

Sclater Estates Limited

Directors' report and unaudited financial statements

for the year ended 31 March 2019

Registration number 00178515



Sclater Estates Limited

Company information

Directors	J.R. Sclater CVO (Chairman) J. P. B. Tillard J.A. Sclater
Secretary	Mrs R. A. Wallis
Company details	Private company limited by shares registered in England and Wales, registered number 00178515
Registered office	1 West Street Lewes East Sussex BN7 2NZ
Accountants	Maxwell-Gumbleton & Co. 1 West Street Lewes East Sussex BN7 2NZ
Business address	Farm and Estate Office Sutton Hall Barcombe East Sussex BN8 5EB
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD
Solicitors	Adams & Remers Trinity House School Hill Lewes East Sussex BN7 2NN Burgess Salmon One Glass Wharf Bristol BS2 0ZX

Sclater Estates Limited

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**Statement of Financial Position
as at 31 March 2019**

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		13,603,121		12,561,678
Investments	4		775,197		739,713
			<u>14,378,318</u>		<u>13,301,391</u>
Current assets					
Stocks		89,254		32,432	
Debtors	5	1,446,097		1,602,532	
Cash at bank and in hand		587,219		1,222,628	
		<u>2,122,570</u>		<u>2,857,592</u>	
Creditors: amounts falling due within one year	6	(159,445)		(207,427)	
Net current assets			<u>1,963,125</u>		<u>2,650,165</u>
Total assets less current liabilities			16,341,443		15,951,556
Creditors: amounts falling due after more than one year	7		(4,278,164)		(4,321,953)
Provisions for liabilities	8		<u>(1,540,155)</u>		<u>(1,431,668)</u>
Net assets			<u>10,523,124</u>		<u>10,197,935</u>
Capital and reserves					
Called up share capital	10		35,000		35,000
Other reserves			552,888		552,888
Profit and loss account			<u>9,935,236</u>		<u>9,610,047</u>
Shareholders' funds			<u>10,523,124</u>		<u>10,197,935</u>

The directors' statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 3 to 10 form an integral part of these financial statements.

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Statement of Financial Position (continued)

**Directors' statements required by Sections 475(2) and (3)
for the year ended 31 March 2019**

For the year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

These accounts were approved by the directors on 17 September 2019, and are signed on their behalf by:



J.R. Sclater CVO (Chairman)
Director

Registration number 00178515

The notes on pages 3 to 10 form an integral part of these financial statements.

Sclater Estates Limited

Notes to the financial statements for the year ended 31 March 2019

1. Accounting policies

1.1. Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 Section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	not depreciated (see below)
Fixtures, fittings and equipment	-	12 1/2% and 25% Reducing Balance
Motor vehicles	-	25% Reducing Balance

The cost of disposals of freehold property, if any, are set against the net book value of freehold property. Gains and losses, if any, so arising have been transferred to a reserve account designated 'Realised Capital Gains on Property'. The directors are of the opinion that such gains should not be distributed to shareholders as they are of a capital nature and required to finance the expansion of the company's business.

In the case of freehold land and buildings, the directors do not consider it feasible to determine the split between the cost of the land and the cost of the buildings at the date of purchase. They are of the opinion that the cost attributable to buildings is immaterial and these assets are not depreciated.

At each balance sheet date the Company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

1.3. Rental properties

Rental properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss. The officers of the company undertook the valuation with reference to observable market prices adjusted as necessary for any difference in the location or condition of the specific asset.

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

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Notes to the financial statements for the year ended 31 March 2019

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1.5. Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Any unrelieved tax losses and other deferred tax assets, if any, 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted at the reporting date that are expected to apply to the reversal of the timing difference.

1.8. Sutton Hall Farms

The share of profit in Sutton Hall Farms for the year ended 31 March 2019 has been included in these financial statements.

The investment in Sutton Hall Farms is valued at cost less impairment.

