Registered Number SC510252

Pitreadie Farm Limited

Unaudited Financial Statements

For the period ended 30 June 2021

Pitreadie Farm Limited
Company information and Contents

Directors	R A Stroulger T P Cross
Company number	SC510252
Registered office	4 Queen's Terrace Aberdeen Scotland AB10 1XL

Pitreadie Farm Limited
Statement of Financial Position
As at 30 June 2021

	Notes	2021 £'000	2020 £'000
Non-current assets			
Property, plant and equipment	4	**3,836**	7,736
Total non-current assets		**3,836**	7,736
Current assets			
Trade and other receivables	6	**65**	63
Inventory	5	**66**	131
Cash and cash equivalents	7	**221**	424
Total current assets		**352**	618
Total assets		**4,188**	8,354
Current liabilities			
Trade and other payables	8	**(88)**	(938)
Total current liabilities		**(88)**	(938)
Non-current liabilities			
Trade and other payables	9	**(638)**	(734)
Loans	10	**(500)**	(3,600)
Total non-current liabilities		**(1,138)**	(4,334)
Total liabilities		**(1,226)**	(5,272)
Net assets		**2,962**	3,082
Equity			
Called up share capital	11	**4,306**	4,306
Retained earnings		**(1,334)**	(1,224)
Shareholders' Equity		**2,962**	3,082

The directors of the company have elected not to include a copy of the profit and loss account with the financial statements. For the financial period ended 30 June 2021 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 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 28 February 2022 and are signed on its behalf by:

Ryan Stroulger
Director

Registered Number SC510252

Pitreadie Farm Limited
Notes to the Financial Statements
For the period ended 30 June 2021

1. Corporate information

The financial statements of the Company for the period ended 30 June 2021 were authorised for issue by the Board of Directors on 28 February 2022 and the Statement of Financial Position was signed on the Board's behalf by R A Stroulger. The Company is a private limited company incorporated in Scotland. The registered office is located at 4 Queen's Terrace, Aberdeen, Scotland, AB10 1XL.

2. Accounting policies

Basis of preparation of the financial statements

The financial information presented in this statement has been prepared in accordance with United Kingdom Accounting standards FRS 101 and the Companies Act 2006 applicable to companies using FRS 101.

FRS 101 sets out a reduced disclosure framework for a "qualifying entity", as defined in the Standard, which addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted International Financial Reporting Standards ("IFRSs").

The Company is a qualifying entity for the purposes of FRS 101. Note 13 gives details of the Company's ultimate parent and from where the consolidated financial statements prepared in accordance with IFRS (as adopted by the UK) may be obtained.

The Company has taken advantage of the following disclosure exemptions under FRS 101:
– IFRS 7, 'Financial Instruments: Disclosures'
– Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
(i) Paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements';
(ii) Paragraph 73(e) of IAS 16 'Property, plant and equipment';
– The following paragraphs of IAS 1, 'Presentation of financial statements':
– 10(d), (statement of cash flows);
– 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
– 16 (statement of compliance with all IFRS);
- 38A (requirement for minimum of two primary statements);
- 38B-D (additional comparative information);
- 111 (cash flow statement information); and
- 134-136 (capital management disclosures)
– IAS 7, 'Statement of cash flows'
– Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
– Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
-The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a Group.

The financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain fair value adjustments required by those accounting policies.

2. Accounting policies (continued)

Going concern
Despite ongoing restrictions implemented by the United Kingdom Government in response to the COVID-19 pandemic, the Company had net assets of £2,962,000 of which £221,000 was held in cash and cash equivalents at 30 June 2021. The Directors, after making appropriate enquiries have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Revenue recognition
Revenue comprises livestock sales. Revenue from contracts with customers is recognised when contract performance obligations are met.

Taxation
The tax expense represents the sum of the tax currently payable and any deferred tax.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the profit or loss statement because it excludes items of income or expense that are taxable or deductible in other periods 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 period end date.

Pensions
The Company offers to contribute 3% of employees' gross salary into pension plans. The cost of providing pension contributions for employees is charged to the statement of comprehensive income as accrued.

Property, plant and equipment
Property, plant and equipment are stated at historic purchase cost less depreciation and any provision for impairment.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset into its working condition. Depreciation is provided on all tangible fixed assets on a straight-line basis to write each asset down to its estimated residual value over its expected useful life, as follows:

Land	No depreciation charged
Buildings	Between 2% - 5% straight line
Plant and equipment	3 – 5 years
Right of Use Assets	Over the period of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each period end date.

Cash and cash equivalents
Cash and cash equivalents for the purposes of the cash flow statement includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade receivables
Trade receivables are initially stated at their transaction price determined in accordance with IFRS 15 and adjusted for any provisions for impairment. Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of expected loss to occur from default to determine the lifetime expected credit losses. Movements in the provision for expected trade losses are recorded in the statement of comprehensive income in administrative expenses.

