

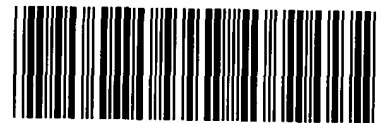
Registration number SC039690

Charles Connell & Company (Colquhalzie Farms) Limited

Directors' report and financial statements

for the year ended 31 December 2014

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Charles Connell & Company (Colquhalzie Farms) Limited

Company information

Directors	C R Connell A Bremner C C Connell	Chairman
Secretary	A J Hartley	
Company number	SC039690	
Registered office	Woodend Craigallian Milngavie Glasgow G62 8EN	
Auditors	Alexander Sloan 38 Cadogan Street Glasgow G2 7HF	

Charles Connell & Company (Colquhalzie Farms) Limited

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Charles Connell & Company (Colquhalzie Farms) Limited

**Directors' report
for the year ended 31 December 2014**

The directors present their report and the financial statements for the year ended 31 December 2014.

Principal activity and review of the business

The Company's principal activity is that of farming.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

The principal risk and uncertainty facing the business is that it operates on a market where both raw material and sales prices can vary dramatically on an annual basis. The directors are confident that with the constantly improving budgeting process they can identify potential loss making activities and reduce the company's involvement in these areas.

Fixed assets

In the opinion of the directors, the market value at 31 December 2014 of the company's land and buildings exceeds the Balance Sheet value by at least £1,500,000 (2013: £1,500,000).

Directors

The directors who served during the year are as stated below:

C R Connell	Chairman
A Bremner	
C C Connell	

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Charles Connell & Company (Colquhalzie Farms) Limited

**Directors' report
for the year ended 31 December 2014**

..... continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Alexander Sloan have been reappointed as auditor for the ensuing year in accordance with Section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on 27 April 2015 and signed on its behalf by



A J Hartley
Secretary

**Independent auditor's report to the shareholders of
Charles Connell & Company (Colquhalzie Farms) Limited**

We have audited the financial statements of Charles Connell & Company (Colquhalzie Farms) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

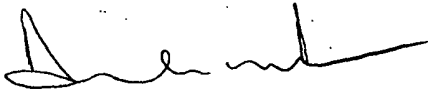
**Independent auditor's report to the shareholders of
Charles Connell & Company (Colquhalzie Farms) Limited**

.....continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and the requirements to prepare a Strategic Report.



.....
**Andrew McBean (senior statutory auditor)
For and on behalf of Alexander Sloan
Chartered Accountants and
Statutory Auditors**

**38 Cadogan Street
Glasgow
G2 7HF**

Charles Connell & Company (Colquhalzie Farms) Limited

**Profit and loss account
for the year ended 31 December 2014**

		Continuing operations	
		2014	2013
	Notes	£	£
Turnover	2	686,754	807,076
Cost of sales		(831,847)	(872,244)
Gross loss		(145,093)	(65,168)
Administrative expenses		(111,391)	(152,087)
Other operating income		58,619	40,027
Operating loss	3	(197,865)	(177,228)
Investment loss	5	(12,279)	(1,995)
Other interest receivable and similar income	6	-	1
Loss on ordinary activities before taxation		(210,144)	(179,222)
Tax on loss on ordinary activities	9	41,037	43,145
Loss for the year	19	(169,107)	(136,077)

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 16 form an integral part of these financial statements.

Charles Connell & Company (Colquhalzie Farms) Limited

**Balance sheet
as at 31 December 2014**

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		891,682		902,574
Investments	11		122,837		136,096
			<u>1,014,519</u>		<u>1,038,670</u>
Current assets					
Stocks	12	391,614		392,060	
Debtors	13	2,741,766		2,916,926	
Cash at bank and in hand		199,341		167,155	
		<u>3,332,721</u>		<u>3,476,141</u>	
Creditors: amounts falling due within one year	14	(132,711)		(124,831)	
Net current assets			<u>3,200,010</u>		<u>3,351,310</u>
Total assets less current liabilities			4,214,529		4,389,980
Creditors: amounts falling due after more than one year	15		(13,233)		(26,577)
Provisions for liabilities	16		<u>(78,000)</u>		<u>(71,000)</u>
Net assets			<u>4,123,296</u>		<u>4,292,403</u>
Capital and reserves					
Called up share capital	18		20,000		20,000
Share premium account	19		242,555		242,555
Profit and loss account	19		3,860,741		4,029,848
Shareholders' funds	20		<u>4,123,296</u>		<u>4,292,403</u>

These accounts were approved by the directors on 27 April 2015, and are signed on their behalf by:


C R Connell
Director

Registration number SC039690

The notes on pages 7 to 16 form an integral part of these financial statements.

