

Company Registration No. 01048050 (England and Wales)

**BALNAGOWN CASTLE PROPERTIES
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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BALNAGOWN CASTLE PROPERTIES LIMITED

COMPANY INFORMATION

Directors	J Byrne O A Fayed J Henson	(Appointed 5 July 2016)
Secretary	A Morgan	
Company number	01048050	
Registered office	55 Park Lane London W1K 1NA	
Auditor	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH	

BALNAGOWN CASTLE PROPERTIES LIMITED

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BALNAGOWN CASTLE PROPERTIES LIMITED

BALANCE SHEET

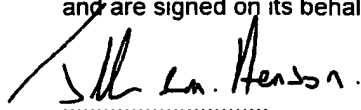
AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	4	432,916		408,963	
Biological assets	7	790,530		854,897	
		<u>1,223,446</u>		<u>1,263,860</u>	
Current assets					
Stocks	5	32,645		20,698	
Biological assets	7	-		40,499	
Debtors	6	2,797,415		2,483,939	
Cash at bank and in hand		126,166		40,993	
		<u>2,956,226</u>		<u>2,586,129</u>	
Creditors: amounts falling due within one year	8	(8,875,621)		(8,267,871)	
Net current liabilities		<u>(5,919,395)</u>		<u>(5,681,742)</u>	
Total assets less current liabilities		<u>(4,695,949)</u>		<u>(4,417,882)</u>	
Creditors: amounts falling due after more than one year	9	(650,665)		(708,138)	
Net liabilities		<u>(5,346,614)</u>		<u>(5,126,020)</u>	
Capital and reserves					
Called up share capital	10	100		100	
Profit and loss reserves		(5,346,714)		(5,126,120)	
Total equity		<u>(5,346,614)</u>		<u>(5,126,020)</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 23/01/17 and are signed on its behalf by:



J Henson
Director

Company Registration No. 01048050

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Balnagown Castle Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is 55 Park Lane, London, W1K 1NA and the business address is Balnagown Estates, Kildary, IV18 ONU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1A applicable to Small Entities" ("FRS 102 Section 1A") and the requirements of the Companies Act 2006 applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Balnagown Castle Properties Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 15.

1.2 Going concern

At the 31 December the amount due to the ultimate parent company is £3,052,035 (2015 - £2,910,392). The ultimate parent company has confirmed that no demand will be made for repayment of the loan in the foreseeable future. In addition, it has also been confirmed that there will be no demand for the repayment of the loan of £5,356,718 (2015 - £4,955,594) due to a fellow subsidiary company, in the foreseeable future.

The company has received written confirmation from relevant group companies that they will continue to support the company for the twelve months following the date of signing of these financial statements and will continue to make available funding to finance the working capital requirements of the company for the foreseeable future. No cross corporate guarantees are in place which create a liability on the company for any group debt outstanding.

Whilst the directors continue to consider the future trading prospects of the company, the financial statements have been prepared on the going concern basis as they consider that the company will continue to be provided with sufficient funding to meet any liabilities as they fall due.

1.3 Turnover

Turnover comprises income from holiday lets, sporting rents, a wind turbine and farming activities, recognised at the fair value of the consideration received or recoverable for goods and services in the normal course of business and is shown net of VAT and trade discounts.

Lettings and rental income are recognised on an accruals basis. Income from wind turbines are recognised on an accruals basis where it is capable of being reliably measured. Where no reliable estimate is possible income is recognised on a receipts basis. Farming income, including sales of crops and livestock, are recognised when the title of the goods are transferred to the buyer.

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% straight line
Fixtures, fittings & equipment	15% straight line
Motor vehicles	25% straight line
Wind turbines	5% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

1.7 Biological Assets

The company trades livestock and crops and as a result holds livestock as biological assets within current assets. The company also maintains native woodlands that are included as biological assets within fixed assets.

