

Harelaw Estates Limited

**Directors' report and financial statements
for the year ended 30 September 2010**

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Harelaw Estates Limited

Company Information

Directors	G A More Nisbett A J Hartley B G A Mickel P E More Nisbett
Company secretary	A J Hartley
Company number	SC127176
Registered office	1 Atlantic Quay 1 Robertson Street Glasgow G2 8JB
Bankers	Adam & Co plc 22 Charlotte Square Edinburgh EH2 4DF
Solicitors	Turcan Connell WS Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

Harelaw Estates Limited

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Harelaw Estates Limited

Directors' report for the year ended 30 September 2010

The directors present their report and the financial statements for the year ended 30 September 2010.

Principal activities

The principal activity of the company is farming.

Directors

The directors who served during the year and up to the date of signing this report were:

G A More Nisbett
A J Hartley
B G A Mickel
P E More Nisbett

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- 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.

Small company exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30th June 2011 and signed on its behalf.



A J Hartley
Director

Harelaw Estates Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Harelaw Estates Limited for the year ended 30 September 2010

In accordance with the engagement letter dated 16 February 2010 and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the Company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations given to us by the Company's Directors.

This report is made to the Company's Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

The Directors have acknowledged on the balance sheet for the year ended 30 September 2010 their duty to ensure that the Company has kept proper accounting records and prepare financial statements that give a true and fair view under the Companies Act 2006. The Directors consider that the Company is exempt from the statutory requirement for an audit.

For the year ended 30 September 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations given to us by the Directors and we do not, therefore, express any opinion on the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

Edinburgh

Date: *30 June 2011*

Harelaw Estates Limited

Profit and loss account for the year ended 30 September 2010

	Note	2010 £	2009 £
Administrative expenses		(6,088)	(2,924)
Operating loss		(6,088)	(2,924)
Income from participating interests		2,107	2,306
Interest payable and similar charges	3	(333)	(377)
Loss on ordinary activities before taxation		(4,314)	(995)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	10	(4,314)	(995)

The company has no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented:

Harelaw Estates Limited

Registered number: SC127176

Balance sheet as at 30 September 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	5		1,230,000		1,230,000
Current assets					
Debtors	6	2,107		2,306	
Cash at bank		741		305	
		<u>2,848</u>		<u>2,611</u>	
Creditors: amounts falling due within one year	7	<u>(25,727)</u>		<u>(21,176)</u>	
Net current liabilities			<u>(22,879)</u>		<u>(18,565)</u>
Total assets less current liabilities			<u>1,207,121</u>		<u>1,211,435</u>
Provisions for liabilities					
Deferred tax	8		<u>(350,327)</u>		<u>(350,327)</u>
Net assets			<u>856,794</u>		<u>861,108</u>
Capital and reserves					
Called up share capital	9		100		100
Revaluation reserve	10		879,663		879,663
Profit and loss account	10		<u>(22,969)</u>		<u>(18,655)</u>
Shareholders' funds			<u>856,794</u>		<u>861,108</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 September 2010 and of its loss for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


G A More Nisbett
Director


A J Hartley
Director

The notes on pages 5 to 8 form part of these financial statements.

Harelaw Estates Limited

Notes to the financial statements for the year ended 30 September 2010

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention as modified by the revaluation of heritable land and in accordance with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies are set out below.

1.2 Cash flow statement

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 Tangible fixed assets and depreciation

Heritable land is included in the balance sheet as an estimate of the open market value. Surplusses or deficits on revaluation are taken to the revaluation reserve, except for permanent deficits which cannot be matched against previous surplusses.

Depreciation is not charged on heritable land.

1.4 Income from other participating interests

The contract farming partnership of which the company is a member completes its accounts to 31 March each year. These accounts include the company's share of profits (11.45%) due during the year, in respect of the year ended 31 March 2010.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. Employee information

The company has no employees other than the directors who did not receive nor did they waive any emoluments for providing their services to the company (2009: £nil).

