


**CHARLES CONNELL & COMPANY
(HOLDINGS) LIMITED**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2009

COMPANY NO. SC5140

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DIRECTORS

C R CONNELL (Chairman and Managing Director)

H C DAVIDSON

B N A HARDMAN

T V A CONNELL (Deceased 8th March 2009)

I M STUBBS

I F BROWN

C C CONNELL (Appointed 7th April 2009)

SECRETARY

I F BROWN

COMPANY NUMBER

SC5140

AUDITORS

ALEXANDER SLOAN
CHARTERED ACCOUNTANTS
38 CADOGAN STREET
GLASGOW
G2 7HF

REGISTERED OFFICE

WOODEND
CRAIGALLIAN
MILNGAVIE
GLASGOW
G62 8EN

REPORT OF THE DIRECTORS

The Directors submit their Report and Financial Statements for the year ended 31st December 2009.

With great regret the Directors have to report the death of Mrs T V A Connell on 8th March 2009.

REVIEW OF THE BUSINESS

World markets continued their decline in the first quarter of 2009. There was then a marked turn around and by the end of the year the UK FT All-Share Index had risen by 25%. Oil which started the year at \$45 rose steadily to around \$70 by the end of the year. The UK base rate which started the year at 2% was quickly reduced to 0.5%, the lowest rate ever, and remained at that level. The exceptionally low base rate resulted in sterling declining against world currencies.

Investment Income for the year at £750,988 (2008: £784,770) showed a decline of 4%. At the Balance Sheet date the shareholders' funds amounted to £25,583,681 an increase of 3% from the previous year's figure of £24,852,408.

The Arable Division of the Farming Company suffered from poorer wheat prices but received higher prices for malting barley. Input costs were higher, largely due to a marked increase in the price of fertiliser, occasioned by the high oil prices in summer 2008. Current levels of return from arable farming are barely adequate to cover the cost of replacement machinery. On the livestock side there was a marked improvement in 2009 due to a shortage of supply. The poultry operation delivered a satisfactory return, except for free-range department where £47,000 had to be spent on the re-instatement of poultry house roof structure.

The Fechlin Hydro-Electric Scheme has continued to give a good return. The final instalment of the servitude consideration respect of the Glendoe Scheme was received in March 2009. That scheme continued to operate and generate electricity until August 2009 when there was a collapse in the tunnel between the dam and the turbine house. It is now anticipated that the repairs to the tunnel will not be completed before the spring of 2011. The company has, however, benefited from its 1.25% share of the renewable obligation certificates relative to Glendoe and £30,000 has been taken into these accounts. Due to the tunnel collapse no income from this source is anticipated in 2010.

Moving forward, the Directors continue to be satisfied with the performance of the Company in these uncertain times and will endeavour to continue to maintain current levels of achievement, but much will depend on factors outwith their control.

KEY PERFORMANCE INDICATORS

As with many other businesses, the Directors of the Group use a number of key performance indicators to assess the performance of the Company. Those regularly reviewed are:

- Investment return
- Broker Performance against the Market
- Gross Margins in the Farming Business

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal risk and uncertainty facing the business include the following:

- The Company is exposed to market risk whereby its investments can be affected by adverse changes in interest rates or market performance. The Directors are confident however that the balanced investment strategies which they have adopted mitigate this risk to a satisfactory level. The Company uses specialists to manage exposure to currency fluctuations.
- The farming Division operates on a market where both raw material and sales prices can vary dramatically on an annual basis. The Directors are confident that the budgeting processes they have in place identify potential loss making activities and encourage the Company to reduce their involvement in these areas.

REPORT OF THE DIRECTORS (Contd.)**PRINCIPAL ACTIVITIES**

The main activities of the Group are Farming and Investments.

The Company's principal subsidiaries and their trades and activities are set out in Note 10 to the Financial Statements on page 20.

RESULTS

The results for the Group for the year are as shown in the Group Profit and Loss Account on page 8.

The Profit retained by the Group, before dividend amounted to £1,381,589 (2008 - Loss £1,039,679) and has been added to reserves. Dividends paid in the year on ordinary shares amounted to £650,316 (2008 - £67,742). Dividends paid on preference shares amounted to £19,188 (2008 - £19,188) and have been deducted in arriving at the retained profit for the year.