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Biological assets are stated at cost less any accumulated depreciation and any accumulated impairment losses. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the assets to their present location and condition. Depreciation is recognised on biological fixed assets over the scheme term of 15 years following the completion of each site. There is no depreciation charge on biological current assets on the basis these are harvested and sold within one year.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of biological assets over their estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, and, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company makes payments into personal pension plans on behalf of certain employees. Contributions are charged to the profit and loss account as they become due.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.15 Website development costs

Website development expenditure is written off to the profit and loss account unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In the situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit. Expenditure is valued at cost less accumulated amortisation. The costs were written down over 4 years and are now fully amortised.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Administration	2	2
Directors (not remunerated)	3	3
Operational	13	25
	<u>18</u>	<u>30</u>

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Intangible fixed assets

	Development Costs £
Cost	
At 1 January 2016 and 31 December 2016	19,708
Amortisation and impairment	
At 1 January 2016 and 31 December 2016	19,708
Carrying amount	
At 31 December 2016	-
At 31 December 2015	-

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2016	1,131,165
Additions	95,265
Disposals	(14,850)
At 31 December 2016	1,211,580
Depreciation and impairment	
At 1 January 2016	722,202
Depreciation charged in the year	67,600
Eliminated in respect of disposals	(11,138)
At 31 December 2016	778,664
Carrying amount	
At 31 December 2016	432,916
At 31 December 2015	408,963

5 Stocks

	2016 £	2015 £
Raw materials and consumables	32,645	20,698

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	64,376	56,417
Other debtors	2,545,985	2,112,487
Prepayments and accrued income	187,054	315,035
	<u>2,797,415</u>	<u>2,483,939</u>

7 Biological assets

	Woodlands	Livestock	Crops	Total
	£	£	£	£
Cost				
At 1 January 2016	965,505	17,360	23,139	1,006,004
Purchases			175,410	175,410
Loss of Sheep	-	(12,810)	-	(12,810)
Decrease attributable to sales	-	(4,550)	-	(4,550)
Decrease resulting from harvesting	-	-	(198,549)	(198,549)
At 31 December 2016	<u>965,505</u>	<u>-</u>	<u>-</u>	<u>965,505</u>
Depreciation				
At 1 January 2016	110,608	-	-	-
Depreciation charged in the year	64,367	-	-	-
At 31 December 2016	<u>174,975</u>	<u>-</u>	<u>-</u>	<u>174,975</u>
Carrying Amount				
At 31 December 2016	<u>790,530</u>	<u>-</u>	<u>-</u>	<u>790,530</u>
At 31 December 2015	<u>854,897</u>	<u>17,360</u>	<u>23,139</u>	<u>895,396</u>

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

7 Biological assets

(Continued)

	Woodlands £	Livestock £	Crops £	Total £
Carrying Amount at 31 December 2016 classified as:				
Fixed assets	790,530	-	-	790,530
Current assets	-	-	-	-
	<u>790,530</u>	<u>-</u>	<u>-</u>	<u>790,530</u>
	Woodlands £	Livestock £	Crops £	Total £
Carrying Amount at 31 December 2015 classified as:				
Fixed assets	854,897	-	-	854,897
Current assets	-	17,360	23,139	40,499
	<u>854,897</u>	<u>17,360</u>	<u>23,139</u>	<u>895,396</u>

8 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Trade creditors		244,375	95,756
Amounts due to group undertakings		8,408,753	7,865,986
Other taxation and social security		8,322	50,960
Government grants		57,743	57,743
Other creditors		95,661	111,794
Accruals and deferred income		60,767	85,632
		<u>8,875,621</u>	<u>8,267,871</u>

9 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Government grants		<u>650,665</u>	<u>708,138</u>

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Jamie Waugh.
The auditor was Johnston Carmichael LLP.

12 Operating lease commitments

Lessor

The company holds certain assets for rental purposes. Rental income generated on these during the year was £49,080. The lessee does not have an option to purchase the assets at the expiry of the lease period.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2016 £	2015 £
Within one year	37,000	-
Between two and five years	148,000	-
In over five years	166,500	-
	<u>351,500</u>	<u>-</u>

13 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Costs recharged by the company	
	2016 £	2015 £
Other related parties	56,077	37,282

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 Related party transactions

(Continued)

	Management fees charged by the company		Interest charged to the company	
	2016 £	2015 £	2016 £	2015 £
Entities with control, joint control or significant influence over the company	88,484	422,203	112,666	121,038
Other related parties	265,453	140,734	-	-
	<u>353,937</u>	<u>562,937</u>	<u>112,666</u>	<u>121,038</u>

The following amounts were outstanding at the reporting end date:

	2016 £	2015 £
Amounts owed to related parties		
Entities with control, joint control or significant influence over the company	3,052,035	2,910,392
Other related parties	5,356,718	4,955,594
	<u>8,408,753</u>	<u>7,865,986</u>

The following amounts were outstanding at the reporting end date:

	2016 Balance £
Amounts owed by related parties	
Entities with control, joint control or significant influence over the company	1,898,496
Key management personnel	95,581
Other related parties	632,832
	<u>2,626,909</u>
Amounts owed in previous period	
Entities with control, joint control or significant influence over the company	1,579,954
Key management personnel	32,996
Other related parties	526,651
	<u>2,139,601</u>

No guarantees have been given or received.

