

**COMPANY REGISTRATION NUMBER: SC062810**

**B Q Farms Limited**  
**Unaudited Financial Statements**  
**31 October 2018**

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# **B Q Farms Limited**

## **Financial Statements**

**Year ended 31 October 2018**

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# **B Q Farms Limited**

## **Officers and Professional Advisers**

<b>The board of directors</b>	J S Alexander J A K Macleod
<b>Company secretary</b>	M J McGrath
<b>Registered office</b>	Buccleuch Weatherhouse Bowhill SELKIRK TD7 5ES
<b>Bankers</b>	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB
<b>Solicitors</b>	Anderson Strathern 1 Rutland Court Edinburgh EH3 8EY

## **B Q Farms Limited**

### **Directors' Report**

#### **Year ended 31 October 2018**

The directors present their report and the unaudited financial statements of the company for the year ended 31 October 2018.

#### **Directors**

The directors who served the company during the year were as follows:

J S Alexander  
J A K Macleod

#### **Directors' responsibilities statement**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

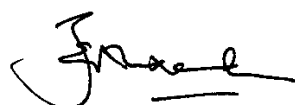
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 29 April 2019 and signed on behalf of the board by:



J S Alexander  
Director

## B Q Farms Limited

### Statement of Comprehensive Income

Year ended 31 October 2018

	Note	2018 £	2017 £
Turnover		–	2,615,348
Cost of sales		–	(1,768,427)
<b>Gross profit</b>		–	846,921
Administrative expenses		(204,904)	(105,163)
Other operating income		(825,571)	662
<b>Operating (loss)/profit</b>		(1,030,475)	742,420
Income from shares in group undertakings		–	2,981,384
Other interest receivable and similar income		541	35,791
Loans waived		(272,249)	–
Interest payable and similar expenses		(6,273)	–
<b>(Loss)/profit before taxation</b>	4	(1,308,456)	3,759,595
Tax on (loss)/profit		4,919	(166,663)
<b>(Loss)/profit for the financial year and total comprehensive income</b>		<u>(1,303,537)</u>	<u>3,592,932</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 7 to 12 form part of these financial statements.

# **B Q Farms Limited**

## **Statement of Financial Position**

**31 October 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	6	696,773	696,773
Investments	7	972	972
		<u>697,745</u>	<u>697,745</u>
<b>Current assets</b>			
Stocks		—	945,861
Debtors	8	—	400,187
Cash at bank and in hand		62,245	174,249
		<u>62,245</u>	<u>1,520,297</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(77,936)</u>	<u>(832,451)</u>
<b>Net current (liabilities)/assets</b>		<u>(15,691)</u>	<u>687,846</u>
<b>Total assets less current liabilities</b>		<u>682,054</u>	<u>1,385,591</u>
<b>Net assets</b>		<u>682,054</u>	<u>1,385,591</u>
<b>Capital and reserves</b>			
Called up share capital		600,100	100
Profit and loss account		81,954	1,385,491
<b>Shareholders funds</b>		<u>682,054</u>	<u>1,385,591</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 October 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- 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;
- 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 statement of financial position  
continues on the following page.

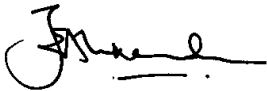
The notes on pages 7 to 12 form part of these financial statements.

## **B Q Farms Limited**

### **Statement of Financial Position** *(continued)*

**31 October 2018**

These financial statements were approved by the board of directors and authorised for issue on 29 April 2019, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'J S Alexander', with a horizontal line underneath.

J S Alexander  
Director

Company registration number: SC062810

The notes on pages 7 to 12 form part of these financial statements.

## B Q Farms Limited

### Statement of Changes in Equity

Year ended 31 October 2018

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 November 2016</b>	100	3,892,559	3,892,659
Profit for the year	—	3,592,932	3,592,932
<b>Total comprehensive income for the year</b>	—	3,592,932	3,592,932
Dividends paid and payable	—	(6,100,000)	(6,100,000)
<b>Total investments by and distributions to owners</b>	—	(6,100,000)	(6,100,000)
<b>At 31 October 2017</b>	100	1,385,491	<b>1,385,591</b>
Loss for the year	—	(1,303,537)	(1,303,537)
<b>Total comprehensive income for the year</b>	—	(1,303,537)	(1,303,537)
Issue of shares	600,000	—	600,000
<b>Total investments by and distributions to owners</b>	600,000	—	600,000
<b>At 31 October 2018</b>	<u>600,100</u>	<u>81,954</u>	<u><b>682,054</b></u>

The notes on pages 7 to 12 form part of these financial statements.



