

CASTLETON FRUIT LTD.
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
PAGES FOR FILING WITH REGISTRAR



CASTLETON FRUIT LTD.

COMPANY INFORMATION

Director Mr R J Mitchell

Secretary Ms A Mitchell

Company number SC369372

Registered office Castleton Farm
Fordoun
Kincardineshire
AB30 1JX

Auditor Johnston Carmichael LLP
15 Academy Street
Forfar
DD8 2HA

CASTLETON FRUIT LTD.

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CASTLETON FRUIT LTD.

BALANCE SHEET

AS AT 31 DECEMBER 2015

		2015		2014	
	Notes	£	£	Unaudited As restated	£
Fixed assets					
Goodwill	3		358,436		477,914
Tangible assets	4		1,501,244		746,595
Investments	5		303,737		276,847
			<u>2,163,417</u>		<u>1,501,356</u>
Current assets					
Stocks	6	603,118		708,561	
Debtors	7	531,730		319,486	
Cash at bank and in hand		42,764		78,801	
		<u>1,177,612</u>		<u>1,106,848</u>	
Creditors: amounts falling due within one year	8	(713,944)		(1,363,242)	
Net current assets/(liabilities)			<u>463,668</u>		<u>(256,394)</u>
Total assets less current liabilities			<u>2,627,085</u>		<u>1,244,962</u>
Creditors: amounts falling due after more than one year	9		(520,182)		(592,397)
Provisions for liabilities	12		(111,302)		(27,402)
Net assets			<u>1,995,601</u>		<u>625,163</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss reserves			1,995,501		625,063
Total equity			<u>1,995,601</u>		<u>625,163</u>

The director of the company has 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 and signed by the director and authorised for issue on 30.06.2016

Mr R J Mitchell

Director

Company Registration No. SC3693

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Castleton Fruit Ltd. is a private company limited by shares incorporated in Scotland. The registered office is Castleton Farm, Fordoun, Kincardineshire, AB30 1JX.

1.1 Accounting convention

These financial statements have been prepared in accordance with the provisions of FRS 102 Chapter 1A Small Entities. There were no material departures from the standard.

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 pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Castleton Fruit Ltd. prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents amounts receivable for soft fruit net of trade discounts. Revenue is recognised on delivery to customers such that risks and rewards of ownership have been transferred to them.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Buildings Freehold	- 20% reducing balance
Plant and machinery	- 10%-20% reducing balance
Fixtures, fittings & equipment	- 20% reducing balance
Motor vehicles	- 20% reducing balance

Assets under 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 recognised in the profit and loss account.

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.5 Fixed asset investments

The company's interest in the farming partnership of Murray T Mitchell is dealt with in the financial statements by the equity method of accounting. That is, the profit and loss account includes the company's share of the partnership profits (based on the company's entitlement to the partnership's profits) and the company's share of profit less any drawings is added to the cost of the investment in the Balance Sheet.

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.

1.7 Cash and cash equivalents

Cash and cash equivalents 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 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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the profit and loss account.

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.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Derecognition of financial liabilities

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

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.

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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.13 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.

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Total	<u>177</u>	<u>171</u>

3 Intangible fixed assets

	Goodwill As restated £
Cost	
At 1 January 2015 and 31 December 2015	<u>597,392</u>
Amortisation and impairment	
At 1 January 2015	119,478
Amortisation charged for the year	<u>119,478</u>
At 31 December 2015	<u>238,956</u>
Carrying amount	
At 31 December 2015	<u>358,436</u>
At 31 December 2014	<u>477,914</u>

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Assets under construction	Total
	£	£	£	As restated £
Cost				
At 1 January 2015	13,597	914,178	-	927,775
Additions	-	587,428	288,759	876,187
At 31 December 2015	13,597	1,501,606	288,759	1,803,962
Depreciation and impairment				
At 1 January 2015	-	181,178	-	181,178
Depreciation charged in the year	-	121,540	-	121,540
At 31 December 2015	-	302,718	-	302,718
Carrying amount				
At 31 December 2015	13,597	1,198,888	288,759	1,501,244
At 31 December 2014	13,597	732,998	-	746,595

5 Fixed asset investments

	2015 £	2014 £
Investments	303,737	276,847

Investments represents the company's interest in the farming partnership of Murray T Mitchell.

