

Company Registration No. SC314612 (Scotland)

CLAONAIG ESTATE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

CLAONAIG ESTATE LIMITED

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CLAONAIG ESTATE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Non-current assets					
Property, plant and equipment	5	8,343,207		8,322,506	
Current assets					
Inventories		30,000		14,900	
Trade and other receivables	6	37,539		4,824	
Cash and cash equivalents		297,251		26,932	
		<u>364,790</u>		<u>46,656</u>	
Current liabilities	7	(227,536)		(131,690)	
Net current assets/(liabilities)			137,254		(85,034)
Net assets			<u>8,480,461</u>		<u>8,237,472</u>
Equity					
Called up share capital		4,700,001		4,700,001	
Revaluation reserve	8	1,982,845		2,327,563	
Equity reserve	9	2,222,979		1,824,702	
Retained earnings	10	(425,364)		(614,794)	
Total equity			<u>8,480,461</u>		<u>8,237,472</u>

The directors of the company have elected not to include a copy of the income statement 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.

The financial statements were approved by the board of directors and authorised for issue on 12 December 2022 and are signed on its behalf by:

Mr Stewart Marshall
Director

Company Registration No. SC314612

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Claonaig Estate Limited is a private company limited by shares incorporated in Scotland. The registered office is The Old Surgery, School Road, Tarbert, Argyll, PA29 6UL.

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 the revaluation of Land and Buildings, Plant and Machinery and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors have reviewed forecasts and accept that, in the short-term, continued operational losses will occur and that these, along with projected capital spending, will require to be fully funded by the parent company.

The directors continue to look for additional funding opportunities to assist with cash flow but have committed to supporting the company and confirm the parent company's ability to do this.

Note 10 – Equity Reserve shows the support given to date and this figure will continue to rise in the short-term.

The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for the sale of livestock and associated farm activities and providing services (including shooting) provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of livestock and other farm activity is recognised when the significant risks and rewards of ownership of livestock and other goods have passed to the buyer (usually on sale of livestock), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of shoots is recognised when times and dates have been agreed with customers.

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Property, plant and equipment

Property, plant and equipment 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	Not depreciated
Plant and machinery	25% reducing balance
Deer fencing	25% reducing balance
Shooting equipment	Not depreciated
Motor vehicles	20% reducing balance

Freehold land and assets in the course of construction are not depreciated.

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.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories 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 inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

1.8 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

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 trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

	2021 Number	2020 Number
Total	4	4

4 Intangible fixed assets

	Other £
Cost	
At 1 January 2021	47,999
Disposals	(47,999)
At 31 December 2021	-
Amortisation and impairment	
At 1 January 2021	47,999
Disposals	(47,999)
At 31 December 2021	-
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 January 2021	8,145,059	357,528	8,502,587
Additions	548,611	41,929	590,540
Disposals	-	(13,166)	(13,166)
Revaluation	(520,000)	-	(520,000)
At 31 December 2021	8,173,670	386,291	8,559,961
Depreciation and impairment			
At 1 January 2021	8,238	171,843	180,081
Depreciation charged in the year	5,492	35,340	40,832
Eliminated in respect of disposals	-	(4,159)	(4,159)
At 31 December 2021	13,730	203,024	216,754
Carrying amount			
At 31 December 2021	8,159,940	183,267	8,343,207
At 31 December 2020	8,136,821	185,685	8,322,506

At the balance sheet date, the cost of property under construction totalled £1,126,805.

Forest and other Land with a carrying amount of £4,166,293 were revalued at 29 September 2020 by Scottish Woodlands, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar property and land.

Buildings and plots with a carrying amount of £1,056,317 were revalued at 6 November 2020 by A T M Aitchison BLE MRICS, Director of Strutt & Parker, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar property.

In 2021 three properties had their carrying value reduced by £520,000 (of which £119,586 is reflected in the above revaluation) to reflect their open market value as at 31 December 2021.

The revaluation deficit/(surplus) is disclosed in note 8.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5	Property, plant and equipment	(Continued)	
		Land & Buildings	
		2021	2020
		£	£
	Cost	6,376,868	5,828,257
	Accumulated depreciation	(13,730)	(8,238)
	Carrying value	6,363,138	5,820,019
6	Trade and other receivables	2021	2020
		£	£
	Amounts falling due within one year:		
	Trade receivables	14,167	895
	Other receivables	23,372	3,929
		37,539	4,824
7	Current liabilities	2021	2020
		£	£
	Trade payables	67,656	67,871
	Amounts owed to group undertakings	141,203	54,277
	Other payables	18,677	9,542
		227,536	131,690
8	Revaluation reserve	2021	2020
		£	£
	At the beginning of the year	2,327,563	10,761
	Revaluation (deficit) / surplus arising in the year	(344,718)	2,316,802
	At the end of the year	1,982,845	2,327,563

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Equity reserve

	2021 £	2020 £
At the beginning of the year	1,824,702	1,500,000
Arising in the year	398,277	324,702
At the end of the year	<u>2,222,979</u>	<u>1,824,702</u>

The amount of £398,277 (2020 - £324,702) represents a reclassification of loans made during the year by the parent company as a capital contribution.

10 Retained earnings

	2021 £	2020 £
At the beginning of the year	(614,794)	(415,039)
Profit/(loss) for the year	189,430	(199,755)
At the end of the year	<u>(425,364)</u>	<u>(614,794)</u>

11 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 Neil Reid FCCA and the auditor was William Duncan + Co (Audit) Ltd.

12 Directors' transactions

Dividends totalling £0 (2020 - £0) were paid in the year in respect of shares held by the company's directors.

13 Parent company

The Parent (and ultimate controlling party) of the company is Bagger-Sorensen & Co. A/S, a company registered in Denmark at Lysholt Alle 10, DK-7000 Vejle, Denmark. It's principal place of business was also at this address.

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.