2. Employees

Number of employees

The average monthly numbers of employees

(including the directors and company secretary) during the year were:

2019

2018

7

6

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**Notes to the financial statements
for the year ended 31 March 2019**

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3. Tangible fixed assets	Land and buildings freehold £	Rental properties £	Improvements to property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 April 2018	1,313,568	10,979,496	310,781	156,272	16,950	12,777,067
Additions	-	309,991	262,972	6,068	-	579,031
Revaluation	-	479,233	-	-	-	479,233
At 31 March 2019	<u>1,313,568</u>	<u>11,768,720</u>	<u>573,753</u>	<u>162,340</u>	<u>16,950</u>	<u>13,835,331</u>
Depreciation						
At 1 April 2018	-	-	128,598	75,566	11,225	215,389
Charge for the year	-	-	5,008	10,174	1,639	16,821
At 31 March 2019	<u>-</u>	<u>-</u>	<u>133,606</u>	<u>85,740</u>	<u>12,864</u>	<u>232,210</u>
Net book values						
At 31 March 2019	<u>1,313,568</u>	<u>11,768,720</u>	<u>440,147</u>	<u>76,600</u>	<u>4,086</u>	<u>13,603,121</u>
At 31 March 2018	<u>1,313,568</u>	<u>10,979,496</u>	<u>182,183</u>	<u>80,706</u>	<u>5,725</u>	<u>12,561,678</u>

The rental properties were valued on an open market basis on the 31 March 2019 by the directors and officers of the company. Other land and properties are measured initially at cost

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2019		2018	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Equipment	<u>30,519</u>	<u>4,360</u>	<u>34,879</u>	<u>4,982</u>

In respect of those tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	2019 £	2018 £
Cost	2,394,704	2,084,713
Depreciation	<u>93,540</u>	<u>93,540</u>
Net book value	<u>2,301,164</u>	<u>1,991,173</u>

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**Notes to the financial statements
for the year ended 31 March 2019**

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4. Fixed asset investments	Share in Sutton Hall Farms £	Other unlisted investments £	Total £
Cost			
At 1 April 2018	690,927	48,786	739,713
Additions	35,484	-	35,484
At 31 March 2019	<u>726,411</u>	<u>48,786</u>	<u>775,197</u>
Net book values			
At 31 March 2019	<u>726,411</u>	<u>48,786</u>	<u>775,197</u>
At 31 March 2018	<u>690,927</u>	<u>48,786</u>	<u>739,713</u>

5. Debtors	2019 £	2018 £
Trade debtors	39,645	24,168
Amount owed by connected partnership	1,280,000	1,280,000
Other debtors	61,029	54,705
Prepayments and accrued income	65,423	243,659
	<u>1,446,097</u>	<u>1,602,532</u>

6. Creditors: amounts falling due within one year	2019 £	2018 £
AMC mortgage loans	40,923	13,448
Net obligations under finance leases and hire purchase contracts	6,717	6,718
Rent deposits	23,695	22,070
Corporation tax	-	87,546
Other creditors	71,978	68,012
Accruals and deferred income	16,132	9,633
	<u>159,445</u>	<u>207,427</u>

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Notes to the financial statements for the year ended 31 March 2019

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7. Creditors: amounts falling due after more than one year	2019 £	2018 £
AMC mortgage loans	3,271,289	3,308,360
Shares classed as financial liabilities >1 year	25,000	25,000
Other loans	963,400	963,400
Net obligations under finance leases and hire purchase contracts	18,475	25,193
	<u>4,278,164</u>	<u>4,321,953</u>
Loans		
Repayable in five years or more	<u>2,710,255</u>	<u>2,747,279</u>

The AMC mortgages are secured on freehold land and property. They are repayable in twelve parts as follows:

£7,956 repayable by August 2020 on maturity on which interest is charged at a fixed rate of 6%
£2,843 repayable by August 2020 by instalments on which interest is charged at a fixed rate of 5.5%
£100,000 repayable by April 2021 on maturity on which interest is charged at a fixed rate of 5.47%
£300,000 repayable by January 2022 on maturity on which interest is charged at a fixed rate of 4.29%
£200,000 repayable by May 2031 on maturity on which interest is charged at a fixed rate of 5.75%
£250,000 repayable by March 2040 on maturity on which interest is charged at a fixed rate of 6%
£250,000 repayable by July 2043 by instalments on which interest is charged at a fixed rate of 5.94%
£250,000 repayable by July 2044 by instalments on which interest is charged at a fixed rate of 5.86%
£275,000 repayable by May 2045 by instalments on which interest is charged at a fixed rate of 4.96%
£500,000 repayable by February 2046 on maturity on which interest is charged at a fixed rate of 4.55%
£550,000 repayable by September 2047 by instalments on which interest is charged at a fixed rate of 4.05%
£650,000 repayable by February 2048 by instalments on which interest is charged at a fixed rate of 4.25%