Other related parties include fellow subsidiary undertakings of the company.

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Parent company

The immediate parent company is Bocardo SA, a company incorporated in Liechtenstein. The intermediate parent company is Tane Fount SA, a company incorporated in Liechtenstein. The ultimate parent company is Mafco SA, registered in the British Virgin Islands. The ultimate controlling party is Al Fayed family trust.

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

15 Reconciliations on adoption of FRS 102

Reconciliation of equity

		At 1 January 2015			At 31 December 2015		
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Intangible assets		2,464	-	2,464	-	-	-
Tangible assets	1	1,263,777	(791,818)	471,959	1,263,860	(854,897)	408,963
Biological assets	1	-	791,818	791,818	-	854,897	854,897
		<u>1,266,241</u>	<u>-</u>	<u>1,266,241</u>	<u>1,263,860</u>	<u>-</u>	<u>1,263,860</u>
Current assets							
Stocks	2	118,197	(83,186)	35,011	61,197	(40,499)	20,698
Debtors		1,579,669	-	1,579,669	2,483,939	-	2,483,939
Biological assets	2	-	83,186	83,186	-	40,499	40,499
Bank and cash		171,370	-	171,370	40,993	-	40,993
		<u>1,869,236</u>	<u>-</u>	<u>1,869,236</u>	<u>2,586,129</u>	<u>-</u>	<u>2,586,129</u>
Creditors due within one year							
Taxation		(11,608)	-	(11,608)	(50,960)	-	(50,960)
Other creditors	3	(659,062)	(7,231,597)	(7,890,659)	(293,182)	(7,865,986)	(8,159,168)
Deferred income	4	-	(57,743)	(57,743)	-	(57,743)	(57,743)
		<u>(670,670)</u>	<u>(7,289,340)</u>	<u>(7,960,010)</u>	<u>(344,142)</u>	<u>(7,923,729)</u>	<u>(8,267,871)</u>
Net current assets / (liabilities)		<u>1,198,566</u>	<u>(7,289,340)</u>	<u>(6,090,774)</u>	<u>2,241,987</u>	<u>(7,923,729)</u>	<u>(5,681,742)</u>
Total assets less current liabilities		<u>2,464,807</u>	<u>(7,289,340)</u>	<u>(4,824,533)</u>	<u>3,505,847</u>	<u>(7,923,729)</u>	<u>(4,417,882)</u>
Creditors due after one year							
Other creditors	3	(7,231,597)	7,231,597	-	(7,865,986)	7,865,986	-
Deferred income	4	(542,400)	57,743	(484,657)	(765,881)	57,743	(708,138)
		<u>(7,773,997)</u>	<u>7,289,340</u>	<u>(484,657)</u>	<u>(8,631,867)</u>	<u>7,923,729</u>	<u>(708,138)</u>
Net liabilities		<u>(5,309,190)</u>	<u>-</u>	<u>(5,309,190)</u>	<u>(5,126,020)</u>	<u>-</u>	<u>(5,126,020)</u>
Capital and reserves							
Share capital		100	-	100	100	-	100
Profit and loss		(5,309,290)	-	(5,309,290)	(5,126,120)	-	(5,126,120)
Total equity		<u>(5,309,190)</u>	<u>-</u>	<u>(5,309,190)</u>	<u>(5,126,020)</u>	<u>-</u>	<u>(5,126,020)</u>

BALNAGOWN CASTLE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

15 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

1. In accordance with FRS 102, biological assets previously classified as tangible fixed assets, held at cost less depreciation, have been reclassified as biological fixed assets and have been accounted for at cost less depreciation.

2. In accordance with FRS 102, biological assets previously classified as stock, at purchase cost plus cost of harvesting, have been reclassified as biological current assets and have been accounted for at cost.

3. The amounts due to the group undertakings have been reclassified from creditors falling due after more than one year to creditors falling due within one year on the basis there are no formal repayment terms attached to these loans.

4. On transition to FRS 102, deferred government grants have been allocated between creditors falling due within one year and after more than one year to reflect the periods over which the grants will be amortised.