

Financial Statements

MDS Group Operations Limited

For the year ended 31 October 2025

Registered number: SC768803

MDS Group Operations Limited

Company Information

Directors	B F Higgins The 10 th Duke of Buccleuch and 12 th Duke of Queensberry KT KBE FRSE DL The Earl of Dalkeith Lady Elizabeth Dalkeith Lord Damian Scott J M P Galbraith S C Perkins
Company secretary	J S Alexander
Registered number	SC768803
Registered office	Buccleuch Estate Office Weatherhouse Bowhill Selkirk TD7 5ES
Independent auditor	Grant Thornton UK LLP Level 8 Chartered Accountants & Statutory Auditor 120 Bothwell Street Glasgow G2 7JS
Bankers	Royal Bank of Scotland 36 St Andrew Square EDINBURGH EH2 2AD HSBC Bank plc 13 Parliament Street YORK YO1 8RS
Solicitors	Anderson Strathern LLP 58 Morrison Street Edinburgh EH3 8BP

MDS Group Operations Limited

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MDS Group Operations Limited

Group strategic report

For the year ended 31 October 2025

Business review

Overall, within the financial statements, MDS Group Operations Limited, the parent company of the Group, has achieved a consolidated profit after tax of £3.7m (2024: £(5.8m)).

As outlined in the company’s annual accounts to 31 October 2024, an internal restructuring exercise was undertaken in early 2025 and all trading activities are now undertaken under the control of MDS Group Operations Limited.

MDS Group Operations Limited and its subsidiary companies undertake agricultural, forestry, sporting, renewable energy development and hospitality activities amongst others.

The financial performance for the year reflects the results of those subsidiaries with a prior year comparison shown for the group’s performance prior to the above-mentioned restructuring exercise. The group performed well in the year, adapting to environmental challenges in both agriculture and forestry, whilst progressing various renewable energy generation and storage projects. Within the hospitality sector the group performed robustly managing the effect of the cost-of-living crisis on visitor spend.

Against a backdrop of wider geopolitical instability, we have confidence in Buccleuch’s ability to adapt where possible.

Key Performance Indicators

The directors monitor Key Performance Indicators on a quarterly basis comparing actual figures against those budgeted. The main indicators are displayed in the table below:

	2025	2024
	£000	£000
Turnover	18,978	21,180
Gross profit	7,761	8,971
Overheads	(8,923)	(15,325)
Net assets	42,438	35,720

Principal business risks and uncertainties

In accordance with Section 172 of the Companies Act 2006 and FRS 102, the Directors have identified the principal risks and uncertainties facing the Company. These risks arise from the nature of the Company’s diversified activities in farming, forestry, sporting, visitor services and energy, together with wider external factors. The Directors regularly review these risks as part of the ongoing management of the business.

Farming

The Company’s farming operations are exposed to volatility in agricultural commodity prices and fluctuations in input costs, including fertiliser, feed, fuel and labour. Adverse weather conditions, disease outbreaks and biosecurity incidents may also impact yields and livestock performance. In addition, the agricultural sector continues to experience policy uncertainty, including changes to subsidy regimes and environmental land management schemes, which may affect future income levels. These risks are partially mitigated through diversification, cost control measures and prudent long-term planning.

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Group strategic report

For the year ended 31 October 2025

Forestry

Forestry income is subject to movements in timber prices and harvesting costs, together with risks to standing timber from extreme weather events, pests and disease. Forestry activities are also influenced by environmental regulation, felling licence requirements and long-term management obligations. The Directors mitigate these risks through species diversification, phased harvesting plans, sustainable forest management practices and appropriate insurance cover where available.

Sporting Activities

Income from sporting activities is seasonal and dependent on weather conditions, consumer demand and discretionary spending. Changes in regulation relating to health and safety, firearms, land management or animal welfare could increase compliance costs or restrict activities. These risks are mitigated by maintaining high operational standards, complying with relevant regulations and seeking to broaden the sporting offer to include simulated experiences.

Visitor Services

Visitor services, including retail and restaurants, are sensitive to economic conditions that affect consumer confidence and discretionary spending. Visitor numbers may also be impacted by adverse weather, reputational factors and competition. The Directors manage these risks through ongoing investment in facilities, marketing activities, maintaining appropriate insurance cover and ensuring compliance with health, safety and licensing requirements.

Energy

The Group's energy activities are exposed to risks such as planning and grid availability. Financial returns may be affected by changes in energy prices, government support mechanisms and regulatory requirements. These risks are mitigated through the use of long-term planning, monitoring of regulatory developments and prudent capital investment decisions. The Group is investing in Energy projects that it sees as viable projects.

Regulatory and Compliance Risk

The Group operates within a complex regulatory framework covering agriculture, environmental protection, planning, employment, health and safety and energy generation. Changes in legislation or regulatory interpretation may lead to increased compliance costs or operational restrictions. The Directors monitor regulatory developments and take professional advice where appropriate to ensure compliance.

