

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 October 2021  
for  
Archerfield Estates Ltd**

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for the Year Ended 31 October 2021**

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**Company Information  
for the Year Ended 31 October 2021**

**DIRECTORS:**

John Kenneth Brown  
Eleanor Douglas-Hamilton  
Anne Douglas-Hamilton  
Rachel Lilian Ross

**REGISTERED OFFICE:**

47 - 49 The Square  
Kelso  
Roxburghshire  
TD5 7HW

**REGISTERED NUMBER:**

SC106757 (Scotland)

**AUDITORS:**

Douglas Home & Co Ltd  
Statutory Auditor  
47-49 The Square  
Kelso  
Roxburghshire  
TD5 7HW

**Strategic Report  
for the Year Ended 31 October 2021**

The directors present their strategic report for the year ended 31 October 2021.

**BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The company engages in a diverse range of operations from owning, managing and developing heritable property and investments and a business enterprise including retail and hospitality activities.

Archerfield Estates Limited has continued to trade well during 2021, despite the global pandemic implications faced by the business. Employee numbers have remained at over 50 staff members. The Director's strategic plan for the future is to continue to utilise the new redevelopment of the Walled Garden business to extend our offering and create a quality multi-faceted visitor destination, widening the visitor demographic and continue to increase footfall.

**Results and Dividends**

At £1.5m, turnover has seen a small decrease from the 2020 figure of £207k. From a loss-making position the business is continuing to grow which can be seen through decreasing operating losses (before exceptional items), reduced cash losses and increased gross profits year-on-year. The last few years have brought significant change within the Archerfield Walled Garden part of the business with the business having to adapt to the changes brought by Covid 19. With the event industry being put on hold the focus has shifted to building the day time café and retail side of the business. Promoting the shop local ideology the business has continued to drive visitor numbers and since reopening the refurbished building the operating loss has been reducing. The company has also seen rental increases for its property portfolio within the Edinburgh and East Lothian property markets of 6%. These changes have resulted in a decrease in operating loss of the company of 81%.

Dividends totalling £164k were paid out during the year ended 31st October 2021.

During the early part of 2021 Archerfield Walled Garden has underwent an extensive refurbishment which has seen an expansion of both the café and retail space offered by the company. There has also been the addition of a Garden Shop. This extension to the business has resulted in increased footfall to the business and the company is reintroducing its event programme in 2022.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Key risks and uncertainties are managed strategically at Board level and operationally via weekly senior management team meetings. Our key risks have been identified as follows:

**Weather** - This is a key risk to the company due to the seasonal nature and outdoor element of Archerfield Walled Garden. Adverse weather can lead to reduced footfall, impacting turnover levels and stock wastage.

**Competition** - Archerfield Walled Garden has many strong competitors in East Lothian and further afield. We continually monitor our position and remain competitive on our retail and hospitality, range, value, quality and service.

**The Rental Market** - Movement in rental prices is a risk to the business as the company receives 10% of its annual turnover as rental income. The company regularly reviews its property portfolio to ensure the ongoing profitability of its investments.

**Brexit** - Leaving the European Union has had some impact on sourcing and receiving goods. However, utilising local suppliers and building strong relationships has helped the business cope with this issue.

**The ongoing war between Ukraine and Russia** - The ongoing war has impacted business confidence and all major economies are reporting weak growth in the first quarter of 2022. The war has added to existing supply constraints and inflation faced by the business, which the Board continue to monitor.

**Strategic Report  
for the Year Ended 31 October 2021**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Cost of Living Crisis - The long term impact of the cost of living crisis is a concern for most companies as soaring energy bills, rising inflation and higher raw material costs are faced along with the worry that consumers facing the same pressures will cut spending. The Board will monitor this risk over the coming year.

COVID-19 - Most companies have in some way been affected by COVID-19 and Archerfield Walled Garden had to cease trading during a nationwide lockdown in December and again during the year due to staff illness. However, During the pandemic the business has been performing well and monthly turnover levels when the business was open have exceeded those of prior years. It is hoped that the effects of Covid will continue to lessen as all restrictions have now been lifted.

**EMPLOYEES**

Details of the number of employees and related costs can be found in note 4 to the financial statements.

