

Company Number: 1048050

BALNAGOWN CASTLE PROPERTIES LIMITED
ANNUAL REPORT AND ACCOUNTS

For the year ended 31st December 2008

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BALNAGOWN CASTLE PROPERTIES LIMITED

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BALNAGOWN CASTLE PROPERTIES LIMITED

COMPANY INFORMATION

Directors:	D.S. Crawford M. Collins
Secretary:	A. Morgan
Registered Office:	55 Park Lane London W1Y 3DB
Company Number:	1048050
Reporting Accountants:	A.W Gray & Butler Chartered Accountants 10 Knockbreck Street Tain Ross-shire IV19 1BJ

BALNAGOWN CASTLE PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their annual report and accounts for the year ended 31st December 2008. The Directors' Report and Accounts have been prepared in accordance with the Special Provisions of Part V11 of the Companies Act relating to small companies.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is the management of estate properties in Scotland together with farming activities and the management of native woodlands and a visitor centre. The results for the year ended 31st December 2008 set out on page 6.

PROPOSED DIVIDEND

The Directors do not recommend the payment of a dividend.

CHARITABLE DONATIONS

Charitable donations of £ nil were made during the year (2007 - £ nil).

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who held office during the year ended 31st December 2008 are as follows:-

D.S. Crawford
M. Collins

None of the Directors held any beneficial interest in the shares of the Company or any other Group Companies during the period.

REPORTING ACCOUNTANTS

A resolution to reappoint A.W. Gray & Butler as reporting accountants will be put to the members at the Annual General Meeting.



A. Morgan
Company Secretary

**ACCOUNTANTS' REPORT TO THE DIRECTORS OF
BALNAGOWN CASTLE PROPERTIES LIMITED**

You consider that the company is exempt from an audit for the year ended 31st December 2008. You have acknowledged on the balance sheet your responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing records which give a true and fair view of the state of affairs of the company and of its profit or loss for the financial year.

In accordance with your instructions, we have prepared the accounts which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records of the company and on the basis of information and explanations you have given to us.

We have not carried out an audit or any other review, and consequently we do not express any opinion on these accounts.

A.W. Gray & Butler

A.W. Gray & Butler
Chartered Accountants

10 Knockbreck Street
TAIN
Ross-shire IV19 1BJ

BALNAGOWN CASTLE PROPERTIES LIMITED

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:-

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates which are reasonable and prudent;
- * state whether applicable 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

BALNAGOWN CASTLE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31st December 2008

	Note	2008	2007
		£	£
TURNOVER	2	1,961,458	1,765,530
Cost of Sales		<u>1,485,662</u>	<u>1,551,848</u>
GROSS PROFIT		475,796	213,682
Administration Costs		971,982	432,157
Interest receivable	3	<u>(513)</u>	<u>(828)</u>
PROFIT / (LOSS) - on Ordinary activities before taxation	4	(495,673)	(217,647)
Tax on profit on ordinary activities	5	<u>0</u>	<u>0</u>
PROFIT / (LOSS) - on Ordinary activities after taxation	12	<u>(495,673)</u>	<u>(217,647)</u>

The notes on pages 8 to 13 form part of these accounts.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the result for the above two financial years.


BALNAGOWN CASTLE PROPERTIES LIMITED

BALANCE SHEET at 31st December 2008

	note	2008	2007
		£	£
FIXED ASSETS			
Tangible Assets	8	249,493	274,366
CURRENT ASSETS			
Stock	9	422,062	461,673
Debtors	10	777,776	831,829
Cash in bank and on hand		<u>466,112</u>	<u>95,652</u>
		1,665,950	1,389,154
CREDITORS: Amounts falling due within one year	11	<u>4,970,928</u>	<u>4,223,332</u>
NET CURRENT LIABILITIES		<u>(3,304,978)</u>	<u>(2,834,178)</u>
TOTAL ASSETS less CURRENT LIABILITIES		(3,055,485)	(2,559,812)
NET LIABILITIES		<u>(3,055,485)</u>	<u>(2,559,812)</u>
Represented by:-			
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Accumulated losses	12	(3,055,585)	(2,559,912)
		<u>(3,055,485)</u>	<u>(2,559,812)</u>

For the year ended December 31 2008, the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2). The directors acknowledge their responsibility for: i) Ensuring the company keeps accounting records which comply with section 221; and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the company.

The accounts were approved by the Board of Directors on 20th October 2009


D.S. Crawford
Director

Company Registration No. 1048050

The notes on pages 8 - 13 form part of these accounts.

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards.
The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts:-

a) Basis of accounting

The accounts have been prepared under the historical cost accounting rules and on a going concern basis having regard to a written assurance given by the Holding Company that it will make adequate finance facilities available to support continued operations.

b) Going Concern basis / Holding Company loans

The Holding Company loan (see note 11) carries an interest rate of 7.715% from April 1 2008.
The Holding Company have intimated that no demand will be made for repayment of the loan in the foreseeable future. The financial statements are therefore prepared on the going concern basis as the Company holds sufficient reserves to meet any liabilities due.

c) Depreciation

Depreciation is provided on the cost of fixed assets in order to write them off by equal instalments over their estimated useful lives as follows:-

Motor vehicles	4 years
Plant and equipment	6.7 years

d) Deferred Taxation

Deferred taxation is provided in full on all timing differences.

e) Cashflow Statements

The Company has taken advantage of the exemption available to small companies.

f) Stock

Stock is valued at the lower of cost and net realisable value.