Macro-economic risks

The Group is exposed to wider macro-economic conditions, including inflationary pressures, movements in interest rates, supply chain disruption and labour availability. These factors may increase operating costs or reduce demand for the products and services. Financial risks are mitigated through careful cash flow management, maintaining adequate liquidity and the diversification of income streams.

Climate Change Risk

Climate change presents both physical and transition risks to the Group. Physical risks include increased frequency and severity of extreme weather events such as flooding, drought and storms, which may affect agricultural production, forestry assets, infrastructure and visitor activities. Transition risks arise from evolving environmental regulation, stakeholder expectations and the potential need for additional investment in sustainable land use and energy efficiency. The Directors consider climate resilience as part of strategic and operational decision-making

MDS Group Operations Limited

Group strategic report

For the year ended 31 October 2025

Note of thanks

As always, the continued hard work of our colleagues across each of the estates and enterprises, contributes to the financial performance of the Group, at times in challenging conditions. Without this continued support and input, Buccleuch Group would not be the business it is, and we are confident, as we begin a new year, that as an employer and a business, Buccleuch is in a good position. On behalf of the board, I would like to thank each of our colleagues for their ongoing commitment and efforts.

This report was approved by the board and signed on its behalf.

**B F Higgins**

Director

Date: 8/5/2026

MDS Group Operations Limited

Directors' report

For the year ended 31 October 2025

The directors present their report and the financial statements for the year ended 31 October 2025.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report and 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, including FRS 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 and profit or loss of the company and group 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;
- 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 confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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.

Principal activity

The principal activity of the Group continued to be that of management of agricultural and forestry land, hospitality and energy projects. In addition, the Group operates a sporting enterprise at Queensberry Estate.

Directors' insurance and indemnities

The Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has insurance for the benefit of all its Directors in a form and scope which complies with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

MDS Group Operations Limited**Directors' report (continued)****For the year ended 31 October 2025****Results and dividends**

The profit for the year, after taxation amounted to £3.718m (2024 - £(5.800)m). During the year, a dividend of £1m was paid, (2024 - £1.147m) was paid. No final dividend is proposed.

Charitable donations

During the year, the group made £303k (2024: £1,324k) in charitable donations.

Future developments

Looking ahead, the Group will continue to build on its existing strengths while remaining open to new opportunities for growth and innovation. In addition, the Directors will continue to monitor and evaluate new opportunities and innovations that are consistent with the Group's strategic objectives and risk appetite.

During the coming period, the Group also intends to enhance the offering at Dalkeith, including the development of a café space and improvements to the existing retail provision, with the aim of increasing visitor engagement and supporting diversified income streams.

Directors

The directors who served during the year were:

B F Higgins

The 10th Duke of Buccleuch and 12th Duke of Queensberry KT KBE FRSE DL

The Earl of Dalkeith

Lady Elizabeth Dalkeith

Lord Damian Scott

J M P Galbraith

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**B F Higgins**

Director

Date: 8/5/2026



Independent auditor's report to the members of MDS Group Operations Limited

Opinion

We have audited the financial statements of MDS Group Operations Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2025, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the company statement of financial position, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2025 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter – prior year financial statements unaudited

The parent company was not required to have a statutory audit for the year ended 31 October 2024 as it was entitled to exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly, the corresponding figures for the year ended 31 October 2024 are unaudited.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.



Independent auditor's report to the members of MDS Group Operations Limited

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the ongoing impacts of inflation and the cost of living on consumers, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



Independent auditor's report to the members of MDS Group Operations Limited

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' report set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent auditor's report to the members of MDS Group Operations Limited

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).
- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates through our general and commercial and sector experience and discussions with management. We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries of management and of those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing journal entries which were considered by the engagement team to have unusual or riskier characteristics;
 - Identifying and testing certain related party transactions;
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and
 - Performing audit procedures to conclude on the compliance of disclosures with the applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement teams:
 - Understanding of, and practical experience with audit engagement of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the client operates; and
 - Understanding of the legal and regulatory requirements specific to the entity, including provisions of the application legislation rules and related guidance.



Independent auditor's report to the members of MDS Group Operations Limited

- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud through management override of controls, including through journals posted by senior management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Andersen

James Andersen
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow

Date 8/5/2026

MDS Group Operations Limited**Consolidated statement of comprehensive income****For the year ended 31 October 2025**

	Note	2025 £'000	2024 £'000
Group turnover	4	18,978	21,180
Cost of sales		(11,217)	(12,209)
Gross profit		7,761	8,971
Administrative expenses		(8,923)	(15,325)
Other operating income	5	5	-
Fair value movements of investments		863	70
Fair value movements of investment property		1,825	(971)
Total operating profit / (loss) of the group	7	1,531	(7,255)
Gain on disposal of fixed assets		81	35
Interest receivable and similar income	10	15	23
Interest payable and similar charges		-	-
Profit / (loss) on ordinary activities before taxation		1,627	(7,197)
Taxation	11	2,091	1,397
Profit / (loss) for the financial year		3,718	(5,800)

All activities are considered to be continuing activities.