**ON BEHALF OF THE BOARD:**

Eleanor Douglas-Hamilton - Director

28 July 2022

**Report of the Directors  
for the Year Ended 31 October 2021**

The directors present their report with the financial statements of the company for the year ended 31 October 2021.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of owning, managing and developing heritable property and investments and a business enterprise that includes retail and hospitality activities.

**DIVIDENDS**

Ordinary dividends were paid amounting to £164,050. The directors do not recommend payment of a final dividend.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 November 2020 to the date of this report.

John Kenneth Brown  
Eleanor Douglas-Hamilton  
Anne Douglas-Hamilton

Other changes in directors holding office are as follows:

Patrick Lorne Crerar - resigned 11 November 2020  
Rachel Lilian Ross - appointed 1 May 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors  
for the Year Ended 31 October 2021**

**AUDITORS**

The auditors, Douglas Home & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Eleanor Douglas-Hamilton - Director

28 July 2022

## **Report of the Independent Auditors to the Members of Archerfield Estates Ltd**

### **Opinion**

We have audited the financial statements of Archerfield Estates Ltd (the 'company') for the year ended 31 October 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2021 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **Report of the Independent Auditors to the Members of Archerfield Estates Ltd**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Report of the Independent Auditors to the Members of Archerfield Estates Ltd**

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Auditors' responsibilities for the audit of the financial statements**

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, FRS102 and UK tax legislation. The engagement partner ensured the engagement team had the necessary competence, capabilities and skills to Identified laws and regulations and they remained alert to such matters throughout the audit.

Based on the results of our risk assessments we designed our audit procedures to identify non-compliance with such laws and regulation. We identified and evaluated the laws and regulations and enquired to management whether they were aware of any instances of non-compliance. We corroborated these through review of board minutes, review of legal and professional fees and review of any correspondence with HMRC.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. The laws and regulations we considered in this context included Health and Safety at Work Act 1979, Employment Law, Data Protection Act 2018, Food and Hygiene Standards UK, Wildlife & Countryside Act 1981 and Private Landlord Regulations per Private Housing (Tenancies) (Scotland) Act 2016.

Based on the results of our risk assessments we designed our audit procedures to identify non-compliance with such laws and regulation. We identified and evaluated the laws and regulation and enquired to management whether they were aware of any instances of non-compliance. We corroborated these through review of correspondence with any regulators, reviewed company policy for health and safety procedures, reviewed food hygiene rating and carried out gross to net pay checks.

We assessed the risks of material misstatement in respect of fraud via enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considered the internal controls in place to mitigate risks of fraud. The management accounts are reviewed regularly by the board and actual figures compared to budgets; any variances are investigated by the finance controller.

## **Report of the Independent Auditors to the Members of Archerfield Estates Ltd**

To address the risk of fraud through management bias and override of controls we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions, assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and investigated the rationale behind any significant or unusual transactions.

With regard to identification of material misstatements in relation to fraud, we considered income recognition in line with FRS102, reviewed the appropriateness of the accounting policies selected and reviewed disclosures for completeness and accuracy. We also identified related parties and reviewed related party transactions.

We assessed the risk of material misstatement in respect of valuation of investment properties by ensuring the company has applied the appropriate accounting treatment, any gains/losses on revaluation are recognised in P&L. The external surveyors' reports are reviewed for appropriateness of the valuation by looking at the economic environment and comparing the property value to the market price in the same area.

The main factors of the audit process which may affect the likelihood of detection of irregularities includes the element of inherent difficulty always present in detecting irregularities due to fraud, the increase in the inherent difficulty due to remote audit testing and that conclusions on the design and implementation of internal controls focus only on those we have assessed as key controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

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 a Report of the Auditors 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.

