

REGISTERED NUMBER: SC261878 (Scotland)

**Report of the Directors and
Financial Statements
for the Year Ended 31 March 2018
for
Dumfries House Home Farm Limited**

**Contents of the Financial Statements
for the Year Ended 31 March 2018**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Income Statement	5
Balance Sheet	6
Notes to the Financial Statements	7

Dumfries House Home Farm Limited

**Company Information
for the Year Ended 31 March 2018**

DIRECTORS:

Mr R G Lovie
Mr G J Neil

REGISTERED OFFICE:

Dumfries House
Dumfries Estate
Cumnock
Ayrshire
KA18 2NJ

REGISTERED NUMBER:

SC261878 (Scotland)

AUDITORS:

Campbell Dallas Audit Services
3 Wellington Square
Ayr
KA7 1EN

SOLICITORS:

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

**Report of the Directors
for the Year Ended 31 March 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of farming.

DIRECTORS

Mr R G Lovie has held office during the whole of the period from 1 April 2017 to the date of this report.

Other changes in directors holding office are as follows:

Mr G J Neil - appointed 13 September 2017

GOING CONCERN & LIQUIDITY RISK

The company is reliant on the continued support of its parent company, The Prince's Foundation, formally known as The Great Steward of Scotland's Dumfries House Trust. No material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern have therefore been identified by the directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Campbell Dallas Audit Services, previously known as Sinclair Scott (Scotland) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Mr G J Neil - Director

18 December 2018

Report of the Independent Auditors to the Members of Dumfries House Home Farm Limited

Opinion

We have audited the financial statements of Dumfries House Home Farm Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Balance Sheet and 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 March 2018 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of Dumfries House Home Farm Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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.

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. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout.

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. 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.

Stephen Wilkie C.A. (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services
3 Wellington Square
Ayr
KA7 1EN

18 December 2018

**Income Statement
for the Year Ended 31 March 2018**

	Notes	2018 £	2017 £
TURNOVER		145,289	146,196
Cost of sales		<u>213,334</u>	<u>120,315</u>
GROSS (LOSS)/PROFIT		(68,045)	25,881
Administrative expenses		<u>166,129</u>	<u>177,834</u>
		(234,174)	(151,953)
Other operating income		<u>137,799</u>	<u>91,800</u>
OPERATING LOSS	4	(96,375)	(60,153)
Interest payable and similar expenses		<u>318</u>	<u>-</u>
LOSS BEFORE TAXATION		(96,693)	(60,153)
Tax on loss		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(96,693)</u>	<u>(60,153)</u>

The notes form part of these financial statements

Dumfries House Home Farm Limited (Registered number: SC261878)

**Balance Sheet
31 March 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	6		3,602,224		3,594,042
CURRENT ASSETS					
Stocks		300,419		311,748	
Debtors	7	124,335		14,759	
Cash at bank		<u>4,355</u>		<u>19,445</u>	
		429,109		345,952	
CREDITORS					
Amounts falling due within one year	8	<u>727,809</u>		<u>557,485</u>	
NET CURRENT LIABILITIES			(298,700)		(211,533)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,303,524		3,382,509
CREDITORS					
Amounts falling due after more than one year	9		<u>17,708</u>		-
NET ASSETS			<u>3,285,816</u>		<u>3,382,509</u>
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Revaluation reserve	11		2,030,557		2,030,557
Retained earnings	11		<u>1,255,257</u>		<u>1,351,950</u>
SHAREHOLDERS' FUNDS			<u>3,285,816</u>		<u>3,382,509</u>

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

The financial statements were approved by the Board of Directors on 18 December 2018 and were signed on its behalf by:

Mr G J Neil - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2018**

1. STATUTORY INFORMATION

Dumfries House Home Farm Limited 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 presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis.

Turnover

The turnover shown in the profit and loss account represents revenue recognised by the company in respect of the rental of grazing land and farming activities during the period, exclusive of Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 12.5% on reducing balance
Fixtures and fittings	- 12.5% on reducing balance

Stocks

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Fixed assets

Land is held at a historic valuation. Valuations are conducted every five years and an interim review is conducted every three years. The need for impairment is considered every year.

Improvements to property are held at cost and are not depreciated.

Taxation

All tax losses brought forward are to be utilised within the accounts year. The remainder of any profits are to be gift aided to the parent company, The Prince's Foundation, formally known as The Great Steward of Scotland's Dumfries House Trust, per the Gift Aid declaration in place. As a result there is no requirement to provide for any tax on the profits of the company.