Harelaw Estates Limited

Notes to the financial statements for the year ended 30 September 2010

3. Interest payable and similar charges

	2010 £	2009 £
Interest payable on directors loan	333	377

4. Tax on loss on ordinary activities

	2010 £	2009 £
UK corporation tax charge on loss for the year	-	-

Factors affecting future tax charges

A reduction to the UK corporation tax small profits rate was announced in the March 2011 Budget. The change, which is expected to be enacted in July 2011, proposes to reduce the rate by 1% to 20% from 1 April 2011. The change had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

5. Tangible fixed assets

	Heritable land £
Cost or valuation	
At 1 October 2009 and 30 September 2010	1,230,000
Net book value	
At 30 September 2010	1,230,000
At 30 September 2009	1,230,000

Cost or valuation at 30 September 2010 is as follows:

	Heritable land £
At cost	10
At valuation	1,229,990
	1,230,000

Harelaw Estates Limited

Notes to the financial statements for the year ended 30 September 2010

5. Tangible fixed assets (continued)

The heritable land was last valued at 30 September 1998, by independent surveyors, Davidson & Robertson. The directors believe this valuation is still relevant and have not had the property revalued at 30 September 2010.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2010 £	2009 £
Cost	10	10
Accumulated depreciation	-	-
Net book value	<u>10</u>	<u>10</u>

6. Debtors

	2010 £	2009 £
Trade debtors	<u>2,107</u>	<u>2,306</u>

7. Creditors: amounts falling due within one year

	2010 £	2009 £
Other creditors	<u>25,727</u>	<u>21,176</u>

Other creditors includes amounts owed to directors of £11,215 (2009: £10,881). This amount includes accrued interest of £4,195 (2009: £3,862).

8. Deferred taxation

	2010 £	2009 £
At beginning and end of year	<u>350,327</u>	<u>350,327</u>

As disclosed in note 13, the directors have granted an option to purchase land which has been revalued and it is probable it will be disposed of in the foreseeable future. Accordingly, the revalued amounts constitute a timing difference as defined by FRS 19 and the potential amounts of deferred tax have been quantified based on a tax rate of 21% (2009: 21%). This has been set against the revaluation reserve.

Harelaw Estates Limited

Notes to the financial statements for the year ended 30 September 2010

9. Called up share capital

	2010 £	2009 £
Allotted, called up and fully paid		
50 "A" Ordinary shares of £1 each	50	50
50 "B" Ordinary shares of £1 each	50	50
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

10. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 October 2009	879,663	(18,655)
Loss for the financial year	-	(4,314)
	<hr/>	<hr/>
At 30 September 2010	879,663	(22,969)
	<hr/>	<hr/>

11. Related party transactions

Loan interest was charged on the Director's loan at the rate of 4.75% on the principal of the loan (2009: 6.25% until 28 February 2009 and then 4.75%). It amounted to £333 (2009: £377). The loan outstanding at the year end is shown in note 7.

During the year the company was a partner of a contract farming partnership with G A More Nisbett, a director of the company, and others, £2,107 (2009: £2,306) income was accrued in respect of the year and disclosed in trade debtors.

Mactaggart & Mickel Limited have settled certain liabilities for the company. The balance owed to Mactaggart & Mickel Limited, as a result of these transactions, is £9,981 (2009: £8,512). This amount is interest free and repayable when funds become available.

There were no other related party transactions.

12. Immediate parent company and controlling party

The company is under the joint control of G A More Nisbett and Mactaggart & Mickel Limited.

13. Option to purchase

Under the terms of a shareholder agreement dated 19 February 1999 Mactaggart & Mickel Limited have an option to purchase the land owned by the company at market value. This option will lapse on 31 December 2015.

B G A Mickel was a director and shareholder, and A J Hartley a director of Mactaggart & Mickel Limited during the year.