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a wholly owned subsidiary and is included within its parent company's consolidated financial statements.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	- 25 years
Plant and machinery	- 3 to 20 years

1.4. Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.6. Stock and work in progress

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

Raw materials and stores	- lower of cost and net realisable value
Livestock	- net realisable value
Growing crops	- cost of direct materials
Finished Goods	- net realisable value

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All gains and losses are taken to the Profit and Loss account.

1.10. 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.

2. Turnover

	2014	2013
	£	£
Class of business		
Sales of Livestock and Crops	378,750	499,256
Contractor Income	104,203	108,650
CPS & RSS Income	33,915	36,600
Single Farm Payment	167,886	160,036
Royalties	2,000	2,534
	<u>686,754</u>	<u>807,076</u>

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

3. Operating loss	2014	2013
	£	£
Operating loss is stated after charging:		
Depreciation		
- written off owned tangible fixed assets	40,796	48,065
- written off tangible fixed assets on HP/Finance lease	24,780	15,949
Net foreign exchange loss	1,756	1,127
Auditors' remuneration (Note 4)	13,413	15,150
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	34,945	1,442
Operating lease rentals receivable	-	250
	<u> </u>	<u> </u>
 4. Auditors' remuneration	 2014	 2013
	£	£
Auditors' remuneration - audit of the financial statements	<u>8,904</u>	<u>6,650</u>
Auditors' remuneration - other fees:		
- advisory services	-	5,700
- taxation compliance services	2,570	1,550
- information technology services	664	1,250
- accounts preparation	1,275	-
	<u>4,509</u>	<u>8,500</u>
 5. Investment loss	 2014	 2013
	£	£
Loss from associated interests	<u>(12,279)</u>	<u>(1,995)</u>
 6. Interest receivable and similar income	 2014	 2013
	£	£
Bank interest	<u>-</u>	<u>1</u>

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

7. Employees

Number of employees	2014	2013
The average monthly numbers of employees (excluding the directors) during the year were:		
Farm Workers	7	7
Administration	3	3
	<u>10</u>	<u>10</u>
 Employment costs	 2014	 2013
	£	£
Wages and salaries	234,804	250,181
Social security costs	19,889	19,498
Pension costs-other operating charge	8,143	8,473
Dependants life assurance cover	14,964	6,125
	<u>277,800</u>	<u>284,277</u>
 7.1. Directors' remuneration	 2014	 2013
	£	£
Remuneration and other emoluments	<u>15,348</u>	<u>16,528</u>

8. Pension costs

The company makes pension scheme payments to the personal pension plan of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £8,143 (2013 - £8,473).

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

9. Tax on loss on ordinary activities

Analysis of charge in period	2014 £	2013 £
Current tax		
Adjustments in respect of previous periods	6,070	(145)
Group relief	(54,107)	(47,000)
	<u>(48,037)</u>	<u>(47,145)</u>
Total current tax charge	<u>(48,037)</u>	<u>(47,145)</u>
Deferred tax		
Timing differences, origination and reversal	7,000	9,667
Effect of changes in tax rates	-	(5,667)
	<u>7,000</u>	<u>4,000</u>
Tax on loss on ordinary activities	<u>(41,037)</u>	<u>(43,145)</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (21.50 per cent). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before taxation	<u>(210,144)</u>	<u>(179,222)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (31 December 2013 : 23.25%)	(45,181)	(41,669)
Effects of:		
Expenses not deductible for tax purposes	49	-
Capital allowances for period in excess of depreciation	(8,975)	(8,008)
Adjustments to tax charge in respect of previous periods	6,070	-
Income not subject to tax	-	(58)
Other movements	-	2,590
Current tax charge for period	<u>(48,037)</u>	<u>(47,145)</u>

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

10. Tangible fixed assets	Heritable land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2014	1,226,337	1,688,842	2,915,179
Additions	886	58,181	59,067
Disposals	(289,847)	(157,335)	(447,182)
At 31 December 2014	<u>937,376</u>	<u>1,589,688</u>	<u>2,527,064</u>
Depreciation			
At 1 January 2014	788,898	1,223,707	2,012,605
On disposals	(289,847)	(152,952)	(442,799)
Charge for the year	12,543	53,033	65,576
At 31 December 2014	<u>511,594</u>	<u>1,123,788</u>	<u>1,635,382</u>
Net book values			
At 31 December 2014	<u>425,782</u>	<u>465,900</u>	<u>891,682</u>
At 31 December 2013	<u>437,439</u>	<u>465,135</u>	<u>902,574</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	2014		2013	
Asset description	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	<u>107,670</u>	<u>24,780</u>	<u>116,501</u>	<u>15,949</u>

