Registered number: SC213927

THOW FARMS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

THOW FARMS LIMITED

COMPANY INFORMATION

DIRECTORS	N G Thow A R Thow
COMPANY SECRETARY	Mrs A Thow
REGISTERED NUMBER	SC213927
REGISTERED OFFICE	Westby 64 West High Street Forfar Angus DD8 1BJ
ACCOUNTANTS	EQ Accountants Limited Chartered Accountants Westby 64 West High Street Forfar Angus DD8 1BJ

THOW FARMS LIMITED
REGISTERED NUMBER:SC213927

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2023

			2023		2022
			£		£
FIXED ASSETS					
Tangible assets	4		**4,305,270**		*3,700,002*
Fixed Asset Investments	5		**9,326**		*13,954*
			4,314,596		*3,713,956*
CURRENT ASSETS					
Stocks		**3,110,572**		*2,930,292*	
Debtors	6	**292,356**		*765,445*	
Cash at bank and in hand		**4,670**		*(185,181)*	
		3,407,598		*3,510,556*	
Creditors: amounts falling due within one year	7	**(2,302,533)**		*(2,170,110)*	
NET CURRENT ASSETS			**1,105,065**		*1,340,446*
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,419,661**		*5,054,402*
Creditors: amounts falling due after more than one year	8		**(3,102,844)**		*(3,131,802)*
PROVISIONS FOR LIABILITIES					
Deferred tax		**(170,013)**		*(106,790)*	
			(170,013)		*(106,790)*
NET ASSETS			**2,146,804**		*1,815,810*
CAPITAL AND RESERVES					
Called up share capital	9		**100**		*100*
Profit and loss account			**2,146,704**		*1,815,710*
			2,146,804		*1,815,810*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2023

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 financial statements 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 - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 February 2024.

N G Thow
Director

The notes on pages 3 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

1. GENERAL INFORMATION

Thow Farms Limited is a private limited company limited by shares incorporated in Scotland with registration number SC213927. The registered office is Westby, 64 West High Street, Forfar, DD8 1BJ. The Company's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 AGRICULTURAL SUPPORT SCHEME

Income from the Basic Payment Scheme is not recognised until 31 December of the relevant scheme year, when all conditions of the scheme have been complied with.

Income received under livestock support schemes is recognised as income when the business receives the payment, and not when the business has met all the criteria which entitles it to the income.

2.3 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (continued)

2.5 CURRENT AND DEFERRED TAXATION

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

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.7 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:.

Depreciation is provided on the following basis:

Property improvements	-	4.0%	Reducing balance
Plant and equipment	-	12.5%	Reducing balance
Motor vehicles	-	25.0%	Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (continued)

2.8 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.10 FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" 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.

2.11 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 7 *(2022 - 7)*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

4. TANGIBLE FIXED ASSETS

	Heritable property	Property improvements	Plant & machinery	Motor vehicles	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 June 2022	**2,612,675**	**364,251**	**1,118,678**	**96,214**	**4,191,818**
Additions	**461,764**	**-**	**329,608**	**68,285**	**859,657**
Disposals	**-**	**-**	**(155,473)**	**(4,791)**	**(160,264)**
At 31 May 2023	**3,074,439**	**364,251**	**1,292,813**	**159,708**	**4,891,211**
DEPRECIATION					
At 1 June 2022	**-**	**54,878**	**391,957**	**44,981**	**491,816**
Charge for the year on owned assets	**-**	**12,375**	**120,779**	**29,501**	**162,655**
Disposals	**-**	**-**	**(65,254)**	**(3,276)**	**(68,530)**
At 31 May 2023	**-**	**67,253**	**447,482**	**71,206**	**585,941**
NET BOOK VALUE					
At 31 May 2023	**3,074,439**	**296,998**	**845,331**	**88,502**	**4,305,270**
At 31 May 2022	*2,612,675*	*309,373*	*726,721*	*51,233*	*3,700,002*

5. FIXED ASSET INVESTMENTS

	Trade investments
	£
At 1 June 2022	**13,954**
Disposals	**(4,628)**
NET BOOK VALUE	
At 31 May 2023	**9,326**
At 31 May 2022	*13,954*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

6. DEBTORS

	2023	2022
	£	£
Trade debtors	**141,785**	*106,946*
Other debtors	**150,571**	*658,499*
	292,356	*765,445*

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank overdrafts	**524,356**	*450,394*
Bank loans	**28,798**	*26,348*
Trade creditors	**531,181**	*490,452*
Obligations under finance lease and hire purchase contracts	**89,797**	*51,180*
Other creditors	**1,128,401**	*1,151,736*
	2,302,533	*2,170,110*

The following liabilities were secured:

	2023	2022
	£	£
Bank loans	**28,798**	*26,348*
Hire purchase contracts	**89,797**	*51,180*
	118,595	*77,528*

Details of security provided:

The loans are secured by charges over the farms and land of Blairs, Kinkell, Denside, Motheyholes, Bogburn, Glenfarquhar, Loanhead and Goosecreives.

The hire purchase creditors are secured against the underlying asset purchased.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans	**3,059,349**	*3,092,415*
Net obligations under finance leases and hire purchase contracts	**43,495**	*39,387*
	3,102,844	*3,131,802*

The following liabilities were secured:

	2023	2022
	£	£
Bank loans	**3,059,349**	*3,092,415*
Hire purchase contracts	**43,495**	*39,387*
	3,102,844	*3,131,802*

Details of security provided:

The loans are secured by charges over the farms and land of Blairs, Kinkell, Denside, Motheyholes, Bogburn, Glenfarquhar, Loanhead and Goosecreives.

The hire purchase creditors are secured against the underlying asset purchased.

9. SHARE CAPITAL

	2023	2022
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
100 *(2022 - 100)* Ordinary shares of £1.00 each	**100**	*100*

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.