3. EMPLOYEES AND DIRECTORS

The company has no employees. The Great Steward of Scotland's Dumfries House Trust recharged the cost of employees who worked on the farm. This amounted to £96,777 (2017: £96,150).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

4. OPERATING LOSS

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation - owned assets	<u>8,791</u>	<u>11,785</u>

5. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>3,000</u>	<u>2,500</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION					
At 1 April 2017	3,511,549	-	100,000	563	3,612,112
Additions	-	15,000	23,611	-	38,611
Disposals	-	-	(27,000)	-	(27,000)
At 31 March 2018	<u>3,511,549</u>	<u>15,000</u>	<u>96,611</u>	<u>563</u>	<u>3,623,723</u>
DEPRECIATION					
At 1 April 2017	-	-	17,969	101	18,070
Charge for year	-	-	9,471	58	9,529
Eliminated on disposal	-	-	(6,100)	-	(6,100)
At 31 March 2018	<u>-</u>	<u>-</u>	<u>21,340</u>	<u>159</u>	<u>21,499</u>
NET BOOK VALUE					
At 31 March 2018	<u>3,511,549</u>	<u>15,000</u>	<u>75,271</u>	<u>404</u>	<u>3,602,224</u>
At 31 March 2017	<u>3,511,549</u>	<u>-</u>	<u>82,031</u>	<u>462</u>	<u>3,594,042</u>

Cost or valuation at 31 March 2018 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2017	2,030,557	-	-	-	2,030,557
Cost	<u>1,480,992</u>	<u>15,000</u>	<u>96,611</u>	<u>563</u>	<u>1,593,166</u>
	<u>3,511,549</u>	<u>15,000</u>	<u>96,611</u>	<u>563</u>	<u>3,623,723</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

6. **TANGIBLE FIXED ASSETS - continued**

If freehold land and property had not been revalued it would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>1,480,992</u>	<u>1,480,992</u>
Value of land in freehold land and buildings	<u>1,480,992</u>	<u>1,480,992</u>

The freehold land and property was valued on an open market basis on 31 March 2017 by Stanley Wright .

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST OR VALUATION	
Additions	<u>23,611</u>
At 31 March 2018	<u>23,611</u>
DEPRECIATION	
Charge for year	<u>738</u>
At 31 March 2018	<u>738</u>
NET BOOK VALUE	
At 31 March 2018	<u>22,873</u>

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

	2018 £	2017 £
Trade debtors	18,644	-
Amounts owed by group undertakings	534	-
Other debtors	10,167	10,167
VAT	8,517	4,592
Prepayments and accrued income	<u>86,473</u>	<u>-</u>
	<u>124,335</u>	<u>14,759</u>

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

	2018 £	2017 £
Hire purchase contracts	4,722	-
Trade creditors	53,889	28,229
Amounts owed to group undertakings	660,398	520,584
Other creditors	5,000	-
Accrued expenses	<u>3,800</u>	<u>8,672</u>
	<u>727,809</u>	<u>557,485</u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Hire purchase contracts	<u>17,708</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2018 £ <u>2</u>	2017 £ <u>2</u>
Number:	Class:			
2	Ordinary			

11. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2017	1,351,950	2,030,557	3,382,507
Deficit for the year	(96,693)		(96,693)
At 31 March 2018	<u>1,255,257</u>	<u>2,030,557</u>	<u>3,285,814</u>

12. RELATED PARTY DISCLOSURES

Included within creditors is a balance of £660,398 (2017: £520,584) owed to The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust). This balance related to expenses paid by The Prince's Foundation on behalf of Dumfries House Home Farm Limited. This loan was made on an interest free basis.

Included within debtors is a balance of £534 (2017: nil) due from Dumfries House Trust Trading Limited, a wholly owned subsidiary of The Prince's Foundation. This balance will be repaid under normal terms.

An agreement was entered into between Dumfries House Home Farm Limited and The Prince's Foundation to transfer all profits to The Prince's Foundation at the year end. In 2018 and 2017 a loss was made. All losses carried forward are to be utilised before profits are transferred.

13. ULTIMATE CONTROLLING PARTY

The Prince's Foundation (formerly The Great Steward of Scotland's Dumfries House Trust) (incorporated in Scotland) is regarded by the directors as being the company's ultimate parent company. Its registered address is Dumfries House, Dumfries Estate, Cumnock, Ayrshire, KA18 2NJ.

The parent company prepares group accounts which are available from Companies House, Edinburgh.

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.