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

2. TURNOVER

£

Turnover represents amounts invoiced by the Company in respect of goods sold and services provided during the year, excluding value added tax.

3. INTEREST RECEIVABLE

	2008 £	2007 £
On bank accounts	<u>513</u>	<u>828</u>

4. LOSS FOR THE FINANCIAL YEAR

Profit / (Loss) on ordinary activities before taxation is stated after charging the following:-

	2008 £	2007 £
Depreciation of tangible fixed assets	80,642	77,971
Directors' emoluments (see note 6)	0	0
Reporting Accountants' fees	<u>2,000</u>	<u>1,000</u>
	<u>82,642</u>	<u>78,971</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is calculated as follows:-

	2008 £	2007 £
Provision for year	<u>0</u>	<u>0</u>

6. EMOLUMENTS OF DIRECTORS

Excluding pension contributions, the emoluments of the Chairman was £ nil (2007: nil) and the highest paid Director £ nil (2007: nil). The emoluments of all the Directors were within the following range:-

	2008 £	2007 £
£0 - £5,000	<u>2</u>	<u>2</u>

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

7. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company including Directors analysed by category, was as follows:-

	2008 £	2007 £
Administration and management	6	6
Other	<u>48</u>	<u>42</u>
	<u>54</u>	<u>48</u>

The aggregate payroll costs of these persons were as follows:-

	2008 £	2007 £
Wages and salaries	864,247	667,062
Social security costs	75,198	59,815
Pension costs	<u>33,209</u>	<u>22,736</u>
	<u>972,654</u>	<u>749,613</u>

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

8. TANGIBLE ASSETS

	Plant and Equipment	Motor Vehicles	Total
	£	£	£
Cost at 1st January 2008	821,872	74,259	896,131
Additions in year	55,770		55,770
Disposals in year			0
Cost at 31st December 2008	877,642	74,259	951,901
Depreciation at 1st January 2008	554,876	66,890	621,766
Charge for the year	77,810	2,832	80,642
Depreciation written back on disposals			0
Depreciation at 31st December 2008	632,686	69,722	702,408
Net book value at 31st December 2008	244,956	4,537	249,493
Net book value at 31st December 2007	266,996	7,369	274,365

9. STOCK

	2008 £	2007 £
Livestock	252,293	274,973
Quota	29,123	39,123
Feed, Fertiliser, Chemicals	29,175	38,374
Brochures, leaflets, labels & pictures	5,750	5,750
Shop products & restaurant produce	105,721	103,453
	<u>422,062</u>	<u>461,673</u>

10. DEBTORS

	2008 £	2007 £
Trade debtors	88,611	191,437
Other debtors	610,302	530,741
Prepayments and accrued income	78,863	109,651
	<u>777,776</u>	<u>831,829</u>

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

11. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade Creditors	298,650	353,458
Taxes and social security	61,764	21,064
Accruals and deferred income	124,617	80,099
Amounts owed to Group Companies	<u>4,485,897</u>	<u>3,768,711</u>
	<u>4,970,928</u>	<u>4,223,332</u>

12. MOVEMENTS ON SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit / (Loss) for the year	(495,673)	(217,647)
Opening Shareholders' Funds	<u>(2,559,912)</u>	<u>(2,342,265)</u>
Closing Shareholders' Funds	<u>(3,055,585)</u>	<u>(2,559,912)</u>

13. SHARE CAPITAL

	2008 £	2007 £
Authorised:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:	100	100
	<u> </u>	<u> </u>

14. PROVISIONS FOR DEFERRED TAX

	2008 £	2007 £
Deferred capital allowances	0	0
	<u> </u>	<u> </u>

No provision is required for deferred taxation as tax written down values of assets exceed financial statement values. No deferred tax asset is recognised as tax losses carried forward mean such assets are unlikely to be recoverable in the foreseeable future.

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS (continued)

15. ULTIMATE HOLDING COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

The ultimate Holding Company is TANE FOUNT S.A., a Company incorporated in Liechtenstein. The shares continue to be under the control and held for the benefit of the Fayed family.

The largest group in which the results of the Company are consolidated is that headed by Tane Fount S.A. The smallest group in which they are consolidated is that headed by Bocardo S.A., a Company incorporated in Liechtenstein. The accounts of neither Company are available to the public.

16. RELATED PARTY TRANSACTIONS

Turnover includes £510,616 (2007: £425,481) of management charges receivable from related parties, Ross Estates Company and Bocardo S.A. The charges relate to the management of property on the estate. It also includes sales of £66,200 (2007: £32,115) to Harrods Ltd.

17. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme for its employees with Sun Alliance Assurance Company. The assets of the scheme are held separately from those of the Company in a fund which is independently administered. At balance sheet date, unpaid contributions to the fund were £ nil (2007: £ nil).