The notes on pages 23 to 44 form part of these financial statements.

MDS Group Operations Limited**Consolidated statement of financial position****As at 31 October 2025****Registered number: SC768803**

	Note	2025 £'000	2024 £'000
Fixed assets			
Intangible assets	12	115	126
Tangible assets	13	4,952	6,843
Investment property	14	6,661	4,836
		<u>11,728</u>	<u>11,805</u>
Investments			
Listed investments	15	5,165	4,560
Unlisted investments	15	2,720	2,462
		<u>7,885</u>	<u>7,022</u>
Current assets			
Stocks	16	16,074	9,888
Debtors: amounts falling due within one year	17	7,164	6,288
Debtors: greater than one year - deferred tax	20	1,335	915
Cash and cash equivalents		5,885	9,687
		<u>30,458</u>	<u>26,778</u>
Creditors: amounts falling due within one year	18	<u>(7,572)</u>	<u>(9,824)</u>
Net current assets		<u>22,886</u>	<u>16,954</u>
Total assets less current liabilities		<u>42,499</u>	<u>35,781</u>
Creditors due after more than one year			
Preference shares	19	<u>(61)</u>	<u>(61)</u>
Net assets		<u><u>42,438</u></u>	<u><u>35,720</u></u>

The notes on pages 23 to 44 form part of these financial statements.

MDS Group Operations Limited**Consolidated statement of financial position (continued)****As at 31 October 2025****Registered number: SC768803**

	Note	2025 £'000	2024 £'000
Capital and reserves			
Called-up equity share capital	21	196,498	196,498
Revaluation reserve	22	6,661	4,836
Merger reserve	22	(177,621)	(180,621)
Profit and loss account	22	16,900	15,007
		<u>42,438</u>	<u>35,720</u>
Equity attributable to owners of the parent company		<u>42,438</u>	<u>35,720</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



B F Higgins
Director

Date: 8/5/2026

The notes on pages 23 to 44 form part of these financial statements.

MDS Group Operations Limited**Consolidated statement of changes in equity****For the year ended 31 October 2025**

	Called up share capital	Merger reserve	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 31 October 2024	196,498	(180,621)	4,836	15,007	35,720
Profit for the year	-	-	-	3,718	3,718
Revaluation on investments and investment properties in the current year	-	-	1,825	(1,825)	-
Profit for the financial year	-	-	1,825	1,893	3,718
Dividend received pre merger	-	4,000	-	-	4,000
Dividend paid	-	(1,000)	-	-	(1,000)
At 31 October 2025	196,498	(177,621)	6,661	16,900	42,438

The notes on pages 23 to 44 form part of these financial statements.

MDS Group Operations Limited**Consolidated statement of changes in equity****For the year ended 31 October 2025**

	Called up share capital	Merger reserve	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 31 October 2023	196,498	(196,584)	5,807	19,836	25,557
Loss for the year	-	-	-	(5,800)	(5,800)
Revaluation on investments and investment properties in the current year	-	-	(971)	971	-
Loss for the financial year	-	-	(971)	(4,829)	(5,800)
Dividend received pre merger	-	17,110	-	-	17,110
Dividend paid	-	(1,147)	-	-	(1,147)
At 31 October 2024	196,498	(180,621)	4,836	15,007	35,720

The notes on pages 23 to 44 form part of these financial statements.

MDS Group Operations Limited**Company statement of financial position****As at 31 October 2025****Registered number: SC768803**

	Note	2025 £000	Unaudited 2024 £000
Investments			
Investments in group undertakings	15	202,488	-
		<u>202,488</u>	<u>-</u>
Current assets			
Debtors: amounts due from group undertakings	17	-	6
		<u>-</u>	<u>6</u>
Creditors: amounts falling due within one year	18	(47)	-
Net current (liabilities) / assets		<u>(47)</u>	<u>6</u>
Total assets less current liabilities		202,441	6
Creditors due after more than one year			
Preference shares	19	(61)	-
Net assets		<u>202,380</u>	<u>6</u>
Capital and reserves			
Called-up equity share capital	21	196,498	6
Merger reserve	22	5,929	-
Profit and loss account	22	(47)	-
Shareholders' funds		<u>202,380</u>	<u>6</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income statement in these financial statements. The loss after tax of the parent Company for the period was £(47,000), (2024 – nil).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


B F Higgins

Director

Date: 8/5/2026

The notes on pages 23 to 44 form part of these financial statements.

MDS Group Operations Limited**Company statement of changes in equity****For the year ended 31 October 2025**

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 November 2023 (unaudited)	6	-	-	6
At 1 November 2024	6	-	-	6
Shares issued in the year	196,492	-	-	196,492
Merger reserve	-	5,929	-	5,929
Loss on ordinary activities after taxation	-	-	(47)	(47)
At 31 October 2025	196,498	5,929	(47)	202,380

The notes on pages 23 to 44 form part of these financial statements.