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

11. Fixed asset investments	Other unlisted investments £	Total £
Value		
At 1 January 2014	136,096	136,096
Share of loss	(12,279)	(12,279)
Capital withdrawn	(980)	(980)
At 31 December 2014	<u>122,837</u>	<u>122,837</u>
Net book values		
At 31 December 2014	<u>122,837</u>	<u>122,837</u>
At 31 December 2013	<u>136,096</u>	<u>136,096</u>

The company owns 49% of the farming partnership called Ladyston Farming Company.

12. Stocks	2014 £	2013 £
Raw materials and consumables	45,983	52,824
Livestock	205,284	217,018
Growing Crops and Finished Goods	140,347	122,218
	<u>391,614</u>	<u>392,060</u>

13. Debtors	2014 £	2013 £
Trade debtors	57,632	12,855
Amounts owed by group undertakings	2,602,533	2,687,385
Amount owed by connected companies	4,360	-
Other debtors	30,937	9,855
Prepayments and accrued income	46,304	206,831
	<u>2,741,766</u>	<u>2,916,926</u>

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

14. Creditors: amounts falling due within one year	2014	2013
	£	£
Net obligations under finance leases and hire purchase contracts	13,333	22,493
Trade creditors	80,624	76,099
Other taxes and social security costs	9,311	5,744
Directors' accounts	11,871	-
Other creditors	-	25
Accruals and deferred income	17,572	20,470
	<u>132,711</u>	<u>124,831</u>
15. Creditors: amounts falling due after more than one year	2014	2013
	£	£
Net obligations under finance leases and hire purchase contracts	<u>13,233</u>	<u>26,577</u>
16. Provisions for liabilities	Deferred taxation (Note 17)	Total
	£	£
At 1 January 2014	71,000	71,000
Movements in the year	7,000	7,000
At 31 December 2014	<u>78,000</u>	<u>78,000</u>

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

17.	Provision for deferred taxation	2014 £	2013 £	
	Accelerated capital allowances	78,000	71,000	
	Provision for deferred tax	<u>78,000</u>	<u>71,000</u>	
	Provision at 1 January 2014	71,000		
	Deferred tax charge in profit and loss account	<u>7,000</u>		
	Provision at 31 December 2014	<u>78,000</u>		
18.	Share capital	2014 £	2013 £	
	Allotted, called up and fully paid 20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	
	Equity Shares 20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	
19.	Equity Reserves	Share premium account £	Profit and loss account £	Total £
	At 1 January 2014	242,555	4,029,848	4,272,403
	Loss for the year		<u>(169,107)</u>	<u>(169,107)</u>
	At 31 December 2014	<u>242,555</u>	<u>3,860,741</u>	<u>4,103,296</u>
20.	Reconciliation of movements in shareholders' funds	2014 £	2013 £	
	Loss for the year	(169,107)	(136,077)	
	Opening shareholders' funds	<u>4,292,403</u>	<u>4,428,480</u>	
	Closing shareholders' funds	<u>4,123,296</u>	<u>4,292,403</u>	

Charles Connell & Company (Colquhalzie Farms) Limited

**Notes to the financial statements
for the year ended 31 December 2014**

..... continued

21. Related party transactions

During the year, transactions took place between Charles Connell & Company (Colquhalzie Farms) Limited and Ladyston Farming Company. Charles Connell & Company (Colquhalzie Farms) Limited holds 49% of Ladyston Farming Company. During the year, Charles Connell & Company (Colquhalzie Farms) Limited provided services and goods of £130,417 (2013 - £115,572), and bought products and services worth £13,166 (2013 - £4,861). At the year end, the balance owing to Charles Connell & Company (Colquhalzie Farms) Limited was £4,360 (2013 - £3,772). The balance due to Ladyston Farming Company was £nil (2013 - £nil).

As a wholly owned subsidiary of Charles Connell & Co (Holdings) Ltd, the Company is exempt from the requirements of FRS 8 to disclose transactions with other group members.

At the year end, C R Connell, director, was owed £11,871 (2013 - £nil). The amount is interest free and repayable on demand.

22. Ultimate parent undertaking

The Company's Parent Undertaking is Charles Connell & Company (Holdings) Limited, registered in Scotland.