Alan W Drummond BA CA FMAAT (Senior Statutory Auditor)  
for and on behalf of Douglas Home & Co Ltd  
Statutory Auditor  
47-49 The Square  
Kelso  
Roxburghshire  
TD5 7HW

28 July 2022

**Income Statement  
for the Year Ended 31 October 2021**

	Notes	31/10/21 £	31/10/20 £
<b>REVENUE</b>	3	1,472,862	1,679,931
Cost of sales		<u>1,131,096</u>	<u>1,235,043</u>
<b>GROSS PROFIT</b>		341,766	444,888
Administrative expenses		<u>477,448</u>	<u>644,771</u>
		(135,682)	(199,883)
Other operating income		<u>76,017</u>	<u>117,715</u>
<b>OPERATING LOSS</b>	5	(59,665)	(82,168)
Interest receivable and similar income		<u>1,895</u>	<u>9,381</u>
<b>LOSS BEFORE TAXATION</b>		(57,770)	(72,787)
Tax on loss	6	<u>562,419</u>	<u>(4,448)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(620,189)</u>	<u>(68,339)</u>

The notes form part of these financial statements

**Other Comprehensive Income  
for the Year Ended 31 October 2021**

Notes	31/10/21 £	31/10/20 £
<b>LOSS FOR THE YEAR</b>	(620,189)	(68,339)
<b>OTHER COMPREHENSIVE INCOME</b>		
Unrealised fixed asset revaluation	153,875	-
Income tax relating to other comprehensive income	<u>(38,469)</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<u>115,406</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>(504,783)</u></u>	<u><u>(68,339)</u></u>

**Balance Sheet**  
**31 October 2021**

	Notes	31/10/21 £	£	31/10/20 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		5,335		-
Property, plant and equipment	9		3,896,914		2,820,898
Investments	10		101,526		106,671
Investment property	11		<u>11,814,230</u>		<u>11,409,159</u>
			15,818,005		14,336,728
<b>CURRENT ASSETS</b>					
Inventories	12	246,902		113,880	
Debtors	13	186,866		97,084	
Cash at bank and in hand		<u>1,064,981</u>		<u>2,679,401</u>	
		1,498,749		2,890,365	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>269,428</u>		<u>196,240</u>	
<b>NET CURRENT ASSETS</b>			<u>1,229,321</u>		<u>2,694,125</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			17,047,326		17,030,853
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>1,845,119</u>		<u>1,159,813</u>
<b>NET ASSETS</b>			<u>15,202,207</u>		<u>15,871,040</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		8,500		8,500
Share premium	18		1,633,255		1,633,255
Other reserves	18		6,643,046		6,527,640
Retained earnings	18		<u>6,917,406</u>		<u>7,701,645</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>15,202,207</u>		<u>15,871,040</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2022 and were signed on its behalf by:

Eleanor Douglas-Hamilton - Director

**Statement of Changes in Equity  
for the Year Ended 31 October 2021**

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
<b>Balance at 1 November 2019</b>	8,500	7,961,064	1,633,255	6,527,640	16,130,459
<b>Changes in equity</b>					
Total comprehensive income	-	(68,339)	-	-	(68,339)
Dividends	-	(191,080)	-	-	(191,080)
<b>Balance at 31 October 2020</b>	8,500	7,701,645	1,633,255	6,527,640	15,871,040
<b>Changes in equity</b>					
Total comprehensive income	-	(620,189)	-	115,406	(504,783)
Dividends	-	(164,050)	-	-	(164,050)
<b>Balance at 31 October 2021</b>	8,500	6,917,406	1,633,255	6,643,046	15,202,207

**Cash Flow Statement  
for the Year Ended 31 October 2021**

	Notes	31/10/21 £	31/10/20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(420,690)	(208,285)
Tax paid		-	(215,000)
Taxation refund		-	4,448
Net cash from operating activities		<u>(420,690)</u>	<u>(418,837)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(5,335)	-
Purchase of tangible fixed assets		(1,038,454)	(201,692)
Purchase of investment property		180	(847,720)
Sale of tangible fixed assets		1,398	92,734
Sale of fixed asset investments		10,636	127,265
Interest received		1,895	9,381
Net cash from investing activities		<u>(1,029,680)</u>	<u>(820,032)</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		<u>(164,050)</u>	<u>(191,080)</u>
Net cash from financing activities		<u>(164,050)</u>	<u>(191,080)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(1,614,420)</u>	<u>(1,429,949)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	2,679,401	4,109,350
<b>Cash and cash equivalents at end of year</b>	2	<u><u>1,064,981</u></u>	<u><u>2,679,401</u></u>