MDS Group Operations Limited**Consolidated statement of cash flows****For the year ended 31 October 2025**

	2025	2024
	£000	£000
Cash flows from operating activities		
Profit / (loss) for the financial year	3,718	(5,800)
Adjustments for:		
Amortisation of intangible assets	11	11
Depreciation	796	1,105
Profit on disposal of tangible assets	(81)	(35)
Interest received	(15)	(23)
Taxation	(2,091)	(1,397)
Fair value movements of investment properties recognised in P&L	(1,825)	971
Fair value movements of investments recognised in P&L	(863)	(70)
Other income	5	-
Changes in stocks	(6,187)	(2,863)
Working capital movements	(3,298)	1,245
Tax group relief receipts	1,630	430
Net cash (used) from operating activities	(8,200)	(6,426)

	2025	2024
	£000	£000
Cash flows from investing activities		
Purchase of fixed assets	(943)	(955)
Purchase of investments	-	(6,952)
Dividend received pre demerger	4,000	17,110
Sale of property and fixed assets	2,164	310
Sale of intangible assets	-	113
Net cash generated in investing activities	5,221	9,626

	2025	2024
	£000	£000
Cash flows from financing activities		
Repayment of loan to the group	250	(250)
Repayment of finance leases	(30)	(69)
Dividends paid	(1,000)	(1,147)
Interest paid	(43)	(39)
Net cash (used in) financing activities	(823)	(1,505)

MDS Group Operations Limited**Consolidated statement of cash flows (continued)****For the year ended 31 October 2025**

	2025	2024
	£000	£000
Net cash generated / (used in) operating activities	(8,200)	(6,426)
Net cash generated / (used in) investing activities	5,221	9,626
Net cash generated / (used in) financing activities	(823)	(1,505)
Net (decrease) / increase in cash and cash equivalents	<u>(3,802)</u>	<u>1,695</u>

	2025	2024
	£000	£000
Cash and cash equivalents at the start of the year	9,687	7,992
Net (decrease) / increase in cash and cash equivalents	(3,802)	1,695
Cash and cash equivalents at the end of the year	<u>5,885</u>	<u>9,687</u>

The notes on pages 23 to 44 form part of these financial statements.

MDS Group Operations Limited

Notes to the financial statements

For the year ended 31 October 2025

1. General information

MDS Group Operations Limited is a private company limited by share capital incorporated in the UK. The Registered Office is Buccleuch Weatherhouse, Bowhill, Selkirk TD7 5ES.

The principal activity of the Group was management of agricultural and forestry land, hospitality and sporting activities and energy projects.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3). The financial statements are presented in Sterling (£). The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income statement in these financial statements.

Going concern

The financial statements for the group and company have been prepared on the going concern basis. In arriving at their conclusion, the directors have considered the group and company's net assets position, normal working capital obligations, inflationary pressures, the cross-guarantee in place with other group companies and support which may need to be provided to other group entities.

The directors have prepared cash flow forecasts which did not indicate any breach of available headroom. Furthermore, the directors stress tested the cash flows included in the forecasts to take a more pessimistic view on the future and in this scenario the group and company still maintained sufficient headroom. Finally, the directors have performed a review of forecast covenant compliance using the forecasted results until October 2027 to check the interest cover and the asset cover. No likely breaches were identified from these forecasts and the directors deem it unlikely that there will be a breach of covenants against the Private Placement facility up to the end of this assessment period. Any breach is considered remote. The Private Placement facility is held by MDS Group Investments limited, but MDS Group Operations Limited is a guarantor.

The directors of MDS Group Investments Limited have signed a letter confirming continued support of MDS Group Operations Limited and its subsidiaries.

MDS Group Operations Limited

Notes to the financial statements (continued)

For the year ended 31 October 2025

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Basis of consolidation – merger accounting

A Group reconstruction took place on the 1 February 2025. The Group has applied merger accounting to account for business combinations involving entities under common control, in accordance with FRS 102 Section 19. Under merger accounting, the results of the combining entities are presented as if they had always been part of the same group. Accordingly, the consolidated statement of comprehensive income includes the results of all combining entities for the entire period, and the corresponding comparatives are restated to reflect the combined position. The assets and liabilities of the combining entities are recognised at their existing carrying amounts (book values) at the date of the combination. No fair value adjustments are made and no goodwill is recognised. Any difference between the consideration given and the aggregate book value of the net assets acquired is recognised directly in equity as a merger reserve. Merger accounting has been applied to the demerger of the MDS Group Investments Limited Group, as the transaction represents a group reconstruction involving entities under common control.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Woodlands

Turnover on timber deliveries is recognised on delivery to the weighbridge and turnover on other timber related products is recognised on delivery to the customer.

Shooting income

Turnover is recognised when the day of the shoot happens. Invoices are sent out at the time of booking and the income posted to deferred income.

