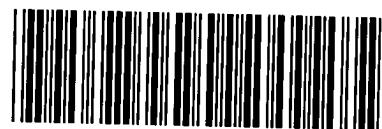

ELLARY FARMS LTD

Unaudited

Financial statements

For the Year Ended October 31, 2017

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ELLARY FARMS LTD
Registered number: SC112512

Balance sheet
As at October 31, 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	22,640	29,734
Current assets			
Stocks		17,981	16,420
Debtors: amounts falling due within one year	6	13,224	10,314
Cash at bank and in hand		184,862	134,906
		<u>216,067</u>	<u>161,640</u>
Creditors: amounts falling due within one year	7	(62,977)	(24,705)
Net current assets		<u>153,090</u>	<u>136,935</u>
Total assets less current liabilities		<u>175,730</u>	<u>166,669</u>
Provisions for liabilities			
Deferred tax		(3,849)	-
		<u>(3,849)</u>	<u>-</u>
Net assets		<u>171,881</u>	<u>166,669</u>
Capital and reserves			
Called up share capital		2,000	2,000
Profit and loss account		169,881	164,669
		<u>171,881</u>	<u>166,669</u>

ELLARY FARMS LTD
Registered number: SC112512

Balance sheet (continued)
As at October 31, 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

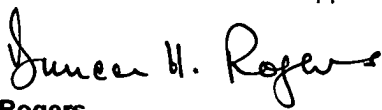
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 10th July 2018
D H Rogers
Director

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

ELLARY FARMS LTD

Notes to the financial statements For the Year Ended October 31, 2017

1. General information

The company is a private company limited by share capital incorporated in Scotland.
The address of its registered office and principal place of business is:
Ellary, Achahoish, Lochgilphead, Argyll, PA31 8PA.
The principal activity of the company is that of mixed farming and raising of other cattle.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ELLARY FARMS LTD

Notes to the financial statements For the Year Ended October 31, 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 25% straight line per annum
Motor vehicles	- 25% straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market

ELLARY FARMS LTD

Notes to the financial statements For the Year Ended October 31, 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

ELLARY FARMS LTD

Notes to the financial statements For the Year Ended October 31, 2017

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 1 (2016 - 1).

ELLARY FARMS LTD

Notes to the financial statements
For the Year Ended October 31, 2017

4. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	3,891	70
	<u>3,891</u>	<u>70</u>
Total current tax	<u>3,891</u>	<u>70</u>
Deferred tax		
Origination and reversal of timing differences	3,849	-
	<u>3,849</u>	<u>-</u>
Total deferred tax	<u>3,849</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>7,740</u>	<u>70</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2016 - 20%).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ELLARY FARMS LTD

**Notes to the financial statements
For the Year Ended October 31, 2017**

5. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Total £
Cost			
At 1 November 2016	107,811	27,002	134,813
Additions	8,105	-	8,105
Disposals	(7,000)	(11,782)	(18,782)
At October 31, 2017	<u>108,916</u>	<u>15,220</u>	<u>124,136</u>
Depreciation			
At 1 November 2016	89,491	15,587	105,078
Charge owned for the period	11,395	3,805	15,200
Disposals	(7,000)	(11,782)	(18,782)
At October 31, 2017	<u>93,886</u>	<u>7,610</u>	<u>101,496</u>
Net book value			
At October 31, 2017	<u>15,030</u>	<u>7,610</u>	<u>22,640</u>
At October 31, 2016	<u>18,319</u>	<u>11,415</u>	<u>29,734</u>

6. Debtors

	2017 £	2016 £
Other debtors	2,393	2,374
Prepayments	10,831	7,940
	<u>13,224</u>	<u>10,314</u>

ELLARY FARMS LTD

**Notes to the financial statements
For the Year Ended October 31, 2017**

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	665	747
Corporation tax	3,891	70
Other creditors	2,264	2,125
Accruals and deferred income	56,157	21,763
	<u>62,977</u>	<u>24,705</u>

8. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	184,862	134,906
	<u>184,862</u>	<u>134,906</u>

9. Deferred taxation

	2017 £
Utilised in year	(3,849)
At end of year	<u>(3,849)</u>

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(3,849)	-
	<u>(3,849)</u>	<u>-</u>

ELLARY FARMS LTD

**Notes to the financial statements
For the Year Ended October 31, 2017**

10. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.