

Buccleuch Woodlands Limited
Unaudited Financial Statements
31 October 2017

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Buccleuch Woodlands Limited

Financial Statements

Year ended 31 October 2017

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Buccleuch Woodlands Limited

Officers and Professional Advisers

The board of directors	J E Colchester G S Rae (Resigned 19 April 2017) A M Fergusson (Appointed 16 May 2017)
Company secretary	M J McGrath
Registered office	Buccleuch Weatherhouse Bowhill SELKIRK TD7 5ES
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB
Solicitors	Anderson Strathern 1 Rutland Court Edinburgh EH3 8EY

Buccleuch Woodlands Limited

Directors' Report

Year ended 31 October 2017

The directors present their report and the unaudited financial statements of the company for the year ended 31 October 2017.

Directors

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

J E Colchester	
A M Fergusson	(Appointed 16 May 2017)
G S Rae	(Resigned 19 April 2017)

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and other information included in Directors' reports may differ from legislation in other jurisdictions.

Buccleuch Woodlands Limited

Directors' Report

Year ended 31 October 2017

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 30 April 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'J E Colchester', written in a cursive style.

J E Colchester
Director

Buccleuch Woodlands Limited

Statement of Income and Retained Earnings

Year ended 31 October 2017

	Note	2017 £	2016 £
Turnover		2,061,807	2,608,461
Cost of sales		(1,503,453)	(1,986,203)
Gross profit		558,354	622,258
Administrative expenses		(668,429)	(552,117)
Profit on disposal of fixed assets		3,249,774	480,172
Operating profit		3,139,699	550,313
Intercompany loans written off		(3,246,074)	–
Other interest receivable and similar income		17,224	21,227
(Loss)/profit before taxation	4	(89,151)	571,540
Tax on (loss)/profit		(3,344)	(4,245)
(Loss)/profit for the financial year and total comprehensive income		(92,495)	567,295
Dividends paid and payable		–	(973,184)
Retained earnings at the start of the year		915,384	1,321,273
Retained earnings at the end of the year		822,889	915,384

All the activities of the company are from continuing operations.

The notes on pages 7 to 11 form part of these financial statements.

Buccleuch Woodlands Limited

Statement of Financial Position

31 October 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	59,801	80,216
Current assets			
Stocks	6	23,861	19,026
Debtors	7	976,422	887,769
Cash at bank and in hand		528,385	756,891
		<u>1,528,668</u>	<u>1,663,686</u>
Creditors: amounts falling due within one year	8	<u>(765,480)</u>	<u>(828,418)</u>
Net current assets		<u>763,188</u>	<u>835,268</u>
Total assets less current liabilities		<u>822,989</u>	<u>915,484</u>
Net assets		<u>822,989</u>	<u>915,484</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		822,889	915,384
Members funds		<u>822,989</u>	<u>915,484</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 2017 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 11 form part of these financial statements.

Buccleuch Woodlands Limited

Statement of Financial Position *(continued)*

31 October 2017

These financial statements were approved by the board of directors and authorised for issue on 30 April 2018, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'J E Colchester', written in a cursive style.

J E Colchester
Director

Company registration number: SC078306

The notes on pages 7 to 11 form part of these financial statements.

Buccleuch Woodlands Limited

Notes to the Financial Statements

Year ended 31 October 2017

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 the provisions of FRS 102 Section 1A, '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.

Buccleuch Woodlands Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

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.

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.

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:

Plant and Machinery - 20% straight line

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.

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.

Buccleuch Woodlands Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

(Loss)/profit before taxation is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	<u>36,434</u>	<u>60,239</u>

Buccleuch Woodlands Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

5. Tangible assets

	Plant and machinery £	Timber £	Total £
Cost			
At 1 November 2016	343,269	1	343,270
Additions	16,019	–	16,019
Disposals	(25,353)	–	(25,353)
At 31 October 2017	333,935	1	333,936
Depreciation			
At 1 November 2016	263,054	–	263,054
Charge for the year	36,434	–	36,434
Disposals	(25,353)	–	(25,353)
At 31 October 2017	274,135	–	274,135
Carrying amount			
At 31 October 2017	59,800	1	59,801
At 31 October 2016	80,215	1	80,216

All fixed assets are initially recorded at cost.

The value of growing timber is not included in the balance sheet. Sales of timber plantations are taken to the profit and loss account as gains.

6. Stocks

	2017 £	2016 £
Felled timber, firewood and restocking items	23,861	19,026

7. Debtors

	2017 £	2016 £
Trade debtors	359,540	409,151
Amounts owed by group undertakings and undertakings in which the company has a participating interest	79,166	120,485
Other debtors	537,716	358,133
	976,422	887,769

Buccleuch Woodlands Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	324,281	361,944
Amounts owed to group undertakings and undertakings in which the company has a participating interest	146,100	43,289
Corporation tax	3,344	4,245
Social security and other taxes	13,322	87,003
Other creditors	278,433	331,937
	<u>765,480</u>	<u>828,418</u>

9. 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 2017 of £59,976,929, (2016, £64,230,953).

10. Related party transactions

Related party transactions with other group undertakings are excluded from the consolidated financial statements of The MDS Estates Limited and are therefore exempt from disclosure in these financial statements.

The company acts as agent for 9th Duke of Buccleuch Business Property Trust in the operation of its woodlands. The main beneficiary of the Trust is the 10th Duke of Buccleuch and 12th Duke of Queensberry KBE, DL. During the year the turnover with this Trust was £169,854 (2015 - £366,545). Sales on behalf of the Trust were £558,340 (2015 - £662,731). At the year-end there was an outstanding debtor of £24,462 (2015 - £94,234) and an outstanding creditor of £149,136 (2015 - £nil).

11. Controlling party

The company's immediate parent undertaking is Buccleuch Woodlands Enterprises 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.