Farming income

Turnover is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Visitor services

Turnover is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

MDS Group Operations Limited

Notes to the financial statements (continued)

For the year ended 31 October 2025

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

- | | |
|-------------------------|------------------|
| ▪ Heritable property | - 50 years |
| ▪ Capital improvements | - 10 to 50 years |
| ▪ Plant and machinery | - 3 to 5 years |
| ▪ Fixtures and fittings | - 3 to 5 years |

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 the consolidated income statement.

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****2. Accounting policies (continued)****2.6 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss. Any unrealised revaluations at the year-end are transferred through the statement of changes in equity to the revaluation reserve.

2.8 Valuation of investments

The investment by MDS Group Operations Limited into The MDS Estates Limited has been recognised initially at fair value and subsequently at cost less accumulated impairment. Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period. Investments in unlisted shares, whose market value can be reliably determined, are remeasured to fair value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period. Where market value cannot be reliably determined, such investments are stated at historic cost.

2.9 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. Stock includes livestock. Own bred livestock are valued at a percentage of market value. Any purchased livestock is valued at cost. Work in progress and finished goods include labour and attributable overheads. Impairments to work in progress are attributed in the first instance to any capitalised finance charges, and thereafter against direct materials plus 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.

MDS Group Operations Limited

Notes to the financial statements (continued)

For the year ended 31 October 2025

2. Accounting policies (continued)

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash in the balance sheet comprises cash at bank and in hand which are redeemable on demand and form an integral part of the Group's cash management.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial statements are classed as financial liabilities. Financial liabilities are presented as such on the Statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****2. Accounting policies (continued)****2.13 Financial instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Statement of financial position when there is an 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.

2.14 Financial risks and uncertainties

The Group uses various financial instruments including loans, cash, equity investments, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

2.15 Price risk

The Group's exposure to price risk consists mainly of movements in agriculture commodity prices and timber prices.

The Group mitigates this risk by tightly controlling individual projects by having a strong and long-standing internal resource, which actively manages the portfolio, and by employing external property managers or development project managers where necessary.

Additionally, the Group mitigates this risk by holding a diverse portfolio of assets in terms of market, asset class, sector and geographical location.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

MDS Group Operations Limited

Notes to the financial statements (continued)

For the year ended 31 October 2025

2. Accounting policies (continued)

2.18 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.19 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.20 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.21 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Statement of financial position 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.

MDS Group Operations Limited

Notes to the financial statements (continued)

For the year ended 31 October 2025

2. Accounting policies (continued)

2.23 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.24 Long-term incentive plan scheme

Long-term management incentive plans are in place. Cash awards are made to management based on the performance of selected development projects and energy projects. Amounts are accrued within the financial statements when it is probable a payment relating to the selected projects will be made to management.

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****3. Judgements in applying accounting policies 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 based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

Following the restructure, merger accounting was considered applicable, see note 2.2.

Estimates

An accrual has been included in the accounts for the LTIP award. All projects in the schemes (which are forecast to be profitable) have been accrued for on a percentage completion and probability weighted basis. Forecast IRR models are prepared by management using a number of underlying assumptions, such estimates are subject to significant uncertainty given the long-term nature of projects.

Company valuations used as part of the restructuring were based on the net asset value of the company at the time of the demerger. Valuations were based on the 31 October 2024 valuations, together with valuations of woodland, previous valuations were updated for current market movements by the directors, and for any other material movements estimates were made.

4. Turnover

	2025 £000	2024 £000
Farming	7,804	8,788
Woodlands	4,553	3,963
Sporting	3,756	3,577
Visitor services	2,865	4,852
	<u>18,978</u>	<u>21,180</u>

5. Other operating income

	2025 £000	2024 £000
Other income	<u>5</u>	<u>-</u>

6. Operating leases

At 31 October 2025 the company had the following future minimum lease payments under non-cancellable operating leases:

	2025 £000	2024 £000
Within one year	123	153
Between one and five years	146	269
After five years	-	-
	<u>269</u>	<u>422</u>

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****7. Operating profit**

The operating profit is stated after charging / (crediting):

	2025 £000	2024 £000
Charitable donations	303	1,384
Amortisation of intangible assets	11	11
Depreciation - owned assets	796	1,105
Gain / (loss) on revaluation of investment property	1,825	(971)
Gain on revaluation of listed investments	863	70

8. Auditors' remuneration

	2025 £000	2024 £000
Fees payable to Group auditor for non audit services	<u>25</u>	<u>-</u>
Fees payable to Group auditor for audit of the Company financial statements	<u>47</u>	<u>-</u>
Fees payable to Group auditor for tax compliance work	<u>45</u>	<u>-</u>

9. Employees

None of the directors were remunerated by this group (2024 - nil). All employees and directors are contracted by MDS Group Investments Limited, costs relating to the Group are recharged across.

