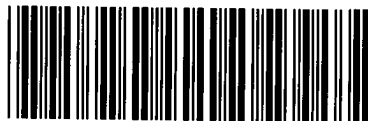


REGISTERED NUMBER: SC176353 (Scotland)

Financial Statements
for the Year Ended 31 May 2017
for
Cygnets Potato Breeders Ltd

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COMPANIES HOUSE

Cygnets Potato Breeders Ltd (Registered number: SC176353)

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for the Year Ended 31 May 2017**

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Cygnets Potato Breeders Ltd

**Company Information
for the Year Ended 31 May 2017**

DIRECTORS:	J M Harley D J Harley A Repdath
SECRETARY:	C A M Thomson
REGISTERED OFFICE:	Thomanean Milnathort Kinross KY13 0RF
BUSINESS ADDRESS:	Blairfield Farm Milnathort Kinross KY13 0SG
REGISTERED NUMBER:	SC176353 (Scotland)
AUDITORS:	Campbell Dallas 5 Whitefriars Crescent Perth PH2 0PA
BANKERS:	Clydesdale Bank 64 High Street Dunfermline Fife KY12 7DF
SOLICITORS:	Davidson Chalmers LLP 12 Hope Street Edinburgh EH2 4DB

Cygnnet Potato Breeders Ltd (Registered number: SC176353)

Balance Sheet

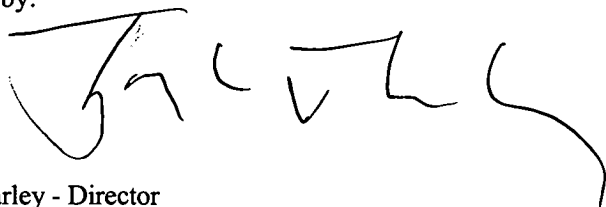
31 May 2017

		2017	2016
	Notes	£	£
FIXED ASSETS			
Intangible assets	5	9	9
Tangible assets	6	139,493	143,559
		<u>139,502</u>	<u>143,568</u>
CURRENT ASSETS			
Stocks		88,884	91,941
Debtors	7	2,011,475	1,861,671
Cash at bank and in hand		15,286	10,486
		<u>2,115,645</u>	<u>1,964,098</u>
CREDITORS			
Amounts falling due within one year	8	2,149,245	1,879,647
		<u></u>	<u></u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(33,600)</u>	<u>84,451</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>105,902</u>	<u>228,019</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,000,000	1,000,000
Retained earnings		(894,098)	(771,981)
		<u></u>	<u></u>
SHAREHOLDERS' FUNDS		<u>105,902</u>	<u>228,019</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 23 February 2018 and were signed on its behalf by:



D J Harley - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 May 2017**

1. STATUTORY INFORMATION

Cygnnet Potato Breeders 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.

The financial statements are presented in Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced in respect of potatoes sold during the year, exclusive of Value Added Tax.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are reviewed for impairment at the end of each year. An impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount, being the higher of net realisable value and value in use. An asset is impaired to the extent that the carrying amount exceeds the recoverable amount.

Any impairment loss identified is recognised in the profit and loss account.

Manufacturing know-how has been fully amortised over its estimated useful life.

Germplasm has been fully amortised over its estimated useful life.

Tangible fixed assets

Depreciation is calculated so as to write off the cost of an asset, less estimated residual value, over the useful economic life of that asset as follows:

Heritable property	2 %	Straight line
Plant and machinery	15 %	Straight line
Motor vehicles	25 %	Reducing balance
Fixtures and fittings	20 %	Reducing balance

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2017**

3. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Taxation

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Going concern

The financial statements have been prepared on a going concern basis due to the ongoing support of the parent company, Alexander Harley Seeds Ltd. The parent company will not seek repayment of the amount owed to it until all other liabilities of the company have been met.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2016 - 10).

Notes to the Financial Statements - continued
for the Year Ended 31 May 2017

5. INTANGIBLE FIXED ASSETS

	Manufacturing know-how £	Germplasm £	Totals £
COST			
At 1 June 2016 and 31 May 2017	180,007	350,000	530,007
AMORTISATION			
At 1 June 2016 and 31 May 2017	179,999	349,999	529,998
NET BOOK VALUE			
At 31 May 2017	8	1	9
At 31 May 2016	8	1	9

The above assets relate to the rights to certain potato varieties and the technical know-how of the potato breeding programme.

6. TANGIBLE FIXED ASSETS

	Heritable property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 June 2016	107,810	103,469	17,794	95,690	324,763
Additions	-	-	4,453	21,785	26,238
Disposals	-	-	-	(36,870)	(36,870)
At 31 May 2017	107,810	103,469	22,247	80,605	314,131
DEPRECIATION					
At 1 June 2016	12,246	90,251	17,794	60,913	181,204
Charge for year	2,156	7,452	891	12,250	22,749
Eliminated on disposal	-	-	-	(29,315)	(29,315)
At 31 May 2017	14,402	97,703	18,685	43,848	174,638
NET BOOK VALUE					
At 31 May 2017	93,408	5,766	3,562	36,757	139,493
At 31 May 2016	95,564	13,218	-	34,777	143,559

Notes to the Financial Statements - continued
for the Year Ended 31 May 2017

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

	2017	2016
	£	£
Trade debtors	1,288,720	1,131,070
Amounts owed by group undertakings	631,132	600,981
Other debtors	91,623	129,620
	<u>2,011,475</u>	<u>1,861,671</u>

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

	2017	2016
	£	£
Bank loans and overdrafts	601,609	284,223
Trade creditors	514,612	512,613
Amounts owed to group undertakings	984,426	1,064,264
Taxation and social security	8,093	8,811
Other creditors	40,505	9,736
	<u>2,149,245</u>	<u>1,879,647</u>

9. **SECURED DEBTS**

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdrafts	<u>601,609</u>	<u>284,223</u>

The bank overdraft is secured by two floating charges over its assets in favour of Clydesdale Bank PLC. There is also a cross guarantee in place in respect of the bank borrowings of all the group companies. (See note 12).

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

11. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Alan Taylor (Senior Statutory Auditor)
for and on behalf of Campbell Dallas

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2017**

12. CONTINGENT LIABILITIES

A contingent liability arises in respect of the group overdraft facility for which a cross guarantee is in place between all of the Alexander Harley Seeds Limited group companies without limit, supported by standard securities over the group's properties at East Carnagour and Scooniehill in St Andrews, Blairfield in Milnathort and Easter Balgedie Farm in Kinross. The group overdrafts at 31 May 2017 amounted to £3,911,608 (2016 - £3,242,696).

13. RELATED PARTY DISCLOSURES

During the year the company purchased goods to the sum of £127,796 (2016 - £71,504) from, and sold goods to the sum of £326,711 (2016 - £238,457) to a company in which the group has a participating interest. At 31 May 2017, £117,675 (2016 - £94,113) was owed to Cygnets Potato Breeders Ltd.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D J Harley.

The ultimate parent undertaking is Alexander Harley Seeds Limited, registered office Thomanean, Milnathort, Kinross, KY13 0RF.