

Company Registration No. SC376312 (Scotland)

Careston (SMA) Limited

**Unaudited financial statements
for the year ended 31 July 2017**

Pages for filing with the Registrar



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Careston (SMA) Limited

Company information

Directors James Shaw Campbell Adamson
Sophie Margaret Adamson
John Michael Greene Blair

Company number SC376312

Registered office Careston Castle
Brechtin
Angus
DD9 6RT

Accountants Saffery Champness LLP
Edinburgh Quay
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Edinburgh
EH3 9BA

Solicitors Gillespie Macandrew LLP
5 Atholl Crescent
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Careston (SMA) Limited

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Careston (SMA) Limited

Statement of financial position

As at 31 July 2017

		2017		2016	
	Notes	£	£	as restated	£
Fixed assets					
Intangible assets	3		66,355		85,776
Tangible assets	2		4,897,249		4,897,249
Investment properties	4		6,370,250		6,592,195
Investments	5		582,912		462,213
			<u>11,916,766</u>		<u>12,037,433</u>
Current assets					
Stocks		96,189		79,746	
Debtors	6	89,003		4,882	
Investments	7	867,345		781,359	
		<u>1,052,537</u>		<u>865,987</u>	
Creditors: amounts falling due within one year	8	<u>(2,939,507)</u>		<u>(3,067,368)</u>	
Net current liabilities			<u>(1,886,970)</u>		<u>(2,201,381)</u>
Total assets less current liabilities			<u>10,029,796</u>		<u>9,836,052</u>
Creditors: amounts falling due after more than one year	9		(66,355)		(85,776)
Provisions for liabilities			<u>(1,238,159)</u>		<u>(1,347,303)</u>
Net assets			<u><u>8,725,282</u></u>		<u><u>8,402,973</u></u>
Capital and reserves					
Called up share capital	10		1		1
Revaluation reserve	11		9,837,797		9,837,797
Profit and loss reserves			<u>(1,112,516)</u>		<u>(1,434,825)</u>
Total equity			<u><u>8,725,282</u></u>		<u><u>8,402,973</u></u>

Careston (SMA) Limited

Statement of financial position (continued)

As at 31 July 2017

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

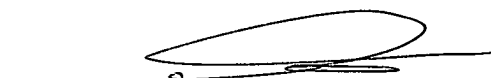
For the financial year ended 31 July 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act 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 05/12/2017..... and are signed on its behalf by:



James Shaw Campbell Adamson

Director

Company Registration No. SC376312

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.

These financial statements for the year ended 31 July 2017 are the first financial statements of Careston (SMA) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 14.

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 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 from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1 Accounting policies (continued)

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. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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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1.4 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 the income statement.

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.

1 Accounting policies (continued)

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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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 Cash and cash equivalents

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.

1.9 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.

1 Accounting policies (continued)

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.

1.10 Equity instruments

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

1.11 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.

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. 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.

1.12 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 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 August 2016 and 31 July 2017	4,732,250	164,999	4,897,249
Depreciation and impairment			
At 1 August 2016 and 31 July 2017	-	-	-
Carrying amount			
At 31 July 2017	4,732,250	164,999	4,897,249
At 31 July 2016	4,732,250	164,999	4,897,249

Careston (SMA) Limited**Notes to the financial statements (continued)****For the year ended 31 July 2017****3 Intangible fixed assets**

	Government grant £
Cost or valuation	
At 1 August 2016 and 31 July 2017	97,105
Amortisation and impairment	
At 1 August 2016	11,329
Amortisation charged for the year	19,421
At 31 July 2017	30,750
Carrying amount	
At 31 July 2017	66,355
At 31 July 2016	85,776

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:

	2017 £	2016 £
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.

4 Investment property

	2017 £
Fair value	
At 1 August 2016	6,592,195
Revaluations	(221,945)
At 31 July 2017	6,370,250

4 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.