Movements in fixed asset investments

	Share in partnership £
Cost	
At 31 December 2015	276,847
Additions	31,098
At 31 December 2015	307,945
Carrying amount	
At 31 December 2015	307,945
At 31 December 2014	276,847

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Stocks

	2015 £	2014 £
Raw materials and consumables	200,179	156,936
Crops in ground	380,449	520,047
Finished goods	22,490	31,578
	<u>603,118</u>	<u>708,561</u>

7 Debtors

	2015 £	2014 As restated £
Amounts falling due within one year:		
Trade debtors	19,165	25,375
Other debtors	512,565	294,111
	<u>531,730</u>	<u>319,486</u>

8 Creditors: amounts falling due within one year

		2015 £	2014 £
Bank loans and overdrafts	10	54,718	827,084
Obligations under finance leases	11	35,125	23,500
Trade creditors		185,247	279,962
Corporation tax		342,525	186,730
Other taxation and social security		22,617	3,419
Other creditors		73,712	42,547
		<u>713,944</u>	<u>1,363,242</u>

9 Creditors: amounts falling due after more than one year

		2015 £	2014 £
Bank loans and overdrafts	10	503,438	559,380
Obligations under finance leases	11	16,744	33,017
		<u>520,182</u>	<u>592,397</u>

The bank loans and overdraft are secured by a floating charge creating fixed and floating charges over the company's assets and a legal first charge over certain assets held by a related party.

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Loans and overdrafts

	2015 £	2014 £
Bank loans	558,156	611,529
Bank overdrafts	-	774,935
	<u>558,156</u>	<u>1,386,464</u>
Payable within one year	54,718	827,084
Payable after one year	<u>503,438</u>	<u>559,380</u>

The bank loans and overdraft are secured by a floating charge creating fixed and floating charges over the company's assets and a legal first charge over certain assets held by a related party.

11 Finance lease obligations

	2015 £	2014 £
Future minimum lease payments due under hire purchase contracts:		
Within one year	35,125	23,500
In two to five years	<u>16,744</u>	<u>33,017</u>
	<u>51,869</u>	<u>56,517</u>

Obligations under hire purchase contract are secured against the assets to which the agreements pertain.

12 Provisions for liabilities

	2015 £	2014 £
Deferred tax liabilities	<u>111,302</u>	<u>27,402</u>
	<u>111,302</u>	<u>27,402</u>

13 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
80 Ordinary A shares of £1 each	80	80
10 Ordinary B shares of £1 each	10	10
5 Ordinary C shares of £1 each	5	5
5 Ordinary D shares of £1 each	<u>5</u>	<u>5</u>
	<u>100</u>	<u>100</u>

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 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 figures for the comparative period have not been audited.

The senior statutory auditor was David McBain.

The auditor was Johnston Carmichael LLP.

15 Capital commitments

	2015 £	2014 £
At 31 December 2015 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	186,452	-

16 Prior period adjustment

The comparative results for the year ended 31 December 2014 were restated by £83,567. The prior period adjustments made are as follows:

- Recognising £221k of other operating income
- Re-classifying £597k of goodwill arising from the purchase of the business from tangible fixed assets to intangible fixed assets; reversing £29k of tangible fixed assets depreciation and recognising goodwill amortisation of £119k.
- The corporation tax effect of the above adjustments resulting in an increase in the tax charge of £48k.

Changes to the balance sheet

	At 31 December 2014		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Goodwill	-	477,914	477,914
Tangible assets	1,314,117	(567,522)	746,595
	<u>1,590,964</u>	<u>(89,608)</u>	<u>1,501,356</u>

CASTLETON FRUIT LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Prior period adjustment

	At 31 December 2014		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Stocks	708,561	-	708,561
Debtors due within one year	97,846	221,640	319,486
Bank and cash	78,801	-	78,801
	<u>885,208</u>	<u>221,640</u>	<u>1,106,848</u>
Creditors due within one year			
Loans and overdrafts	(827,084)	-	(827,084)
Finance leases	(23,500)	-	(23,500)
Taxation	(141,684)	(48,465)	(190,149)
Other creditors	(322,509)	-	(322,509)
	<u>1,314,777</u>	<u>48,465</u>	<u>1,363,242</u>
Net current liabilities	<u>(429,569)</u>	<u>173,175</u>	<u>(256,394)</u>
Total assets less current liabilities	<u>1,161,395</u>	<u>83,567</u>	<u>1,244,962</u>
Creditors due after one year			
Loans and overdrafts	(559,380)	-	(559,380)
Finance leases	(33,017)	-	(33,017)
	<u>592,397</u>	<u>-</u>	<u>592,397</u>
Provisions for liabilities			
Deferred tax	(27,402)	-	(27,402)
	<u>27,402</u>	<u>-</u>	<u>27,402</u>
Net assets	<u>541,596</u>	<u>83,567</u>	<u>625,163</u>
Share capital	100	-	100
Profit and loss	<u>541,496</u>	<u>83,567</u>	<u>625,063</u>
Total equity	<u>541,596</u>	<u>83,567</u>	<u>625,163</u>