

**ECONOCHEM LIMITED**  
**No. SC099173**

**FILLETED ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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# **ECONOCHEM LIMITED**

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**ECONOCHEM LIMITED****BALANCE SHEET  
AS AT 30 JUNE 2019**

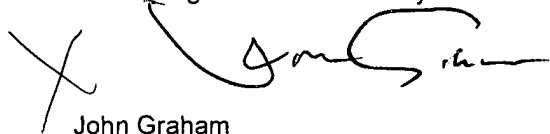
	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	3		1,536,085		1,577,050
Investment properties	4		1,070,585		1,070,585
			<u>2,606,670</u>		<u>2,647,635</u>
<b>Current assets</b>					
Debtors	5	33,946		49,629	
Cash at bank and in hand		149,760		57,435	
		<u>183,706</u>		<u>107,064</u>	
<b>Creditors: amounts falling due within one year</b>	6	(38,198)		(68,630)	
<b>Net current assets</b>			<u>145,508</u>		<u>38,434</u>
<b>Total assets less current liabilities</b>			<u>2,752,178</u>		<u>2,686,069</u>
<b>Accruals and deferred Income</b>	7		(136,071)		(140,300)
<b>Net assets</b>			<u>2,616,107</u>		<u>2,545,769</u>
<b>Capital and reserves</b>					
Called up share capital	8		10,000		10,000
Profit and loss reserves			2,606,107		2,535,769
<b>Total equity</b>			<u>2,616,107</u>		<u>2,545,769</u>

The directors of the company have elected not to include a copy of the profit and loss account within these financial statements.

The directors confirm that the company was entitled to exemption from the requirement to have an audit under the provisions of section 477(1) of the Companies Act 2006 and that the members have not required the company to obtain an audit for the year in accordance with section 476(1) of that Act. The directors acknowledge their responsibility to ensure that the company keeps accounting records in accordance with section 386 and to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for that financial year in accordance with section 394 and which otherwise comply with the Companies Act 2006 as far as applicable to the company.

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

The financial statements were approved by the board of directors and authorised for issue on 28 October 2019 and are signed on its behalf by:



John Graham

Director

Company Registration No. SC099173

# **ECONOCHEM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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### **1 Accounting policies**

#### **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 £.

#### **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. Thus 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 goods, services and rental income provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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 for the provision of services is recognised by reference to the date on which services were rendered.

Rental income is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **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.

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:

Farm and woodlands	2.5% Straight line
Fixtures, fittings & equipment	20% Straight line

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.

Included in Farm and woodlands is freehold land valued at £366,366 (2018 - £366,366) which is not depreciated.

# **ECONOCHEM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019**

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### **1 Accounting policies (continued)**

#### **1.5 Investment properties**

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment properties are accounted for as tangible fixed assets.

#### **1.6 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.

#### **1.7 Cash at bank and in hand**

Cash at bank and in hand 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.

# ECONOCHEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies (continued)

#### **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 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 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.

# **ECONOCHEM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019**

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### **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.

#### **1.11 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **1.12 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 10 (2018 - 10).

# ECONOCHEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 3 Tangible fixed assets

	Farm and woodland £	Fixtures fittings & equipment £	Total £
<b>Cost</b>			
At 1 July 2018 and 30 June 2019	1,997,841	3,640	2,001,481
<b>Depreciation and impairment</b>			
At 1 July 2018	421,021	3,410	424,431
Depreciation charged in the year	40,787	178	40,965
At 30 June 2019	461,808	3,588	465,396
<b>Carrying amount</b>			
At 30 June 2019	1,536,033	52	1,536,085
At 30 June 2018	1,576,820	230	1,577,050

### 4 Investment properties

	2019 £
<b>Fair value</b>	
At 1 July 2018 and 30 June 2019	1,070,585

Investment properties comprises rental properties. The fair value of the investment properties has been arrived at on the basis of a valuation carried out upon purchase of the properties in 2013 by Mackie and Dewar, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors do not believe there is any change in the carrying value of the properties.

### 5 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,202	11,195
Other debtors	32,744	38,434
	33,946	49,629



**ECONOCHEM LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019****6 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	6,765	39,001
Corporation tax	14,881	15,036
Other taxation and social security	12,213	-
Other creditors	4,339	14,593
	<u>38,198</u>	<u>68,630</u>

**7 Accruals and deferred Income**

	Government grants £
Balance at 1 July 2018	140,300
Amortisation in the year	(4,229)
Balance at 30 June 2019	<u>136,071</u>

**8 Called up share capital**

	2019 £	2018 £
Ordinary share capital Issued and fully paid 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**9 Financial commitments, guarantees and contingent liabilities**

The company own land where the terms of purchase included an obligation, in the event of planning permission being obtained for development for any use other than agriculture or forestry, to pay the sellers a sum equal to one-half of the uplift in valuation. The company are meantime not seeking this change in issue.

**10 Related party transactions****Transactions with related parties**

During the year the company entered into the following transactions with related parties:

	Recharged expenses	
	2019 £	2018 £
Other related parties	<u>3,016</u>	<u>2,255</u>

## **ECONOCHEM LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019**

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#### **11 Company information**

Econochem Limited is a private company limited by shares incorporated in Scotland. The registered office is 3 Waverley Place, Aberdeen, AB10 1XH.