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**Notes to the financial statements
for the year ended 31 March 2019**

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8. Provisions for liabilities

	Deferred taxation (Note 9) £	Total £
At 1 April 2018	1,431,668	1,431,668
Movements in the year	<u>108,487</u>	<u>108,487</u>
At 31 March 2019	<u><u>1,540,155</u></u>	<u><u>1,540,155</u></u>

9. Provision for deferred taxation

	2019 £	2018 £
Accelerated capital allowances	28,576	15,887
Fair value adjustment of fixed asset investments	<u>1,511,579</u>	<u>1,415,781</u>
Provision for deferred tax	<u><u>1,540,155</u></u>	<u><u>1,431,668</u></u>
Provision at 1 April 2018	1,431,668	
Deferred tax charge in profit and loss account	<u>108,487</u>	
Provision at 31 March 2019	<u><u>1,540,155</u></u>	

The deferred tax provision for accelerated capital allowance has arisen due to the timing difference between the depreciation and the tax allowances claimed on qualifying assets. The deferred tax provision for the fair value adjustment of fixed asset investments has arisen on the difference between the original cost price of the rental properties and their market value as stated in the accounts. Only when the properties are disposed off will the provision crystalize into an actual tax liability payable.

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**Notes to the financial statements
for the year ended 31 March 2019**

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10. Share capital	2019	2018
	£	£
Authorised		
100,000 Ordinary 'A' Shares of 2.5p each	2,500	2,500
60,000 Ordinary 'B' Shares of £0.50 each	30,000	30,000
5,000 Ordinary 'C' shares of £0.50 each	2,500	2,500
25,000 10% Non-cumulative Preference Shares of £1 each	25,000	25,000
	<u>60,000</u>	<u>60,000</u>
Allotted, called up and fully paid		
100,000 Ordinary 'A' Shares of 2.5p each	2,500	2,500
60,000 Ordinary 'B' Shares of £0.50 each	30,000	30,000
5,000 Ordinary 'C' shares of £0.50 each	2,500	2,500
25,000 10% Non-cumulative Preference Shares of £1 each	25,000	25,000
	<u>60,000</u>	<u>60,000</u>
Equity Shares		
100,000 Ordinary 'A' Shares of 2.5p each	2,500	2,500
60,000 Ordinary 'B' Shares of £0.50 each	30,000	30,000
5,000 Ordinary 'C' shares of £0.50 each	2,500	2,500
	<u>35,000</u>	<u>35,000</u>
Shares classed as financial liabilities		
25,000 10% Non-cumulative Preference Shares of £1 each	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

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**Notes to the financial statements
for the year ended 31 March 2019**

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11. Equity interests

The 'A' ordinary shares carry rights of one vote per share and have no rights to a dividend.

Non-equity interests

The 'B' ordinary shares carry no voting rights unless a dividend has not been paid in the last three years when they have voting rights of 15 votes per 10 shares.

The 'C' ordinary shares carry no voting rights unless a dividend has not been paid in the last three years when they have voting rights of 15 votes per 10 shares.

The non-cumulative preference shares carry one vote per share and have the right to a dividend of 10% fixed per annum.

In the event of a winding up of the company the 'A', 'B' and 'C' ordinary shares shall rank pari passu as one class behind the preference shares in respect of amounts paid up or credited as paid up on such shares. The balance shall be distributed pari passu to the holders of the 'B' and 'C' ordinary shares.

12. Controlling interest

The ultimate control of the company currently lies with the holders of the 'A' ordinary and non-cumulative preference shares. However this control is subject to change depending on the voting rights of the different classes of shares as set out in note (11) to the financial statements.