

Company Registration No. SC376312 (Scotland)

COMPANIES HOUSE  
EDINBURGH

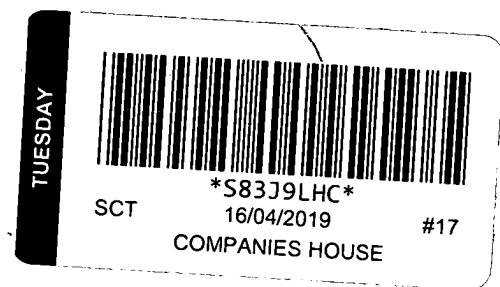
16 APR 2019

FRONT DESK

**Careston (SMA) Limited**

**Unaudited financial statements  
for the year ended 31 July 2018**

**Pages for filing with the Registrar**



**Saffery Champness**  
CHARTERED ACCOUNTANTS

**Careston (SMA) Limited**

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Careston (SMA) Limited

Statement of financial position  
As at 31 July 2018

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	4		46,934		66,355
Tangible assets	3		4,897,249		4,897,249
Investment properties	5		6,370,250		6,370,250
Investments	6		596,260		582,912
			<u>11,910,693</u>		<u>11,916,766</u>
<b>Current assets</b>					
Stocks		139,401		96,189	
Debtors	7	4,271		89,003	
Investments	8	1,147,374		867,345	
		<u>1,291,046</u>		<u>1,052,537</u>	
<b>Creditors: amounts falling due within one year</b>	9	(3,008,052)		(2,939,507)	
<b>Net current liabilities</b>			<u>(1,717,006)</u>		<u>(1,886,970)</u>
<b>Total assets less current liabilities</b>			<u>10,193,687</u>		<u>10,029,796</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(46,934)		(66,355)
<b>Provisions for liabilities</b>			-		(1,238,159)
<b>Net assets</b>			<u>10,146,753</u>		<u>8,725,282</u>
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Revaluation reserve	12		9,837,797		9,837,797
Profit and loss reserves			308,955		(1,112,516)
<b>Total equity</b>			<u>10,146,753</u>		<u>8,725,282</u>

**Careston (SMA) Limited**

**Statement of financial position (continued)**

**As at 31 July 2018**

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The directors of the company have elected not to include a copy of the income statement within the financial statements.

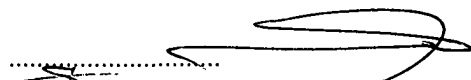
For the financial year ended 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 ~~26/02/2019~~..... and are signed on its behalf by:

  
James Shaw Campbell Adamson  
Director

**Company Registration No. SC376312**

## **Careston (SMA) Limited**

### **Notes to the financial statements**

**For the year ended 31 July 2018**

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#### **1 Accounting policies**

##### **Company information**

Careston (SMA) Limited is a private company limited by shares incorporated in Scotland. The registered office is Careston Castle, Brechin, Angus, DD9 6RT.

##### **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 £.

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 Turnover**

Turnover represents amounts receivable for rental income, investment income and other goods and services net of VAT.

Revenue from the sale of goods is recognised when the goods are invoiced at which point ownership passes to the buyer.

Revenue from investment income is included at the point the income is declared as payable to the company and payment is received by the investment broker.

Revenue from rental income is recognised when invoiced monthly in advance of the rental. Payment by the tenants is due at this point.

##### **1.3 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Government grant	20% straight line
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**1 Accounting policies (continued)**

**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.

Tangible fixed assets are stated at cost or valuation less depreciation, other than heritable land and chattels which are not depreciated. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Chattels	Nil
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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.

**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.

**1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 Accounting policies (continued)**

**1.7 Stocks**

The stocks held by the company are of biological assets. These assets are measured at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**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 statement of financial position 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 debtors, 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 Accounting policies (continued)**

**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 income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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 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.



**Careston (SMA) Limited****Notes to the financial statements (continued)****For the year ended 31 July 2018****1 Accounting policies (continued)****1.12 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 income statement for the period.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 0 (2017 - 0).