# **B Q Farms Limited**

## **Notes to the Financial Statements**

### **Year ended 31 October 2018**

#### **1. General information**

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Buccleuch, Weatherhouse, Bowhill, SELKIRK, TD7 5ES.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of The MDS Estates Limited which can be obtained from the company secretary, at The Estate Office, Weekley, Kettering, Northamptonshire, NN16 9UP. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

# **B Q Farms Limited**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 October 2018**

#### **3. Accounting policies *(continued)***

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Single Farm payment entitlement                      -        over the length of the entitlement

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# **B Q Farms Limited**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 October 2018**

#### **3. Accounting policies *(continued)***

##### **Tangible assets *(continued)***

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Capital improvements	- 4% straight line
Plant and Machinery	- 20% straight line

##### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

# B Q Farms Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 October 2018

#### 3. Accounting policies *(continued)*

##### Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### 4. Profit before taxation

Profit before taxation is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	—	2,550

# B Q Farms Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

### 5. Intangible assets

	Farming quotas £
<b>Cost</b>	
At 1 November 2017	251,647
Additions	—
Disposals	(251,647)
<b>At 31 October 2018</b>	<b>—</b>
<b>Amortisation</b>	
At 1 November 2017	251,647
Charge for the year	—
Disposals	(251,647)
<b>At 31 October 2018</b>	<b>—</b>
<b>Carrying amount</b>	
At 31 October 2018	—
At 31 October 2017	—

### 6. Tangible assets

	Land and buildings £
<b>Cost</b>	
At 1 November 2017 and 31 October 2018	696,773
<b>Depreciation</b>	
At 1 November 2017 and 31 October 2018	—
<b>Carrying amount</b>	
At 31 October 2018	696,773
At 31 October 2017	696,773

### 7. Investments

	Shares in group undertakings £	Other investments other than loans £	Total £
<b>Cost</b>			
At 1 November 2017 and 31 October 2018	204	768	972
<b>Impairment</b>			
At 1 November 2017 and 31 October 2018	—	—	—

# B Q Farms Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 October 2018**

### 7. Investments *(continued)*

	Shares in group undertakings £	Other investments other than loans £	Total £
<b>Carrying amount</b>			
<b>At 31 October 2018</b>	<b>204</b>	<b>768</b>	<b>972</b>
At 31 October 2017	<u>204</u>	<u>768</u>	<u>972</u>

### 8. Debtors

	2018 £	2017 £
Trade debtors	–	380,000
Amounts owed by group undertakings and undertakings in which the company has a participating interest	–	<u>20,187</u>
	<u>–</u>	<u>400,187</u>

### 9. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	<b>6,264</b>	138,340
Amounts owed to group undertakings and undertakings in which the company has a participating interest	–	1,095
Corporation tax	<b>7,684</b>	156,257
Social security and other taxes	<b>63,745</b>	284,038
Other creditors	<b>243</b>	252,721
	<u><b>77,936</b></u>	<u>832,451</u>

### 10. Contingencies

The directors have signed an unlimited inter company guarantee in favour of the group's bankers in respect of the group's global overdraft and debt facility. The company had a total contingent liability at 31 October 2018 of £63,307,893 (2017, £56,622,793).

### 11. Controlling party

The company's immediate parent undertaking is The Buccleuch Estates Limited, a company registered in Scotland. The company's ultimate parent undertaking and controlling entity is The MDS Estates Limited, a company registered in England. The smallest and largest group of companies which prepares consolidated accounts which this company is included in is The MDS Estates Limited. Consolidated accounts can be obtained from the company secretary, at The Estate Office, Weekley, Kettering, Northamptonshire, NN16 9UP.