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

	2017 £	2016 £
Cost	963,375	963,375
Accumulated depreciation	-	-
Carrying amount	<u>963,375</u>	<u>963,375</u>

5 Fixed asset investments

	2017 £	2016 £
Investments	<u>582,912</u>	<u>462,213</u>

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 August 2016	462,213
Valuation changes	207,045
Disposals	(86,346)
At 31 July 2017	<u>582,912</u>
Carrying amount	
At 31 July 2017	<u>582,912</u>
At 31 July 2016	<u>462,213</u>

Careston (SMA) Limited**Notes to the financial statements (continued)****For the year ended 31 July 2017****6 Debtors**

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	296	810
Other debtors	88,707	4,072
	<u>89,003</u>	<u>4,882</u>

7 Current asset investments

	2017	2016
	£	£
Other investments	867,345	781,359
	<u>867,345</u>	<u>781,359</u>

8 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	477	506
Amounts due to group undertakings	2,890,483	3,018,631
Corporation tax	47,047	47,381
Other creditors	1,500	850
	<u>2,939,507</u>	<u>3,067,368</u>

9 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	66,355	85,776
	<u>66,355</u>	<u>85,776</u>

10 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and not fully paid		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

11 Revaluation reserve

Careston (SMA) Limited

Notes to the financial statements (continued)
For the year ended 31 July 2017

11 Revaluation reserve (continued)

	2017	2016
	£	£
At beginning of year	9,837,797	9,899,687
Transfer to retained earnings	-	(61,890)
At end of year	<u>9,837,797</u>	<u>9,837,797</u>

Careston (SMA) Limited

Notes to the financial statements (continued)

For the year ended 31 July 2017

12 Related party transactions

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Entities with control, joint control or significant influence over the company	<u>2,890,483</u>	<u>3,018,631</u>

13 Parent company

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

Careston (SMA) Limited**Notes to the financial statements (continued)****For the year ended 31 July 2017****14 Reconciliations on adoption of FRS 102****Reconciliation of equity**

		1 August 2015	31 July 2016
	Notes	£	£
Equity as reported under previous UK GAAP		9,883,048	10,155,778
Adjustments arising from transition to FRS 102:			
Change to value of investments	(a)	69,408	69,408
Deferred taxation	(b)	(1,347,303)	(1,347,303)
Intangible assets	(c)	-	85,776
Deferred income	(c)	-	(85,776)
Revaluation of land and buildings	(d)	(474,910)	(474,910)
Equity reported under FRS 102		<u>8,130,243</u>	<u>8,402,973</u>

Reconciliation of profit for the financial period

	2016 £
Profit as reported under previous UK GAAP and under FRS 102	<u>272,730</u>

14 Reconciliations on adoption of FRS 102 (continued)

Notes to reconciliations on adoption of FRS 102

(a) Change to value of investments

Under previous UK GAAP, the investments were measured at cost. Under FRS102, the Company is required to hold the investments at fair value with changes in fair value recognised through the income statement. The impact is to increase valuation by £69,408 for the Company at 1 August 2015 and 31 July 2016.

(b) Deferred tax

Under previous UK GAAP, there was no requirement to calculate deferred tax in respect of all timing differences. Under FRS102, the Company is required to include the deferred tax on all timing differences. The impact is to reduce the reserves by £1,347,303 for the Company at 1 August 2015 and 31 July 2016.

(c) Basic Payment Scheme

Under previous UK GAAP, there was no requirement to value the Basic Payment Scheme units. Under FRS102, the Company is required to fair value all intangible assets included the Basic Payment Scheme units. As the units are shown as an intangible asset and a corresponding deferred Government Grant there is no impact to reserves from this adjustment.

(d) Revaluation of land and buildings

On transition to FRS 102 there is an option to include property, plant and equipment at deemed cost being the fair value of the asset at that date. A revaluation has therefore been included to measure all land and buildings at fair value on the date of transition.