

Registration number: SC208640

# Balgersho Farms Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 July 2020



Morris & Young  
Chartered Accountants  
6 Atholl Crescent  
PERTH  
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# **Balgersho Farms Limited**

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# **Balgersho Farms Limited**

## **Company Information**

<b>Directors</b>	Michael R Morris Mr Stuart Morris
<b>Registered office</b>	Wester Balgersho Farmhouse COUPAR ANGUS Perthshire PH13 9LW
<b>Solicitors</b>	McCash & Hunter 25 South Methven Street PERTH PH1 5PE
<b>Accountants</b>	Morris & Young Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

# Balgersho Farms Limited

(Registration number: SC208640)

## Statement of Financial Position as at 31 July 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	4	3,719,356	3,764,028
<b>Current assets</b>			
Stocks	5	274,381	290,315
Debtors	6	165,560	211,028
Cash at bank and in hand		53,655	33,394
		<u>493,596</u>	<u>534,737</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>(380,721)</u>	<u>(469,827)</u>
<b>Net current assets</b>		<u>112,875</u>	<u>64,910</u>
<b>Total assets less current liabilities</b>		3,832,231	3,828,938
<b>Creditors: Amounts falling due after more than one year</b>	7	(472,591)	(581,887)
<b>Provisions for liabilities</b>		<u>(121,320)</u>	<u>(123,574)</u>
<b>Net assets</b>		<u>3,238,320</u>	<u>3,123,477</u>
<b>Capital and reserves</b>			
Called up share capital	8	11,000	11,000
Profit and loss account		<u>3,227,320</u>	<u>3,112,477</u>
<b>Total equity</b>		<u>3,238,320</u>	<u>3,123,477</u>

For the financial year ending 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A.

The notes on pages 4 to 11 form an integral part of these financial statements.

**Balgersho Farms Limited**

**(Registration number: SC208640)**

**Statement of Financial Position as at 31 July 2020**

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 31 March 2021 and signed on its behalf by:



.....  
Mr Stuart Morris  
Director

The notes on pages 4 to 11 form an integral part of these financial statements.

# **Balgersho Farms Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Wester Balgersho Farmhouse

COUPAR ANGUS

Perthshire

PH13 9LW

These financial statements were authorised for issue by the Board on 31 March 2021.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## Balgersho Farms Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	0 - 25% straight line
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance
Tractors and combines	25% reducing balance
Plant and machinery	25% reducing balance

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Quota	50% straight line

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Balgersho Farms Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.



## **Balgersho Farms Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020**

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 6 (2019 - 6).

# Balgersho Farms Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

### 4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Tractors and combines £	Plant and machinery £	Total £
<b>Cost or valuation</b>						
At 1 August 2019	3,427,756	6,976	45,884	608,559	426,725	4,515,900
Additions	2,193	349	-	58,148	52,049	112,739
Disposals	-	-	-	-	(15,355)	(15,355)
At 31 July 2020	<u>3,429,949</u>	<u>7,325</u>	<u>45,884</u>	<u>666,707</u>	<u>463,419</u>	<u>4,613,284</u>
<b>Depreciation</b>						
At 1 August 2019	64,722	5,743	25,556	374,611	281,239	751,871
Charge for the year	35,000	396	5,082	73,024	42,875	156,377
Eliminated on disposal	-	-	-	-	(14,320)	(14,320)
At 31 July 2020	<u>99,722</u>	<u>6,139</u>	<u>30,638</u>	<u>447,635</u>	<u>309,794</u>	<u>893,928</u>
<b>Carrying amount</b>						
At 31 July 2020	<u>3,330,227</u>	<u>1,186</u>	<u>15,246</u>	<u>219,072</u>	<u>153,625</u>	<u>3,719,356</u>
At 31 July 2019	<u>3,363,034</u>	<u>1,233</u>	<u>20,328</u>	<u>233,948</u>	<u>145,485</u>	<u>3,764,028</u>

Included within the net book value of land and buildings above is £3,330,227 (2019 - £3,363,034) in respect of freehold land and buildings.

# Balgersho Farms Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

### 5 Stocks

	2020 £	2019 £
Raw materials and consumables	3,700	5,890
Work in progress	68,950	59,805
Other inventories	201,731	224,620
	<u>274,381</u>	<u>290,315</u>

### 6 Debtors

	2020 £	2019 £
Trade debtors	70,759	110,301
Prepayments	56,622	49,393
Other debtors	38,179	51,334
	<u>165,560</u>	<u>211,028</u>

### 7 Creditors

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

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	9	162,360	171,041
Trade creditors		69,157	90,038
Taxation and social security		60,265	58,443
Accruals and deferred income		10,425	10,425
Other creditors		78,514	139,880
		<u>380,721</u>	<u>469,827</u>

# Balgersho Farms Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

### Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	9	<u>472,591</u>	<u>581,887</u>
		<b>2020 £</b>	<b>2019 £</b>
<b>Due after more than five years</b>			
After more than five years by instalments		<u>76,924</u>	<u>118,599</u>

### 8 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary A of £1 each	5,500	5,500	5,500	5,500
Ordinary B of £1 each	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>
	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>

### 9 Loans and borrowings

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	461,060	560,554
Hire purchase contracts	<u>11,531</u>	<u>21,333</u>
	<u>472,591</u>	<u>581,887</u>

## Balgersho Farms Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bank borrowings	129,189	127,863
Hire purchase contracts	<u>33,171</u>	<u>43,178</u>
	<u>162,360</u>	<u>171,041</u>

#### Bank borrowings

Bank loan is denominated in £ with a nominal interest rate of 3.90%, and the final instalment is due on 27 April 2027. The carrying amount at year end is £51,991 (2019 - £80,379).

The bank hold a bond and floating charge over the assets of the company.

Bank loan is denominated in £ with a nominal interest rate of 2.55%, and the final instalment is due on 26 April 2027. The carrying amount at year end is £268,391 (2019 - £303,848).

The bank hold a bond and floating charge over the assets of the company.

Bank Loan is denominated in £ with a nominal interest rate of 3%, and the final instalment is due on 27 February 2027. The carrying amount at year end is £269,866 (2019 - £304,190).

Included in the loans and borrowings are the following amounts due after more than five years:

#### Borrowings due after five years

There is a bank loan which is due to be repaid by 26 April 2027. The rate of interest being charged on the bank loan is approximately 3.15%