



Alexander Sloan

Accountants and Business Advisers

**SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2019

PAGES FOR FILING WITH REGISTRAR

Company Registration No. SC133795 (Scotland)

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SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

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SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME *FOR THE YEAR ENDED 28 FEBRUARY 2019*

	2019 £	2018 £
Profit for the year	70,379	70,084
Other comprehensive income	-	-
Total comprehensive income for the year	<u>70,379</u>	<u>70,084</u>

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	4	24,338		26,533	
Investment properties	5	1,600,000		1,600,000	
		<u>1,624,338</u>		<u>1,626,533</u>	
Current assets					
Debtors	7	97,891		87,183	
Creditors: amounts falling due within one year	8	<u>(211,750)</u>		<u>(199,561)</u>	
Net current liabilities		<u>(113,859)</u>		<u>(112,378)</u>	
Total assets less current liabilities		1,510,479		1,514,155	
Creditors: amounts falling due after more than one year	9	(109,984)		(153,781)	
Provisions for liabilities	11	<u>(4,031)</u>		<u>(4,289)</u>	
Net assets		<u>1,396,464</u>		<u>1,356,085</u>	
Capital and reserves					
Called up share capital	13	500,000		500,000	
Profit and loss reserves		<u>896,464</u>		<u>856,085</u>	
Total equity		<u>1,396,464</u>		<u>1,356,085</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 22 October 2019 and are signed on its behalf by:



S Walker
Director

Company Registration No. SC133795

The notes on pages 4 to 12 form an integral part of these financial statements.

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 March 2017		500,000	816,001	1,316,001
Year ended 28 February 2018:				
Profit and total comprehensive income for the year		-	70,084	70,084
Dividends		-	(30,000)	(30,000)
Balance at 28 February 2018		500,000	856,085	1,356,085
Year ended 28 February 2019:				
Profit and total comprehensive income for the year		-	70,379	70,379
Dividends		-	(30,000)	(30,000)
Balance at 28 February 2019		500,000	896,464	1,396,464

The notes on pages 4 to 12 form an integral part of these financial statements.

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

1 Accounting policies

Company information

Scottish Agricultural & Rural Development Centre Limited is a private company limited by shares and incorporated in Scotland. The registered office is Rural Centre - West Mains, Ingliston, Newbridge, Midlothian, EH28 8NZ.

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.

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 freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future and be able to meet its liabilities as they fall due. At the balance sheet date, the company had net current liabilities of £113,482 (2018: £112,378). In order to meet these liabilities, the company requires the continued support of its creditors and in particular its bankers.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services 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.

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.

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:

Plant and equipment	25% Reducing balance
Fixtures and fittings	20% Reducing balance

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.

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

1 Accounting policies

(Continued)

1.5 Investment properties

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

Where fair value cannot be achieved without undue cost or effort, investment property is 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.

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

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.

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

1 Accounting policies

(Continued)

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.

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 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.

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.

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

3 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	7,500	7,500

4 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 March 2018	49,090	137,289	186,379
Additions	2,476	375	2,851
At 28 February 2019	51,566	137,664	189,230
Depreciation and impairment			
At 1 March 2018	38,649	121,197	159,846
Depreciation charged in the year	2,418	2,628	5,046
At 28 February 2019	41,067	123,825	164,892
Carrying amount			
At 28 February 2019	10,499	13,839	24,338
At 28 February 2018	10,441	16,092	26,533

5 Investment property

	2019 £
Fair value	
At 1 March 2018 and 28 February 2019	1,600,000

The fair value of the company's Investment Properties was revalued to £1,600,000 on 20 February 2017 by Davidson & Robertson, Chartered Surveyors who are external to the company. The basis of this valuation was open market value. The Directors are of the opinion that the valuation remains appropriate at February 2019.

