

Company Registration No. SC162420 (Scotland)

MAXWELL FARMS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019
PAGES FOR FILING WITH REGISTRAR

MAXWELL FARMS LIMITED

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MAXWELL FARMS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		4,636,768		3,258,378
Investments	4		103		103
			<u>4,636,871</u>		<u>3,258,481</u>
Current assets					
Stocks		1,381,540		1,506,181	
Debtors	5	627,437		1,081,645	
Cash at bank and in hand		105,322		398,416	
		<u>2,114,299</u>		<u>2,986,242</u>	
Creditors: amounts falling due within one year	6	<u>(3,139,914)</u>		<u>(3,800,345)</u>	
Net current liabilities			<u>(1,025,615)</u>		<u>(814,103)</u>
Total assets less current liabilities			<u>3,611,256</u>		<u>2,444,378</u>
Creditors: amounts falling due after more than one year	7		(1,648,080)		(896,175)
Provisions for liabilities			<u>(264,163)</u>		<u>(190,593)</u>
Net assets			<u><u>1,699,013</u></u>		<u><u>1,357,610</u></u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			<u>1,698,913</u>		<u>1,357,510</u>
Total equity			<u><u>1,699,013</u></u>		<u><u>1,357,610</u></u>

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

MAXWELL FARMS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2019

For the financial year ended 31 August 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 30 March 2020 and are signed on its behalf by:

Mr G J Maxwell
Director

Mr P Maxwell
Director

Company Registration No. SC162420

MAXWELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Company information

Maxwell Farms Limited is a private company limited by shares incorporated in Scotland. The registered office and business address is Auldtown of Carnousie, Forglen, TURRIFF, AB53 4LL.

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. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable from the sale of crops and provision of contracting services.

Turnover from the sale of crops is recognised at the point of supply based on despatch of goods.

Turnover from contracting services is recognised on a straight line basis based on hours worked.

Basic payment scheme income is recognised in line with the government grants accounting policy at 1.13.

1.3 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 and buildings Freehold	- 0%
Land and buildings Leasehold	- 20% and 2% straight line
Plant and machinery	- 20% reducing balance
Renewables	- 0% asset under construction
Motor vehicles	- 25% and 20% reducing balance

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.

1.4 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).

MAXWELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks include biological assets in the form of growing crops which are expected to be converted to cash or a cash equivalent within the next 12 months. Biological assets are measured at cost less accumulated impairment losses.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs. Basic financial assets are assessed for indicators of impairment at each financial reporting date with any resulting impairment recognised through 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 and preference shares that are classified as debt, are initially recognised at transaction price. 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.

MAXWELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.8 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.

1.9 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.

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.

1.10 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.

1.11 Retirement benefits

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

1.12 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. All other leases are classified as operating leases.

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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

MAXWELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 25 (2018 - 26).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 September 2018	1,196,961	3,990,278	5,187,239
Additions	245,014	1,761,018	2,006,032
Disposals	-	(195,409)	(195,409)
At 31 August 2019	1,441,975	5,555,887	6,997,862
Depreciation and impairment			
At 1 September 2018	277,754	1,651,107	1,928,861
Depreciation charged in the year	40,921	514,035	554,956
Eliminated in respect of disposals	-	(122,723)	(122,723)
At 31 August 2019	318,675	2,042,419	2,361,094
Carrying amount			
At 31 August 2019	1,123,300	3,513,468	4,636,768
At 31 August 2018	919,207	2,339,171	3,258,378

MAXWELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Fixed asset investments

	2019 £	2018 £
Investments	103	103
	<u>103</u>	<u>103</u>

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 September 2018 & 31 August 2019	103
Carrying amount	
At 31 August 2019	103
At 31 August 2018	103

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	62,963	93,598
Corporation tax recoverable	45,738	-
Other debtors	518,736	988,047
	<u>627,437</u>	<u>1,081,645</u>

MAXWELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6	Creditors: amounts falling due within one year	2019 £	as restated 2018 £
	Bank loans and overdrafts	1,624,930	1,013,564
	Obligations under finance leases	325,812	279,099
	Trade creditors	672,588	889,589
	Corporation tax	-	45,738
	Other taxation and social security	12,064	11,878
	Government grants	-	372,865
	Other creditors	317,985	1,016,500
	Accruals and deferred income	186,535	171,112
		<u>3,139,914</u>	<u>3,800,345</u>

The bank overdraft is secured by a floating charge over all the assets of the company.

Current obligations under finance leases are secured over the assets to which they relate.

7	Creditors: amounts falling due after more than one year	2019 £	2018 £
	Notes		
	Obligations under finance leases	1,253,080	501,175
	Other borrowings	395,000	395,000
		<u>1,648,080</u>	<u>896,175</u>

Long term finance lease obligations are secured over the assets to which they relate.

8	Called up share capital	2019 £	2018 £
	Ordinary share capital Issued and fully paid 200 Ordinary shares of 50p each	100	100

10	Capital commitments	2019 £	2018 £
	Amounts contracted for but not provided in the financial statements:		
	Acquisition of tangible fixed assets	-	402,650

MAXWELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The following amounts were outstanding at the reporting end date:

	2019	2018
Amounts due to related parties	£	£
Key management personnel	603,306	1,097,238
	<u>603,306</u>	<u>1,097,238</u>

12 Prior period adjustment

The comparative cost of sales figure has been increased by £119,321 on the amount previously reported to account for late costs. This adjustment also affected the comparative figure for creditors due within one year and the overall decrease in net assets was £119,321.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.