

Company Registration No. SC314612 (Scotland)

CLAONAIG ESTATE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

CLAONAIG ESTATE LIMITED

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CLAONAIG ESTATE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		12,394,115		8,343,207
Current assets					
Stocks		35,000		30,000	
Debtors	5	27,908		37,539	
Cash at bank and in hand		101,366		297,251	
		<u>164,274</u>		<u>364,790</u>	
Creditors: amounts falling due within one year	6	<u>(65,315)</u>		<u>(227,536)</u>	
Net current assets			98,959		137,254
Total assets less current liabilities			12,493,074		8,480,461
Provisions for liabilities			(615,590)		-
Net assets			<u>11,877,484</u>		<u>8,480,461</u>
Capital and reserves					
Called up share capital		4,700,001		4,700,001	
Revaluation reserve	7	6,470,143		1,982,845	
Equity reserve	8	2,799,182		2,222,979	
Profit and loss reserves	9	<u>(2,091,842)</u>		<u>(425,364)</u>	
Total equity			<u>11,877,484</u>		<u>8,480,461</u>

The directors of the company have elected not to include a copy of the profit and loss account 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 4 October 2023 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 2022

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 Turnover

Turnover 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.

1.4 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.

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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	20% 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 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). 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 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 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.

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.

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Cash at bank and in hand

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 balance sheet 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 debtors 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 creditors, 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 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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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

	2022 Number	2021 Number
Total	4	4

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 January 2022	8,173,670	386,291	8,559,961
Additions	381,112	57,914	439,026
Disposals	(90,000)	-	(90,000)
Revaluation	3,749,389	-	3,749,389
At 31 December 2022	12,214,171	444,205	12,658,376
Depreciation and impairment			
At 1 January 2022	13,730	203,024	216,754
Depreciation charged in the year	5,492	42,015	47,507
At 31 December 2022	19,222	245,039	264,261
Carrying amount			
At 31 December 2022	12,194,949	199,166	12,394,115
At 31 December 2021	8,159,940	183,267	8,343,207

At the balance sheet date, the value of property under construction totalled £667,307 (2021: £1,126,805) based on a valuation of £600,000 undertaken by Matthew Havers MRICS FAAV of Strutt & Parker, independent valuers not connected with the company on the basis of market value as at 6 November 2022, plus costs of fixtures and fittings of £67,307..

Forest and other Land with a carrying amount of £4,166,293 were revalued at 14 December 2022 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 £881,035 were revalued at 6 November 2022 by Matthew Havers MRICS FAAV, 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 2022 11 properties had their carrying value increased by £270,000 and one property had its carrying value decreased by £20,000. The net revaluation of £250,000 is reflected in the above revaluation to reflect their open market value as at 31 December 2022.

The revaluation deficit/(surplus) is disclosed in note 7.

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 2022

4 Tangible fixed assets (Continued)

	Land & Buildings	
	2022	2021
	£	£
Cost	6,201,586	6,376,868
Additions	368,410	-
Disposals	-	(175,282)
Accumulated depreciation	(19,222)	(13,730)
Carrying value	6,550,774	6,187,856

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	8,795	14,167
Other debtors	19,113	23,372
	27,908	37,539

Included in Trade receivables is an amount of £4,090 (2021: £Nil) in relation to payment for land rental and stock purchases by a company controlled by one of the company directors.

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,842	67,656
Amounts owed to group undertakings	-	141,203
Other creditors	62,473	18,677
	65,315	227,536

Included within Trade Payables is a credit on account of £500 (2021: credit on account of £352) in relation to a deposit paid that was later refunded. This was in connection to a company controlled by one of the company directors.

7 Revaluation reserve

	2022	2021
	£	£
At the beginning of the year	1,982,845	2,327,563
Revaluation surplus /(deficit) arising in the year	4,487,298	(344,718)
At the end of the year	6,470,143	1,982,845

CLAONAIG ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Equity reserve

	2022 £	2021 £
At the beginning of the year	2,222,979	1,824,702
Arising in the year	576,203	398,277
At the end of the year	<u>2,799,182</u>	<u>2,222,979</u>

The amount of £576,203 (2021 - £398,277) represents a reclassification of loans made during the year by the parent company as a capital contribution.

9 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	(425,364)	(614,794)
(Loss)/profit for the year	(1,666,478)	189,430
At the end of the year	<u>(2,091,842)</u>	<u>(425,364)</u>

10 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.

Senior Statutory Auditor:	Neil Reid FCCA
Statutory Auditor:	William Duncan + Co (Audit) Ltd

11 Directors' transactions

Dividends totalling £0 (2021 - £0) were paid in the year in respect of shares held by the company's directors.

12 Parent company

The Parent (and ultimate controlling party) of the company is Bagger-Sorensen & Co. A/S, a company registered in Denmark at Tabletvej 1, DK-7100 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.