2. Accounting policies (continued)

Trade payables
Trade payables are initially recognised at cost and subsequently at amortised cost.

Leases
IFRS 16 Leases set out the principles for the recognition, measurement, presentation and disclosure of leases for both lessors and lessees.

IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. Lessees recognise separately the interest expense on the lease liability and the depreciation expense on the right-of-use asset. There were recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the previous accounting under IAS 17 i.e. lessors continue to classify leases as finance or operating leases.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease, or, if that rate cannot be readily determined, the Company uses its incremental borrowing rate which is 8%.

The lease liability is subsequently recorded at amortised cost, using the effective interest rate method. The liability is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the rightof-use asset has been reduced to zero.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The Company does not currently act as a lessor.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions
Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the period end date. Employer's national insurance in the UK is payable on the exercise of certain share options or when benefits in kind are provided to employees. For share options, provision of national insurance is calculated on the expected gain on the share options at the period end date. For other benefits in kind, provision is made when it is probable that a liability will arise.

Pitreadie Farm Limited
Notes to the Financial Statements
For the period ended 30 June 2021

2. Accounting policies (continued)

Biological assets
Biological assets are recognised only when three recognition criteria have been fulfilled:

- the entity has control over the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

The company measures biological assets at cost less accumulated depreciation and accumulated impairment losses.

3. Staff costs

The average monthly number of persons (including directors) employed by the company during the year was 2 (2020- 3).

None of the Directors received any fees or remuneration for services as Directors of the Company during the financial year. Emoluments are paid to T P Cross and R A Stroulger by other group companies and are disclosed within their financial statements. The directors do not believe it to be practical to apportion this amount between their services of this Company and their services of other Group Companies.

4. Property, plant and equipment

	Freehold land and buildings	Plant and equipment	Leased assets	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2020	7,288	442	319	8,049
Disposal	(3,751)	-	-	(3,751)
Additions	50	-	-	50
At 30 June 2021	**3,537**	**442**	**319**	**4,348**
Depreciation and impairment				
At 1 July 2020	65	120	128	313
Depreciation charged in the year	16	87	96	199
At 30 June 2021	**81**	**107**	**224**	**512**
Net book value				
At 30 June 2021	**3,506**	**285**	**95**	**3,836**
At 30 June 2020	7,223	322	191	7,736

Right of Use Asset
The incremental borrowing rate applied to the leases is 8%.

5. Inventory

	2021	2020
	£'000	£'000
Inventory	66	131

Pitreadie Farm Limited
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For the period ended 30 June 2021

6. Trade and other receivables

	2021	2020
	£'000	£'000
Trade receivables	38	23
Other receivables	5	12
Prepayments and accrued income	22	28
	65	63

7. Cash and cash equivalents

	2021	2020
	£'000	£'000
Unrestricted cash in bank accounts	171	74
Restricted cash	50	350
	221	424

The Directors consider that the carrying amount of these assets approximates to their fair value. The credit risk on liquid funds is limited because the counter-party is a bank with a high credit rating.

8. Trade and other payables current

	2021	2020
	£'000	£'000
Trade payables	34	29
Leases	53	92
Amounts owed to group companies	-	813
Accruals and deferred income	1	4
	88	938

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. No interest is charged on the outstanding balance. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

9. Trade and other payables non-current

	2021	2020
	£'000	£'000
Leases	55	110
Accruals and deferred income	583	624
	638	734

10. Bank loans

	2021	2020
	£'000	£'000
Bank loans	500	3,600

The long-term loans are secured by a Floating Charge over the property of Pitreadie Farm Limited; a standard security over land at Pitreadie Farm, Banchory; a standard security over the land at Tipperty Farm. The funds held in restricted cash in note 7 are to cover the interest on the loan.

The loan is interest only loans which will mature in 2023.

11. Share capital and reserves

	2021	2020
	£'000	£'000
Share capital	4,306	4,306

	2021	2020
Ordinary shares of £0.01 each	600,000	600,000
Ordinary shares class B of £1 each	4,300,000	4,300,000

12. Lease Liabilities

The Company has entered into a commercial lease. The non-cancellable lease have remaining terms of between one and five periods. The incremental borrowing rate applied to the lease is 8%.

Discounted maturity analysis of IFRS 16 Leases:

	2021	2020
	£'000	£'000
Within one period	53	92
Within two to five periods	55	110
More than five periods	-	-
	108	202

13. Ultimate controlling party and related party transactions

The ultimate parent company is The Parkmead Group plc, a company registered in England and Wales in the UK. These financial results of the Company are included within the consolidated accounts of The Parkmead Group plc. The accounts can be obtained from Companies House, Crown Way, Cardiff, CF143UZ.