6 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	81,782	77,433
Carrying amount of financial liabilities		
Measured at amortised cost	240,585	298,478

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

7 Debtors			2019	2018
			£	£
Amounts falling due within one year:				
Trade debtors			73,896	74,069
Other debtors			7,886	3,364
Prepayments and accrued income			16,109	9,750
			<u>97,891</u>	<u>87,183</u>
8 Creditors: amounts falling due within one year			2019	2018
	Notes		£	£
Bank loans and overdrafts	10		101,571	75,490
Trade creditors			22,773	44,882
Corporation tax			16,929	17,098
Other taxation and social security			6,423	3,972
Accruals and deferred income			64,054	58,119
			<u>211,750</u>	<u>199,561</u>
9 Creditors: amounts falling due after more than one year			2019	2018
	Notes		£	£
Bank loans and overdrafts	10		109,984	153,781
10 Loans and overdrafts			2019	2018
			£	£
Bank loans			153,758	195,477
Bank overdrafts			57,797	33,794
			<u>211,555</u>	<u>229,271</u>
Payable within one year			101,571	75,490
Payable after one year			109,984	153,781
			<u>211,555</u>	<u>229,271</u>

The bank loans and overdraft are secured by a standard security over the rural centre property and a bond and floating charge over the assets of the company.

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

10 Loans and overdrafts

(Continued)

Bank loans are denominated in Sterling with a nominal interest rate of 1.7% to 2.55% above base rate, and the final instalment is due on 1 August 2022. The carrying amount at the year end is £153,478 (2018: £195,477).

11 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	12	4,031	4,289

12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	4,031	4,289
Movements in the year:		2019 £
Liability at 1 March 2018		4,289
Credit to profit or loss		(258)
Liability at 28 February 2019		4,031

13 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
500,000 Ordinary shares of £1 each	500,000	500,000
	500,000	500,000

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

14 Audit report information

As the profit and loss account 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 auditor's report, which is attached to the company's full accounts, includes a Material Uncertainty relating to Going Concern, as follows:

'In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which is dependent upon the financial support of its creditors and in particular the company's bankers. Our opinion is not qualified in this respect.'

The senior statutory auditor was David Jeffcoat.
The auditor was Alexander Sloan.

15 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	7,500	7,500

The directors represent three organisations that are shareholders in the company. The three organisations charged fees of £7,500 (2018: £7,500) for directors' duties.

SCOTTISH AGRICULTURAL & RURAL DEVELOPMENT CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

15 Related party transactions

(Continued)

Transactions with related parties

The following transactions occurred with Related Parties in the year:

NFU Scotland

Two of the Directors of the company (G. Banks and S.Walker) are representatives of NFU Scotland. NFU Scotland are tenants of the Centre and they also provide management and administrative services to the Centre.

During the year:

the Centre charged NFU Scotland £90,096 (2018: £83,046) for rent and service costs and recharged expenses;

NFU Scotland charged the Centre £62,088 (2018: £65,460) for admin services and recharges of costs incurred on behalf of the Centre. This included £3,000 (2018: £3,000) for Directors services;

the Centre paid NFU Scotland £12,857 (2018: £12,857) in dividends.

At the balance sheet date the amount due from NFU Scotland was £7,687 (2018: £1,952 due to).

Scottish Agricultural Organisation Society

One of the Directors of the company (J.Graham) is a representative of Scottish Agricultural Organisation Society (SAOS). SAOS is a tenant of the Centre.

During the year:

the Centre charged SAOS £25,557 (2018: £24,130) for rent and service charges and recharged expenses;

SAOS charged the Centre £1,500 (2018: £1,500) for admin services and recharges of costs incurred on behalf of the Centre. This included £1,500 for director services (2018: £1,500);

the Centre paid SAOS £4,286 (2018: £4,286) in dividends.

At the balance sheet date the amount due from Scottish Agricultural Organisation Society was £7,259 (2018: £4,938).

Royal Highland and Agricultural Society of Scotland

Two of the Directors of the company (A.Murray and A.Laidlaw) are representatives of the Royal Highland and Agricultural Society of Scotland (RHASS). RHASS provide security and maintenance services to the Centre.

During the year:

the Centre charged RHASS £109 (2018: £70) for recharged expenses;

RHASS charged the company £16,000 (2018: £16,055) for security and maintenance services to the Centre. This included £3,000 (2018: £3,000) for director services;

the Centre paid RHASS £12,857 (2018: £12,857) in dividends.

At the balance sheet date the amount due from Royal Highland and Agricultural Society of Scotland was £109 (2018: £7,416 due to).