10. Interest receivable

	2025 £000	2024 £000
Interest receivable and similar income	<u>15</u>	<u>23</u>

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****11. Taxation**

	2025 £000	2024 £000
UK Corporation tax on profits for the year		
UK Corporation tax on profits for the year	317	325
Adjustments in respect of prior periods	(1,988)	(808)
Total current year tax credit	<u>(1,671)</u>	<u>(482)</u>
	2025 £000	2024 £000
Deferred tax		
Origination or reversal of timing differences	735	(882)
Adjustments in respect of prior periods	(1,155)	(33)
Total deferred tax	<u>(420)</u>	<u>(915)</u>
	2025 £000	2024 £000
Corporation tax		
Current year tax credit	(1,671)	(482)
Current year deferred tax credit	(420)	(915)
Taxation on profit of ordinary activities	<u>(2,091)</u>	<u>(1,397)</u>

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is the standard rate of corporation tax in the UK of 25% (2024 – 25%). The differences are explained below:

	2025	2024
	£000	£000
Profit on ordinary activities before tax	1,627	(7,197)
Tax on profit on ordinary activities at standard corporation tax rate	406	(1,799)
Effects of:		
Expenses not deductible for tax purposes	24	25
Fixed asset timing differences	56	118
Income not taxable for tax purposes – fair value movement	(456)	-
Income not taxable for tax purposes – dividends	-	-
Income not taxable for tax purposes – other	(397)	49
Other permanent differences	76	340
Other tax adjustments, reliefs and transfers	1,885	-
Capital gains/(losses)	1,237	709
Adjustments in respect of prior periods	(1,988)	(808)
Adjustments in respect of prior periods (deferred tax)	(1,155)	(31)
Movement in deferred tax not recognised	(1,779)	-
	(2,091)	(1,397)

Factors that may affect future tax charges

The 2025 budget increased the corporation tax rate to 25% from 1 April 2025. The Finance Act 2025 was substantively enacted on 24 May 2025. Deferred tax assets and liabilities at 31 October 2025 have been calculated based on the expected tax rate that will apply to the period in which the asset is realised, or liability is settled.

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****12. Intangible fixed assets**

Group	Farming Quotas £000	Other £000	Total £000
Cost			
At 1 November 2024	2,115	216	2,331
Additions	-	-	-
Disposals	-	-	-
At 31 October 2025	2,115	216	2,331
Amortisation			
At 1 November 2024	2,115	90	2,205
Provided during the year	-	11	11
On disposal	-	-	-
At 31 October 2025	2,115	101	2,216
Net book values			
At 31 October 2025	-	115	115
At 31 October 2024	-	126	126

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****13. Tangible fixed assets**

Group	Heritable property and improvements	Plant and machinery	Fixtures and fittings	Total
	£000	£000	£000	£000
Cost				
At 1 November 2024	7,690	7,267	1,135	16,092
Additions	300	600	88	988
Disposals	(2,316)	(1,498)	(821)	(4,635)
At 31 October 2025	5,674	6,369	402	12,445
Depreciation				
At 1 November 2024	3,005	5,344	900	9,249
Provided during the year	205	537	54	796
On disposal	(731)	(1,154)	(667)	(2,552)
At 31 October 2025	2,479	4,727	287	7,493
Net book values				
At 31 October 2025	3,195	1,642	115	4,952
At 31 October 2024	4,685	1,923	235	6,843

Included in the net book values of plant and machinery above are the following amounts relating to assets held under finance leases and hire purchase contracts.

	2025	2024
	£000	£000
Group	68	-

During the year, the Group charged depreciation amounting to £12,000 (2024 - £nil) in respect of assets held under finance leases and hire purchase contracts.

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****14. Investment property**

	2025 £000	2024 £000
Freehold investment property at valuation		
At 1 November 2024	4,836	5,807
Additions	-	-
Disposals	-	-
Gain / (loss) on revaluation	1,825	(971)
Transfer to heritable property	-	-
At 31 October 2025	6,661	4,836

Rural properties held for letting within the Group's investment portfolio with a historical cost of £4,836,000 (2024 - £4,836,000) were revalued to fair value as at 31 October 2025 by Savills (UK) Limited at £6,661,000 (2024 - £4,836,000). Their valuation was prepared at Fair Value being "The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date". The net revaluation surplus on the properties is included in the revaluation reserve, a non-distributable reserve.

When a property is no longer held for letting, but used within the operations of the group, the property is transferred from investment property to heritable property and vice versa.

