

REGISTERED NUMBER: SC510853 (Scotland)

Unaudited Financial Statements for the Year Ended 30 July 2017

for

Truffle Farms Europe Limited

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for the Year Ended 30 July 2017

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Truffle Farms Europe Limited

Company Information
for the Year Ended 30 July 2017

DIRECTORS:

M Waddell
G W Henderson

REGISTERED OFFICE:

31 Charlotte Square
Edinburgh
EH2 4ET

REGISTERED NUMBER:

SC510853 (Scotland)

ACCOUNTANTS:

One Accounting Ltd
Chartered Management Accountants
Drumsheugh Toll
2 Belford Road
Edinburgh
Midlothian
EH4 3BL

Statement of Financial Position
30 July 2017

	Notes	30.7.17 £	£	30.7.16 £	£
FIXED ASSETS					
Tangible assets	4		2,091		264
CURRENT ASSETS					
Stocks		5,957,943		860,782	
Debtors	5	21,462		637	
Cash at bank		150,780		458	
		<u>6,130,185</u>		<u>861,877</u>	
CREDITORS					
Amounts falling due within one year	6	<u>11,211</u>		<u>18,976</u>	
NET CURRENT ASSETS			<u>6,118,974</u>		<u>842,901</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,121,065</u>		<u>843,165</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Share premium	7		29,990		12,495
Revaluation reserve	7		-		841,459
Fair value reserve	7		5,879,560		-
Retained earnings	7		<u>211,415</u>		<u>(10,889)</u>
SHAREHOLDERS' FUNDS			<u>6,121,065</u>		<u>843,165</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 July 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 July 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 27 April 2018 and were signed on its behalf by:

M Waddell - Director

Notes to the Financial Statements
for the Year Ended 30 July 2017

1. **STATUTORY INFORMATION**

Truffle Farms Europe Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

These financial statements for the period ended 31 July 2017 are the first financial statements that comply with FRS 102 Section 1A small entities. The date of transition is 1 August 2016.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The company sells an upfront licence right to 80% of the realised sale value of inventory, and for 50% of any sale proceeds of the biological asset. The company retains the right to receive 20% of the realised sale value of inventory, and the remaining 50% of the sale proceeds of the biological asset.

Sales of inventory are recognised in the profit and loss account at the date of sale of that inventory.

Sales of biological assets are recognised in the profit and loss account at the date of sale of that biological asset.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 33% on cost
Computer equipments	- 33% on cost

Notes to the Financial Statements - continued
for the Year Ended 30 July 2017

2. ACCOUNTING POLICIES - continued

Stocks

Biological Assets

Truffle Trees are classified as Biological Assets in accordance with International Accounting Standard 41 (IAS41 - Agriculture).

Treatment of Costs

The following costs are capitalised and reported as Biological Assets:

- Initial acquisition of truffle trees
- Planting, development, irrigation, land management and other costs relating to the development of immature trees up to the point where they are productive
- A proportion of overheads relating to the management of biological assets

Once a tree is productive, costs relating to the ongoing management of such trees are expensed as a cost of production in the profit and loss account.

The company retains control of the Biological Assets, and such assets can only be sold upon the approval of the Board.

Inventory

When truffles are harvested, they are recognised as inventory for resale under current assets.

Fair Value of Biological Assets

IAS 41 requires biological assets to be measured at initial recognition (see treatment of costs) and at each balance sheet date at their fair value less costs to sell.

'Fair Value' is defined as the amount for which the biological asset (Truffle tree) could be exchanged between two knowledgeable, willing parties in an arms length transaction. It represents the market price for the asset based on current expectations.

The company will determine a fair value based on the following hierarchy

- Price for the asset in an active market
- Recent transaction price achieved for the asset if there is no active market
- Present value of the future cashflows expected to be generated from the asset

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 accounts receivable and payable, loans from banks and other third 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 future cash flows and subsequently amortised at cost using the effective interest method.

Creditors payable within one year, typically trade payables, are measured, initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid.

Debtors payable within one year, typically trade debtors, are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be received.

Notes to the Financial Statements - continued
for the Year Ended 30 July 2017

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 1 .

4. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipments £	Totals £
COST			
At 31 July 2016	306	-	306
Additions	1,500	624	2,124
At 30 July 2017	<u>1,806</u>	<u>624</u>	<u>2,430</u>
DEPRECIATION			
At 31 July 2016	42	-	42
Charge for year	184	113	297
At 30 July 2017	<u>226</u>	<u>113</u>	<u>339</u>
NET BOOK VALUE			
At 30 July 2017	<u>1,580</u>	<u>511</u>	<u>2,091</u>
At 30 July 2016	<u>264</u>	<u>-</u>	<u>264</u>

Notes to the Financial Statements - continued
for the Year Ended 30 July 2017

5. **DEBTORS**

	30.7.17 £	30.7.16 £
Amounts falling due within one year:		
Trade debtors	1,104	-
Other debtors	10	15
Directors' current accounts	-	622
VAT	3,642	-
Prepayments	3,234	-
	<u>7,990</u>	<u>637</u>
Amounts falling due after more than one year:		
Trade debtors	<u>13,472</u>	<u>-</u>
Aggregate amounts	<u>21,462</u>	<u>637</u>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.7.17 £	30.7.16 £
Trade creditors	9,508	1
Tax	163	-
Directors' current accounts	790	-
Accruals and deferred income	-	17,500
Accrued expenses	750	1,475
	<u>11,211</u>	<u>18,976</u>

7. **RESERVES**

	Retained earnings £	Share premium £	Revaluation reserve £	Fair value reserve £	Totals £
At 31 July 2016	(10,889)	12,495	841,459	-	843,065
Profit for the year	5,315,655				5,315,655
Dividends	(55,250)				(55,250)
Cash share issue	-	17,495	-	-	17,495
Fair Value reserve transfer	(5,038,101)	-	(841,459)	5,879,560	-
At 30 July 2017	<u>211,415</u>	<u>29,990</u>	<u>-</u>	<u>5,879,560</u>	<u>6,120,965</u>

8. **RELATED PARTY DISCLOSURES**

M Waddell

During the year, total dividends of £55,250 (2016 - £NIL) were paid to the director. The loan is interest free and repayable on demand.

	30.7.17 £	30.7.16 £
Amount due (to)/from related party at the balance sheet date	<u>(790)</u>	<u>620</u>

9. ULTIMATE CONTROLLING PARTY

Mr M Waddell is the ultimate controlling party by virtue of his majority shareholding.

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.