The notes form part of these financial statements



**Notes to the Cash Flow Statement  
for the Year Ended 31 October 2021**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31/10/21	31/10/20
	£	£
Loss before taxation	(57,770)	(72,787)
Depreciation charges	108,081	86,378
Loss/(profit) on disposal of fixed assets	1,343	(172,761)
Gain on revaluation of fixed assets	(405,251)	-
Finance income	(1,895)	(9,381)
	<u>(355,492)</u>	<u>(168,551)</u>
(Increase)/decrease in inventories	(133,022)	55,361
(Increase)/decrease in trade and other debtors	(5,413)	35,187
Increase/(decrease) in trade and other creditors	<u>73,237</u>	<u>(130,282)</u>
<b>Cash generated from operations</b>	<u><u>(420,690)</u></u>	<u><u>(208,285)</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 October 2021**

	31/10/21	1/11/20
	£	£
Cash and cash equivalents	<u>1,064,981</u>	<u>2,679,401</u>

**Year ended 31 October 2020**

	31/10/20	1/11/19
	£	£
Cash and cash equivalents	<u>2,679,401</u>	<u>4,109,350</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/11/20	Cash flow	At 31/10/21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>2,679,401</u>	<u>(1,614,420)</u>	<u>1,064,981</u>
	<u>2,679,401</u>	<u>(1,614,420)</u>	<u>1,064,981</u>
<b>Total</b>	<u><u>2,679,401</u></u>	<u><u>(1,614,420)</u></u>	<u><u>1,064,981</u></u>

**Notes to the Financial Statements  
for the Year Ended 31 October 2021**

**1. STATUTORY INFORMATION**

Archerfield Estates Ltd 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 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 as modified by the revaluation of certain assets.

**Going concern**

The company has reported a loss for the year and is forecasting a loss in the year ahead.

However, in light of recent events surrounding the COVID -19 pandemic the war in Ukraine and the cost of living crisis, in common with most companies in the UK it is difficult to predict what impact this may have on the economy as a whole and the company's business in particular.

Although it is not possible to reliably estimate the length or severity of the current financial volatility, at the date of signing these financial statements the company has significant cash reserves, net current assets and is continuing to trade. The directors are actively managing the business on a day to day basis taking account of all changes in market conditions and government support.

While the directors are confident that the business will be able to continue to trade, they have considered the impact of a potential reduction in income and cost cutting and cash preserving measures have been adopted to minimise the impact of any downturn in trade during this difficult period.

The directors consider that the current strong financial position of the company, together with prudent management decision making, will ensure that the company will continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

**Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and trade discounts.

Turnover includes the following income streams:

- Rental income is recognised on a straight line basis over the lease term.
- Turnover for the retail and hospitality enterprise is recognised at the point of sale with the exception of the event income. Event income is recognised as the event occurs with deposits and advance ticket sales being included within deferred income.
- The sale of agricultural goods is recognised upon delivery of the goods

**Intellectual property**

Intellectual property is initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation over 10 years will commence when the project is completed.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

**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 & buildings	- 33 years straight line
Plant, fixtures & equipment	- 15% - 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.

Heritable land and non-industrial buildings and moveable property are reviewed annually for impairment and the directors are of the opinion that their useful economic lives and residual values are such that any depreciation would not be material.

**Government grants**

The company accounts for grants using the accruals model.

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

**Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

**Fixed Asset Investments**

Investments in joint ventures and unlisted entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

**Stocks**

Retail and hospitality stocks are valued at the lower of cost and net realisable value.

Agricultural stock is valued at market value.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

**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.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, 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.

**Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**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.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

**Other financial liabilities**

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. Debt instruments may be designated as being measured at fair value through the profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**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 balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**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.

**Employee and retirement 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.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

**Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

**Investment properties**

The value of the investment properties is based on values provided by external chartered surveyors. The directors do however acknowledge that these valuations are based on estimates made by the surveyors.

**Useful economic life and residual value of property**

The directors estimate that the company's property that is subject to depreciation will have a useful economic life of 33 years, with no residual value at the end of the useful economic life.

**3. REVENUE**

The revenue and loss before taxation are attributable to the principal activities of the company.

An analysis of revenue by class of business for the year ended 31 October 2020 is given below:

	£
Retail and hospitality	1,124,956
Property	351,185
Other sales income	203,790
	<u>1,679,931</u>

This analysis is not considered to be applicable to the year ended 31 October 2021.