15. Fixed asset investments

Group	Listed £000	Unlisted £000	Total £000
Cost or valuation			
At 1 November 2024	4,560	2,462	7,022
Additions	-	-	-
Disposals	-	-	-
Revaluation	605	258	863
At 31 October 2025	5,165	2,720	7,885

Company investments in group undertakings

	2025 £000	2024 £000
The MDS Estates Limited	202,488	-
	202,488	-

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****15. Fixed asset investments (continued)**

Subsidiary Undertakings	Principal Activity	Country of Incorporation or Registration	Class of Shares held	Proportion	Notes
The MDS Estates Limited	Holding Company	Scotland	Ordinary	100%	1
Buccleuch Holdings Limited	Holding Company	England	Ordinary	100%	2
Restoration Yard Limited	Visitor Services	Scotland	Ordinary	100%	4
Buccleuch Recreational Enterprises Limited	Visitor Services	England	Ordinary	100%	3
Buccleuch Sporting Limited	Sporting	Scotland	Ordinary	100%	2
Buccleuch Woodlands Enterprises Limited	Woodlands Ownership & Management	Scotland	Ordinary	100%	2
Buccleuch Woodlands Limited	Woodlands Ownership & Management	Scotland	Ordinary	100%	5
Buccleuch Woodlands (South) Limited	Woodlands Ownership & Management	England	Ordinary	100%	2
Bowhill Farming Limited	Farming	Scotland	Ordinary	100%	2
Queensberry Farming Limited	Farming	Scotland	Ordinary	100%	2
Eskdale and Liddesdale Farming Limited	Farming	Scotland	Ordinary	100%	2
Boughton Farming Limited	Farming	England	Ordinary	100%	3
Furness Fisheries Limited	Real estate	England	Ordinary	100%	3
Oakley Bush Solar Limited	Solar farm	Scotland	Ordinary	100%	2
Lagrae Battery Storage Limited	Battery storage	Scotland	Ordinary	100%	2
Salters Battery Storage Limited	Battery storage	Scotland	Ordinary	100%	2

1 Held by MDS Group Operations Limited.

2 Held By MDS Estates Limited

3 Held by Buccleuch Holdings Limited.

4 Held by Buccleuch Recreational Enterprises Limited.

5 Held by Buccleuch Woodland Enterprises Limited.

MDS Group Operations Limited**Notes to the financial statements (continued)**

For the year ended 31 October 2025

16. Stocks

	Group		Company	
	2025	2024	2025	Unaudited 2024
	£000	£000	£000	£000
Farming	5,765	5,450	-	-
Woodlands	223	306	-	-
Sporting	817	788	-	-
Work in progress – energy	8,803	2,814	-	-
Retail	466	530	-	-
	<u>16,074</u>	<u>9,888</u>	<u>-</u>	<u>-</u>

17. Debtors – due within one year

	Group		Company	
	2025	2024	2025	Unaudited 2024
	£000	£000	£000	£000
Trade debtors	1,361	1,581	-	-
Amounts owed by related parties	58	381	-	-
Other debtors	2,732	2,758	-	6
Tax and social security	1,332	369	-	-
Prepayments and accrued income	1,681	1,199	-	-
	<u>7,164</u>	<u>6,288</u>	<u>-</u>	<u>6</u>

18. Creditors – amounts falling due within one year

	Group		Company	
	2025	2024	2025	Unaudited 2024
	£000	£000	£000	£000
Trade creditors	1,212	1,835	-	-
Related party creditors	197	519	-	-
Tax and social security	369	535	-	-
Obligations under finance leases	15	-	-	-
Other creditors	50	500	-	-
Accruals and deferred income	5,729	6,435	47	-
	<u>7,572</u>	<u>9,824</u>	<u>47</u>	<u>-</u>

19. Creditors – amounts falling due after more than one year

	Group		Company	
	2025	2024	2025	Unaudited 2024
	£000	£000	£000	£000
Share capital treated as debt	61	61	61	-
	<u>61</u>	<u>61</u>	<u>61</u>	<u>-</u>

There is a cross-guarantee held by MDS Group Operations Limited over the private placement debt that is within the accounts of MDS Group Investments Limited.

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****20. Deferred taxation**

	2025 £000	2024 £000
Group		
At beginning of year	(915)	-
Charged to profit and loss	(420)	(915)
At end of year	<u>(1,335)</u>	<u>(915)</u>

	2025 £000	2024 £000
The provision for deferred taxation is made up as follows:		
Fixed asset timing differences	(7)	(50)
Short term timing differences	(1,003)	(805)
Capital gains	1,925	709
Losses and other deductions	(2,250)	(769)
	<u>(1,335)</u>	<u>(915)</u>

	2025 £000	2024 £000
Comprising:		
Asset	(3,260)	(1,625)
Liability	1,925	710
	<u>(1,335)</u>	<u>(915)</u>

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****21. Share capital**

	Group		Company	
	2025	2024	2025	Unaudited 2024
	£000	£000	£000	£000
Shares classified as equity				
Allotted, called up and fully paid				
196,498,000 Ordinary shares of £1 each	196,498	196,498	196,498	6
Shares classified as debt				
Allotted called up and fully paid				
61,406 Preference cumulative shares of £1 each	61	61	61	-
	196,559	196,559	196,559	6

Preference shareholders have one voting right per share held. Ordinary shareholders have one voting right per five shares held. Holders of the preference shares have the right to repayment of capital on a winding up, in priority to ordinary shareholders.

