

**Company Registration No. 01048050 (England and Wales)**

**Balnagown Castle Properties Limited**

**Financial statements  
for the year ended 31 December 2020**

**Pages for filing with the Registrar**

**Balnagown Castle Properties Limited**

**Contents**

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	<b>Page</b>
Statement of financial position	<b>1 - 2</b>
Notes to the financial statements	<b>3 - 11</b>

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**Balnagown Castle Properties Limited**

**Statement of financial position**

**As at 31 December 2020**

			2020	2019
	Notes	£	£	£
<b>Fixed assets</b>				
Intangible assets	3		8,959	12,918
Tangible assets	4		314,341	369,812
Biological assets	5		533,062	597,429
			<u>856,362</u>	<u>980,159</u>
<b>Current assets</b>				
Stocks		48,964	52,779	
Debtors	6	2,238,417	2,197,330	
Cash at bank and in hand		307,130	185,257	
		<u>2,594,511</u>	<u>2,435,366</u>	
<b>Creditors: amounts falling due within one year</b>	7	(8,813,907)	(8,539,406)	
<b>Net current liabilities</b>			<u>(6,219,396)</u>	<u>(6,104,040)</u>
<b>Total assets less current liabilities</b>			<u>(5,363,034)</u>	<u>(5,123,881)</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(421,043)	(478,516)
<b>Net liabilities</b>			<u>(5,784,077)</u>	<u>(5,602,397)</u>
<b>Capital and reserves</b>				
Called up share capital			100	100
Profit and loss reserves			(5,784,177)	(5,602,497)
<b>Total equity</b>			<u>(5,784,077)</u>	<u>(5,602,397)</u>

**Balnagown Castle Properties Limited**

**Statement of financial position (continued)**

**As at 31 December 2020**

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The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and 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 21 January 2021 and are signed on its behalf by:

Jonathan Henson

**Director**

**Company Registration No. 01048050**

## **Balnagown Castle Properties Limited**

### **Notes to the financial statements For the year ended 31 December 2020**

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#### **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.

##### **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" ("FRS 102") and the requirements of the Companies Act 2006 as 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 £.

##### **1.2 Going concern**

The company has made a loss in the period and has net liabilities at 31 December 2020 of £5,784,077 (2019 - £5,602,397). The company's primary creditors are the amounts due to the parent and fellow subsidiary companies of £8,243,537 (2019 - £8,186,656). The company has received written confirmation from relevant group companies that no demand will be made for repayment of these loans in the foreseeable future and that these entities will continue to support the company by ensuring appropriate funding is available to finance the working capital requirements of the company for at least twelve months following the date of signing of these financial statements. 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 particularly in light of recent global events brought on by the COVID-19 pandemic, 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 is recognised at the fair value of the consideration received or receivable for goods and services provided 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, are recognised when the title of the goods are transferred to the buyer.

**1 Accounting policies (continued)**

**1.4 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Development costs	20% per annum straight line basis
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**1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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 equipment	15% per annum straight line basis
Fixtures and fittings	15% per annum straight line basis
Motor vehicles	25% per annum straight line basis

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.

**1.6 Biological assets**

The company maintains native woodlands that are included as biological assets within fixed assets.

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.

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 Accounting policies (continued)**

**1.7 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.8 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

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 profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.9 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies (continued)**

**1.10 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors, 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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

**1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.



**1 Accounting policies (continued)**

**1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

**1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.14 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.

**1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**1.17 Development costs**

Development costs are capitalised as intangible assets where the directors are satisfied as to the technical, commercial and financial viability of individual projects. 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. Website development costs were written down over 4 years and are now fully amortised. Other development costs are being amortised over a period of 5 years.

**Balnagown Castle Properties Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2020**

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**2 Employees**

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Total	16	16
	<u>          </u>	<u>          </u>

**3 Intangible fixed assets**

	<b>Other £</b>
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	35,543
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 January 2020	22,625
Amortisation charged for the year	3,959
	<u>          </u>
At 31 December 2020	26,584
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2020	8,959
	<u>          </u>
At 31 December 2019	12,918
	<u>          </u>

**Balnagown Castle Properties Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

**4 Tangible fixed assets**

	<b>Plant and machinery etc</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2020	908,471
Additions	850
	<hr/>
At 31 December 2020	909,321
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2020	538,659
Depreciation charged in the year	56,321
	<hr/>
At 31 December 2020	594,980
	<hr/>
<b>Carrying amount</b>	
At 31 December 2020	314,341
	<hr/>
At 31 December 2019	369,812
	<hr/>

**5 Biological assets**

	<b>Total £</b>
<b>Cost</b>	
At 1 January 2020	965,505
	<hr/>
At 31 December 2020	965,505
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2020	368,076
Depreciation charged in the year	64,367
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At 31 December 2020	432,443
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<b>Carrying amount</b>	
At 31 December 2020	533,062
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At 31 December 2019	597,429
	<hr/>

**Balnagown Castle Properties Limited****Notes to the financial statements (continued)****For the year ended 31 December 2020**

<b>6 Debtors</b>	<b>As restated</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	116,998	297,168
Amounts owed by group undertakings	1,845,534	1,845,534
Other debtors	275,885	54,628
	<u>2,238,417</u>	<u>2,197,330</u>

<b>7 Creditors: amounts falling due within one year</b>	<b>As restated</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	377,771	81,061
Amounts owed to group undertakings	8,243,537	8,186,656
Taxation and social security	6,794	16,520
Other creditors	185,805	255,169
	<u>8,813,907</u>	<u>8,539,406</u>

<b>8 Creditors: amounts falling due after more than one year</b>		
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other creditors	<u>421,043</u>	<u>478,516</u>

**9 Events after the reporting date**

As highlighted in note 1.2, the emergence of the COVID-19 pandemic subsequent to the company's reporting period has introduced new risks and uncertainties to the business. However, those risks continue to be carefully monitored and action taken whenever possible to mitigate its effect on the business.

**10 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.

**Balnagown Castle Properties Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2020**

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**10 Audit report information (continued)**

The senior statutory auditor was Eunice McAdam.  
The auditor was Saffery Champness LLP.

**11 Financial commitments, guarantees and contingent liabilities**

Government grants are subject to terms and conditions, any breach of which, may result in the grants having to be repaid in part or in full.

**12 Related party transactions**

**Transactions with related parties**

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

Interest of £110,745 (2019 - £125,551) was charged on the loans due to entities with control, joint control or significant influence over the company.

The following amounts were outstanding at the reporting end date:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts due to related parties</b>		
Entities with control, joint control or significant influence over the company	3,655,620	3,544,875
Other related parties	4,587,917	4,641,781
	<u>                    </u>	<u>                    </u>

The following amounts were outstanding at the reporting end date:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts due from related parties</b>		
Entities with control, joint control or significant influence over the company	1,845,534	1,845,534
	<u>                    </u>	<u>                    </u>

**13 Parent company**

The immediate parent company is Bocardo SA, a company incorporated in Liechtenstein. The ultimate parent company is Ocarina Trustee AG, as Trustee Of The Ocarina Settlement, registered in Liechtenstein, which is held in trust for the benefit of the Al Fayed family.

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