An analysis of revenue by geographical market for the year ended 31 October 2020 is given below:

	£
United Kingdom	1,679,931
	<u>1,679,931</u>

This analysis is not considered to be applicable to the year ended 31 October 2021.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021

4. EMPLOYEES AND DIRECTORS

	31/10/21	31/10/20
	£	£
Wages and salaries	831,715	826,264
Social security costs	54,675	51,530
Other pension costs	13,559	13,674
	<u>899,949</u>	<u>891,468</u>

The average number of employees during the year was as follows:

	31/10/21	31/10/20
Directors	4	4
Management and administration	5	7
Retail and hospitality	39	37
Garden and estate	8	9
	<u>56</u>	<u>57</u>

	31/10/21	31/10/20
	£	£
Directors' remuneration	<u>68,702</u>	<u>70,286</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	31/10/21	31/10/20
	£	£
Hire of plant and machinery	2,257	2,648
Depreciation - owned assets	108,081	86,378
Loss/(profit) on disposal of fixed assets	1,343	(172,761)
Auditing of accounts	8,000	8,000
Annual accounts preparation	<u>11,027</u>	<u>10,261</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021

6. TAXATION

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the loss for the year was as follows:

	31/10/21 £	31/10/20 £
Current tax:		
UK corporation tax	(84,418)	(4,448)
Deferred tax	646,837	-
Tax on loss	<u>562,419</u>	<u>(4,448)</u>

UK corporation tax has been charged at 25% .

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/10/21 £	31/10/20 £
Loss before tax	<u>(57,770)</u>	<u>(72,787)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(10,976)	(13,830)
Effects of:		
Expenses not deductible for tax purposes	478	-
Capital allowances in excess of depreciation	(132,488)	-
Utilisation of tax losses	(4,032)	-
Adjustments to tax charge in respect of previous periods	(73,740)	(4,448)
corporation tax rate		
Movement on losses not recognised as deferred tax asset	136,340	13,830
Effect of change in corporation tax rate	545,554	-
Fixed asset differences	101,283	-
Total tax charge/(credit)	<u>562,419</u>	<u>(4,448)</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £	31/10/21 Tax £	Net £
Unrealised fixed asset revaluation	<u>153,875</u>	<u>(38,469)</u>	<u>115,406</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021

6. **TAXATION - continued**

	Gross £	31/10/20 Tax £	Net £
Reserves investment property transfer			
P&L reserves investment property trf			
	<u>-</u>	<u>-</u>	<u>-</u>

7. **DIVIDENDS**

	31/10/21 £	31/10/20 £
Ordinary shares of 50p each		
Interim	<u>164,050</u>	<u>191,080</u>

8. **INTANGIBLE FIXED ASSETS**

	Intellectual property £
<b>COST</b>	
Additions	<u>5,335</u>
At 31 October 2021	<u>5,335</u>
<b>NET BOOK VALUE</b>	
At 31 October 2021	<u>5,335</u>

9. **PROPERTY, PLANT AND EQUIPMENT**

	Freehold property £	Moveable Property £	Plant and machinery £	Totals £
<b>COST OR VALUATION</b>				
At 1 November 2020	2,949,629	188,300	385,741	3,523,670
Additions	863,347	-	175,107	1,038,454
Disposals	(7,559)	-	(96,264)	(103,823)
Revaluations	-	153,875	-	153,875
At 31 October 2021	<u>3,805,417</u>	<u>342,175</u>	<u>464,584</u>	<u>4,612,176</u>
<b>DEPRECIATION</b>				
At 1 November 2020	444,040	-	258,732	702,772
Charge for year	67,258	-	40,823	108,081
Eliminated on disposal	(1,829)	-	(93,762)	(95,591)
At 31 October 2021	<u>509,469</u>	<u>-</u>	<u>205,793</u>	<u>715,262</u>
<b>NET BOOK VALUE</b>				
At 31 October 2021	<u>3,295,948</u>	<u>342,175</u>	<u>258,791</u>	<u>3,896,914</u>
At 31 October 2020	<u>2,505,589</u>	<u>188,300</u>	<u>127,009</u>	<u>2,820,898</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**9. PROPERTY, PLANT AND EQUIPMENT - continued**

Cost or valuation at 31 October 2021 is represented by:

	Freehold property £	Moveable Property £	Plant and machinery £	Totals £
Valuation in 2021	-	153,875	-	153,875
Cost	<u>3,805,417</u>	<u>188,300</u>	<u>464,584</u>	<u>4,458,301</u>
	<u>3,805,417</u>	<u>342,175</u>	<u>464,584</u>	<u>4,612,176</u>

Moveable property is held at a historical valuation, being deemed cost on transition to FRS102. During the current financial year, an external valuation report for insurance purposes of certain archives showed a higher figure than that in the accounts. The valuer and management are of the opinion that market value would be lower than the insurance value and since a comparable transaction to assess market value is not available, no adjustment has been made.

Certain moveable property was independently valued in May 2019 at the open retail market value for insurance purposes by Bonhams.

**10. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 November 2020	106,671
Disposals	(5,145)
At 31 October 2021	<u>101,526</u>
<b>NET BOOK VALUE</b>	
At 31 October 2021	<u>101,526</u>
At 31 October 2020	<u>106,671</u>

**11. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 November 2020	11,409,159
Additions	(180)
Revaluations	405,251
At 31 October 2021	<u>11,814,230</u>
<b>NET BOOK VALUE</b>	
At 31 October 2021	<u>11,814,230</u>
At 31 October 2020	<u>11,409,159</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**11. INVESTMENT PROPERTY - continued**

Certain investment properties were valued at the open market value in November and December 2021 by Shepherd Chartered Surveyors and Ogilvy Chalmers Chartered Surveyors. These valuations were used by the directors to value those properties at the current year end. . Although the Directors acknowledge the possibility that the properties may now have changed in value, they are of the opinion that this would be difficult to quantify and therefore the October 2021 valuation remains the most reliable.

Fair value at 31 October 2021 is represented by:

	£
Valuation in 2021	8,092,695
Cost	<u>3,721,535</u>
	<u>11,814,230</u>

**12. INVENTORIES**

	31/10/21 £	31/10/20 £
Walled Garden stocks	<u>246,902</u>	<u>113,880</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/10/21 £	31/10/20 £
Trade debtors	17,631	18,897
Other debtors	56,065	36,599
Tax	84,369	-
Prepayments and accrued income	<u>28,801</u>	<u>41,588</u>
	<u>186,866</u>	<u>97,084</u>

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

	31/10/21 £	31/10/20 £
Trade creditors	148,067	98,256
Corporation tax payable	-	49
Social security and other taxes	16,839	14,494
VAT	11,691	13,907
Other creditors	34,499	3,779
Accruals and deferred income	<u>58,332</u>	<u>65,755</u>
	<u>269,428</u>	<u>196,240</u>

**15. SECURED DEBTS**

The Bank of Scotland have a registered charge over land owned by the company dated 18 December 2013.

**16. PROVISIONS FOR LIABILITIES**

	31/10/21 £	31/10/20 £
Deferred tax	<u>1,845,119</u>	<u>1,159,813</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 November 2020	1,159,813
Provided during year	685,306
Balance at 31 October 2021	<u>1,845,119</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31/10/21 £	31/10/20 £
17,000	Ordinary	50p	<u>8,500</u>	<u>8,500</u>

18. RESERVES

**Share Premium Account**

The share premium account represents the excess of the value of the net assets transferred to the company from Hamilton and Kinneil Estates Limited on 7 November 1987 over the nominal value of the shares issued.

19. ULTIMATE PARENT COMPANY

The company's ultimate controlling party are the Trustees of the "A" fund of the 14th Duke of Hamilton's 1947 settlement.

20. RELATED PARTY DISCLOSURES

During the year the following transactions with entities under common control are:

- H & K Enterprises Ltd: purchases of £8,311 (2020: nil) . The year end creditor balance is £2,553 (2020: £11,400 from H & K Estates).
- Lennoxlove House Ltd: purchases of £1,662 (2020: nil). The year end creditor balance is £nil.

**Key management personnel of the entity or its parent (in the aggregate)**

	31/10/21 £	31/10/20 £
Aggregate compensation	<u>84,935</u>	<u>81,784</u>

**Other related parties**

	31/10/21 £	31/10/20 £
Sales	11,400	11,400
Dividends	<u>164,050</u>	<u>191,080</u>

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