22. Reserves**Revaluation reserve**

This reserve records the revaluation of investment property and the deferred tax thereon. This is a non-distributable reserve. This is only for unrealised gains and losses and once realised gains or losses are taken to the profit and loss account reserve.

Profit and loss account

The profit and loss account reserve records retained earnings and accumulated losses.

Merger reserve

The merger reserve represents the difference between the nominal value of shares issued by the Company and the aggregate book value of the net assets of the entities acquired, arising on the application of merger accounting.

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****23. Related party transactions**

Related party transactions with 100% owned Group undertakings are excluded from the consolidated financial statements and are therefore exempt from disclosure in these financial statements under the provisions of FRS 102. The following transactions with related parties were conducted under normal trading terms at arm's length. During the year, the company entered into the following transactions with other related parties:

Related Party	Relationship	Nature of balance	2025	2024
			£	£
The 10th Duke of Buccleuch and 12th Duke of Queensberry KT KBE FRSE DL	Director	Woodlands receipts	131,241	-
The 10th Duke of Buccleuch and 12th Duke of Queensberry KT KBE FRSE DL	Director	Woodlands payments	(37,560)	(131,553)
The Buccleuch Living Heritage Trust	Directors of the Company are Trustees of the Trust	Donations	(300,000)	(1,128,552)
The Executors of the 9th Duke of Buccleuch Property Trust	Directors of the Company are Trustees of the Trust	Timber	(161,330)	(154,011)
The Executors of the 9th Duke of Buccleuch Property Trust	Directors of the Company are Trustees of the Trust	Recharges	29,391	-
Tibbers Trust	Directors of the Company are Trustees of the Trust	Commission	370	(5,461)
Atlantic Mariculture Limited	Entity owned by family member	Loan repaid	(150,000)	150,000
Caique Publishing	Common director	Purchase	(24,000)	(40,000)
MDS Group Investments Limited	Related company	Payroll recharges	(5,709,653)	(9,283,100)
MDS Group Investments Limited	Related company	Head office charges	(802,848)	(400,850)
Buccleuch Estates Limited	Related company	Recharges	(1,016,500)	(762,375)
Boughton Estates Limited	Related company	Recharges	183,398	137,548

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****24. Related party transactions (continued)**

The following balances were due from/(to) related parties at 31 October 2025:

Related Party	Relationship	Nature of transactions	2025	2024
			£	£
The 10th Duke of Buccleuch and 12th Duke of Queensberry KT KBE FRSE DL	Director	Woodlands	31,221	(151,636)
The Executors of the 9 th Duke of Buccleuch Property Trust	Directors of the Company are Trustees of the Trust	Current debtor	5,616	(91,023)
Atlantic Mariculture Limited	Entity owned by family member	Loan	-	150,000
Buccleuch Estates Limited	Related company	Related debtor	57,117	49,842
Buccleuch Estates Limited	Related company	Related creditor	(183,462)	(337,959)
Boughton Estates Limited	Related company	Related debtor	351	-
Boughton Estates Limited	Related company	Related creditor	(14,388)	(27,929)
MDS Group Investments Limited	Related company	Related debtor	406	-

The Duke of Buccleuch and Queensberry KT KBE FRSE DL, a Trustee of The Buccleuch Living Heritage Trust, is a director of MDS Group Operations Limited, The MDS Estates Limited, The Buccleuch Estates Limited, The Boughton Estates Limited and Buccleuch Recreational Enterprises Limited.

Lord Damian Scott and The Earl of Dalkeith, directors of MDS Group Operations Limited, are also directors of The MDS Estates Limited, The Buccleuch Estates Limited and The Boughton Estates Limited.

MDS Group Operations Limited**Notes to the financial statements (continued)****For the year ended 31 October 2025****25. Controlling party**

The directors are of the opinion that there is no ultimate controlling party.

26. Contingent liability

There is a cross-guarantee held by MDS Group Operations Limited for the private placement debt of £150,000,000, that is held within the accounts of MDS Group Investments Limited.

27. Subsidiary undertakings not audited

The following companies within the Group have not prepared audited accounts. In accordance with S479A of the Companies Act 2006, these companies are wholly owned subsidiaries of MDS Group Operations Limited. MDS Group Operations Limited guarantees all outstanding liabilities in these companies at the year ended 31 October 2025, until they are satisfied in full:

Name	Company number
The MDS Estates Limited	09221483
Restoration Yard Limited	SC531162
Buccleuch Woodlands Limited	SC078306
Buccleuch Woodlands Enterprises Limited	SC280905
Buccleuch Recreational Enterprises Limited	01255185
Buccleuch Holdings Limited	09515798
Boughton Farming Limited	09548640
Buccleuch Woodlands (South) Limited	09548641
Furness Fisheries Limited	09549231
Bowhill Farming Limited	SC557450
Queensberry Farming Limited	SC557452
Eskdale and Liddesdale Farming Limited	SC557451
Lagrae Battery Storage Limited	SC762496
Oakley Bush Solar Limited	15419597
Salters Battery Storage Limited	SC809915