**3 Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 August 2017 and 31 July 2018	4,732,250	164,999	4,897,249
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>			
At 1 August 2017 and 31 July 2018	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 July 2018	4,732,250	164,999	4,897,249
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2017	4,732,250	164,999	4,897,249
	<u>          </u>	<u>          </u>	<u>          </u>

**Careston (SMA) Limited****Notes to the financial statements (continued)****For the year ended 31 July 2018****4 Intangible fixed assets**

	<b>Government grant : £</b>
<b>Cost or valuation</b>	
At 1 August 2017 and 31 July 2018	97,105
<b>Amortisation and impairment</b>	
At 1 August 2017	30,750
Amortisation charged for the year	19,421
At 31 July 2018	50,171
<b>Carrying amount</b>	
At 31 July 2018	46,934
At 31 July 2017	66,355

The Basic Payment Scheme units were valued at initial award in 2015 at £97,105. The scheme will run until December 2020 therefore the useful life is 5 years. The units will be amortised over this time.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	<b>2018 £</b>	<b>2017 £</b>
Cost	-	-
Accumulated amortisation	-	-
Carrying value	-	-

The revaluation surplus is held as a Government grant creditor which is written off to the profit and loss at the same rate as the amortisation of the intangible asset.

**5 Investment property**

	<b>2018 £</b>
<b>Fair value</b>	
At 1 August 2017 and 31 July 2018	6,370,250

**Careston (SMA) Limited****Notes to the financial statements (continued)****For the year ended 31 July 2018****5 Investment property (continued)**

Investment property comprises various properties in Careston Estate, Brechin. The fair value of the investment property has been arrived at on the basis of a valuation carried out at April 2017 by Savills Chartered Surveyors, 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 believe this valuation still reflects the fair value of the properties at 31 July 2018.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2018 £	2017 £
Cost	963,375	963,375
Accumulated depreciation	-	-
	<u>963,375</u>	<u>963,375</u>
Carrying amount	<u>963,375</u>	<u>963,375</u>

**6 Fixed asset investments**

	2018 £	2017 £
Investments	596,260	582,912
	<u>596,260</u>	<u>582,912</u>

**Movements in fixed asset investments**

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 August 2017	582,912
Revaluation	13,348
	<u>596,260</u>
At 31 July 2018	<u>596,260</u>
<b>Carrying amount</b>	
At 31 July 2018	596,260
	<u>596,260</u>
At 31 July 2017	582,912
	<u>582,912</u>

Careston (SMA) Limited

Notes to the financial statements (continued)

For the year ended 31 July 2018

**7 Debtors**

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	623	296
Other debtors	3,648	88,707
	<u>4,271</u>	<u>89,003</u>

**8 Current asset investments**

	2018	2017
	£	£
Other investments	<u>1,147,374</u>	<u>867,345</u>

**9 Creditors: amounts falling due within one year**

	2018	2017
	£	£
Trade creditors	30,128	477
Amounts owed to group undertakings	2,922,355	2,890,483
Corporation tax	54,069	47,047
Other creditors	1,500	1,500
	<u>3,008,052</u>	<u>2,939,507</u>

**10 Creditors: amounts falling due after more than one year**

	2018	2017
	£	£
Other creditors	<u>46,934</u>	<u>66,355</u>

**11 Called up share capital**

	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and not fully paid</b>		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

**Careston (SMA) Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 July 2018**

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**12 Revaluation reserve**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At the beginning and end of the year	<u>9,837,797</u>	<u>9,837,797</u>

**13 Related party transactions**

The following amounts were outstanding at the reporting end date:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts owed to related parties</b>		
Entities with control, joint control or significant influence over the company	<u>2,922,355</u>	<u>2,890,483</u>

**14 Parent company**

The ultimate parent company of Careston (SMA) Limited is Careston (SMA) Holdings Limited. The registered office is Careston Castle, Brechin, Angus, DD9 6RT.