

REGISTERED NUMBER: SC510853 (Scotland)

Unaudited Financial Statements
for the Period 31 July 2017 to 31 July 2018
for
Truffle Farms Europe Limited

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for the Period 31 July 2017 to 31 July 2018

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Truffle Farms Europe Limited

Company Information
for the Period 31 July 2017 to 31 July 2018

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
31 July 2018

	Notes	31.7.18 £	£	30.7.17 £	£
FIXED ASSETS					
Tangible assets	4		13,843		2,091
CURRENT ASSETS					
Stocks		33,540,000		5,957,943	
Debtors	5	158,934		21,462	
Cash at bank		427,021		150,780	
		<u>34,125,955</u>		<u>6,130,185</u>	
CREDITORS					
Amounts falling due within one year	6	<u>8,079</u>		<u>11,211</u>	
NET CURRENT ASSETS			<u>34,117,876</u>		<u>6,118,974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,131,719</u>		<u>6,121,065</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Share premium	7		29,990		29,990
Fair value reserve	7		33,314,880		5,879,560
Retained earnings	7		786,749		211,415
SHAREHOLDERS' FUNDS			<u>34,131,719</u>		<u>6,121,065</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 July 2018.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 July 2018 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)

Statement of Financial Position - continued
31 July 2018

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 30 November 2018 and were signed on its behalf by:

G W Henderson - Director

M Waddell - Director

Notes to the Financial Statements
for the Period 31 July 2017 to 31 July 2018

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.

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

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 Period 31 July 2017 to 31 July 2018

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the period 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 period 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 period was 4 (2017 - 1) .

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Computer equipments £	Totals £
COST				
At 31 July 2017	-	1,806	624	2,430
Additions	11,700	-	1,574	13,274
At 31 July 2018	11,700	1,806	2,198	15,704
DEPRECIATION				
At 31 July 2017	-	226	113	339
Charge for period	244	596	682	1,522
At 31 July 2018	244	822	795	1,861
NET BOOK VALUE				
At 31 July 2018	11,456	984	1,403	13,843
At 30 July 2017	-	1,580	511	2,091

Notes to the Financial Statements - continued
for the Period 31 July 2017 to 31 July 2018

5. **DEBTORS**

	31.7.18 £	30.7.17 £
Amounts falling due within one year:		
Trade debtors	42,832	1,104
Other debtors	10	10
Directors' current accounts	100,949	-
VAT	1,981	3,642
Prepayments	1,486	3,234
	<u>147,258</u>	<u>7,990</u>
Amounts falling due after more than one year:		
Trade debtors	<u>11,676</u>	<u>13,472</u>
Aggregate amounts	<u>158,934</u>	<u>21,462</u>

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

	31.7.18 £	30.7.17 £
Trade creditors	273	9,508
Tax	738	163
Social security and other taxes	3,818	-
Other creditors	2,230	-
Directors' current accounts	-	790
Accrued expenses	1,020	750
	<u>8,079</u>	<u>11,211</u>

7. **RESERVES**

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
At 31 July 2017	211,415	29,990	5,879,560	6,120,965
Profit for the period	28,010,654			28,010,654
Fair Value reserve transfer	(27,435,320)	-	27,435,320	-
At 31 July 2018	<u>786,749</u>	<u>29,990</u>	<u>33,314,880</u>	<u>34,131,619</u>

8. **RELATED PARTY DISCLOSURES**

M Waddell
Director

During the year, total dividends of £NIL (2017 - £55,250) were paid to the director. Interest has been paid on the loan provided to the director.

	31.7.18 £	30.7.17 £
Amount due from/(to) related party at the balance sheet date	<u>100,949</u>	<u>(790)</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.