% straight line
Motor vehicles	25% straight line

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 Accounting policies (continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

The company measures biological assets at cost less accumulated depreciation and accumulated impairment losses.

In respect of agricultural produce harvested from a biological asset, this is measured at the point of harvest at either;

- lower of cost and estimated selling price less costs to complete and sell; or
- fair value less costs to sell with any gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell being included in profit or loss.

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 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.

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, 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 transaction 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.

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 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.

1 Accounting policies (continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.15 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.16 Preference shares

The company's preference shares are treated as financial liabilities of the company under FRS 102.

2 Employees

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

	2020 Number	2019 Number
Total	10	11

3 Intangible fixed assets

	Government grants £
Cost	
At 1 November 2019 and 31 October 2020	174,888
Amortisation and impairment	
At 1 November 2019	139,912
Amortisation charged for the year	34,976
At 31 October 2020	174,888
Carrying amount	
At 31 October 2020	-
At 31 October 2019	34,976

3 Intangible fixed assets (continued)

The Basic Payment Scheme units were valued at initial award in 2015 at £174,888. The scheme will run until December 2020 therefore the useful life is 5 years. The units will be amortised over this time.

4 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2019	6,386,407	3,841,824	42,749	110,569	10,381,549
Additions	60,200	552,355	724	31,217	644,496
Disposals	-	(246,945)	-	(6,500)	(253,445)
At 31 October 2020	6,446,607	4,147,234	43,473	135,286	10,772,600
Depreciation and impairment					
At 1 November 2019	67,297	1,087,146	35,053	63,021	1,252,517
Depreciation charged in the year	-	300,683	1,403	33,169	335,255
Eliminated in respect of disposals	-	(119,453)	-	(6,500)	(125,953)
At 31 October 2020	67,297	1,268,376	36,456	89,690	1,461,819
Carrying amount					
At 31 October 2020	6,379,310	2,878,858	7,017	45,596	9,310,781
At 31 October 2019	6,319,110	2,754,678	7,696	47,548	9,129,032

5 Stocks

	2020	2019
	£	£
Biological assets	578,940	639,408
Other stock	77,963	153,653
	656,903	793,061

6 Debtors

	2020	2019
	£	£
Trade debtors	138,263	342,337
Other debtors	253,627	160,880
	391,890	503,217

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	16	42,401
Trade creditors	125,168	165,864
Corporation tax	23,000	-
Other taxation and social security	8,568	17,912
Other creditors	187,590	176,894
	344,342	403,071

The company has granted a floating charge in favour of the Clydesdale Bank PLC, in respect of all present and future obligations and liabilities.

8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	45,000	79,977

9 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
19,600 Ordinary shares of £1 each	19,600	19,600

10 Directors' transactions

Description	% Rate	Opening balance	Amounts advanced	Interest charged	Amounts repaid	Closing balance
		£	£	£	£	£
Hugh Campbell Adamson - Loan	2.25	4,411	253,056	4,552	(55,164)	206,855
		4,411	253,056	4,552	(55,164)	206,855