

HAMILTON FARMING ENTERPRISES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018
PAGES FOR FILING WITH REGISTRAR



HAMILTON FARMING ENTERPRISES LIMITED

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HAMILTON FARMING ENTERPRISES LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3	4,521,366		4,758,137	
Investment properties	4	4,981,749		3,901,751	
		<u>9,503,115</u>		<u>8,659,888</u>	
Current assets					
Stocks		994,775		1,004,192	
Debtors	5	181,280		198,480	
Cash at bank and in hand		41,382		241,847	
		<u>1,217,437</u>		<u>1,444,519</u>	
Creditors: amounts falling due within one year	6	<u>(1,104,313)</u>		<u>(1,227,540)</u>	
Net current assets			113,124		216,979
Total assets less current liabilities			<u>9,616,239</u>		<u>8,876,867</u>
Creditors: amounts falling due after more than one year	7		(26,801)		(52,689)
Provisions for liabilities			<u>(340,782)</u>		<u>(236,778)</u>
Net assets			<u>9,248,656</u>		<u>8,587,400</u>
Capital and reserves					
Called up share capital	8	11,800		11,800	
Share premium account		3,870,940		3,870,940	
Other reserves - non-distributable		2,552,934		1,850,614	
Profit and loss reserves		2,812,982		2,854,046	
Total equity			<u>9,248,656</u>		<u>8,587,400</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

HAMILTON FARMING ENTERPRISES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2018

The financial statements were approved by the board of directors and authorised for issue on 28 June 2019 and are signed on its behalf by:

Alexander Duke of Hamilton
Director



Company Registration No. SC106759

HAMILTON FARMING ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

Company information

Hamilton Farming Enterprises Limited is a private company limited by shares incorporated in Scotland. The registered office is Lennoxlove Estate Office, Lennoxlove, Haddington, East Lothian, EH41 4NZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company has reported a profit for the year. The directors are of the opinion that the company has cash and other resources sufficient to finance its operations. They are therefore of the opinion 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.

1.3 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 other sales related taxes.

Turnover includes the sale of agricultural goods which is recognised upon delivery of the goods.

Turnover also includes rents receivable on investment properties that is recognised on an accruals basis.

Also included within turnover are farming grants which are recognised when all conditions have been fulfilled. Any grants received prior to all conditions being fulfilled are deferred.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Heritable buildings	3% straight line
Plant and machinery	10% straight line
Motor vehicles	15% 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, non-agricultural 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.

HAMILTON FARMING ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.5 Investment properties

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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Stocks

Farm stocks of grain and animals are valued at market value. Raw material farm stocks are valued at cost. All farm stocks are valued by professional valuers at the year end.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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.

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.

HAMILTON FARMING ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HAMILTON FARMING ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

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

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2017 - 7).

HAMILTON FARMING ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 November 2017	4,834,296	1,499,162	6,333,458
Additions	70,410	62,030	132,440
Transfers	(260,677)	-	(260,677)
At 31 October 2018	4,644,029	1,561,192	6,205,221
Depreciation and impairment			
At 1 November 2017	442,899	1,132,422	1,575,321
Depreciation charged in the year	27,102	81,432	108,534
At 31 October 2018	470,001	1,213,854	1,683,855
Carrying amount			
At 31 October 2018	4,174,028	347,338	4,521,366
At 31 October 2017	4,391,397	366,740	4,758,137

4 Investment property

	2018 £
Fair value	
At 1 November 2017	3,901,751
Additions	360
Transfers	260,677
Revaluations	818,961
At 31 October 2018	4,981,749

Certain investments properties were valued at open market value in October 2018 by Richard Fox Chartered Surveyor. One was valued at open market value by London's Surveyors & Valuers Ltd in October 2016. These valuations were used by the directors to value the properties at the current year end.

One property was transferred from land and buildings as it is now let out and held as an investment property.

HAMILTON FARMING ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	136,468	24,275
Other debtors	44,812	174,205
	<u>181,280</u>	<u>198,480</u>

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loan	450,000	450,000
Trade creditors	188,831	196,108
Corporation tax	39,036	18,605
Other taxation and social security	-	6,904
Other creditors	426,446	555,923
	<u>1,104,313</u>	<u>1,227,540</u>

Included within other creditors are hire purchase obligations balances of £25,888 (2017 - £25,007). These are secured against the assets to which they relate which have a carrying value of £49,897 (2017 - £71,782).

The bank loan is secured against land and buildings owned by the company.

7 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>26,801</u>	<u>52,689</u>

Other creditors relate to hire purchase obligations. These are secured against the assets to which they relate which have a carrying value of £49,897 (2017- £71,782).

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
23,600 Ordinary shares of 50p each	11,800	11,800
	<u>11,800</u>	<u>11,800</u>

HAMILTON FARMING ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Paul Hutchison BSc ACA.

The auditor was Campbell Dallas Audit Services Audit Services.

10 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018	2017
£	£
125,116	-
<u>125,116</u>	<u>-</u>