FIXED ASSETS

In the opinion of the Directors, the market value at 31st December 2009 of the Group's Land and Buildings, excluding Broiler Buildings, exceeds the Balance Sheet value by at least £3,500,000 (2008 - £3,500,000).

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and their interests in the Share Capital of the Company were as follows:-

		Ordinary Shares of £5 each	6% Preference Shares of £2.50 each
C.R. CONNELL	At 31.12.08	2,363	77,100
		(Beneficial)	(Beneficial)
		13,013	41,824
		(As Trustee)	(As Trustee)
	At 31.12.09	2,363	77,100
		(Beneficial)	(Beneficial)
		13,013	42,724
		(As Trustee)	(As Trustee)
H.C. DAVIDSON	At 31.12.08 & 31.12.09	NIL	NIL
B.N.A. HARDMAN	At 31.12.08 & 31.12.09	NIL	NIL
T.V.A. CONNELL (Deceased 8 th March 2009)	At 31.12.08 & 8.3.09	NIL	900
		(Beneficial)	(Beneficial)
		5,138	14,500
		(As Trustee)	(As Trustee)

REPORT OF THE DIRECTORS (Contd.)**DIRECTORS AND THEIR INTERESTS (Contd.)**

		Ordinary Shares of £5 each	6% Preference Shares of £2.50 each
I.M. STUBBS	At 31.12.08	5,138 (As Trustee)	14,500 (As Trustee)
	At 31.12.09	5,138 (As Trustee)	15,400 (As Trustee)
I. F. BROWN	At 31.12.08 & 31.12.09	NIL	NIL
C. C. CONNELL (Appointed 7 th April 2009)	At 7.4.09 & 31.12.09	4,185 (Beneficial)	8,100 (Beneficial)

CHARITABLE DONATIONS

During the year the Group made donations of £1,105 to Charitable Organisations.

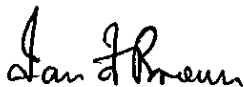
POLITICAL DONATION

During the year the Group donated £500 to the Conservative Party.

AUDITORS

The auditors, Alexander Sloan, Chartered Accountants, will be proposed for reappointment in accordance with s.485 of the Companies Act 2006.

This report was approved by the board on 24th March 2010 and signed on its behalf.



I. F. BROWN
Secretary

Woodend
Craigallian
Milngavie
Glasgow
G62 8EN

YEAR ENDED 31st DECEMBER 2009**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 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 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 of the company who held office at the date of approval of this annual report confirm that:

- So far as they are aware, there is no relevant audit information, information needed by the Company's auditors in connection with preparing their report, of which the Company's auditors are unaware; and
- They have taken all 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 auditors are aware of that information.

CHARLES CONNELL & COMPANY (HOLDINGS) LIMITED

We have audited the Financial Statements of Charles Connell & Company (Holdings) Limited for the year ended 31st December 2009 on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Section 495 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, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the Financial Statements:

- Give a true and fair view of the group's and the parent company's affairs as at 31st December 2009 and of the group's profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Practice; and
- Have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

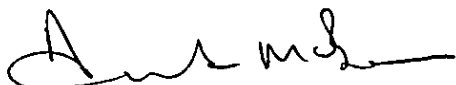
Matters on which we require to report by exception

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.

CHARLES CONNELL & COMPANY (HOLDINGS) LIMITED (Contd.)

We have nothing to report in respect of these matters.



ANDREW MCBEAN (Senior Statutory Auditor)

For and on behalf of Alexander Sloan

Chartered Accountants and Statutory Auditors

38 Cadogan Street

GLASGOW

G2 7HF

24th March 2010

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	2	851,157	1,007,081
Cost of Sales	3	<u>(679,743)</u>	<u>(852,000)</u>
Gross Profit		171,414	155,081
Administration Expenses	4	<u>(1,213,495)</u>	<u>(765,047)</u>
		(1,042,081)	(609,966)
Other Operating Income	5	<u>101,515</u>	<u>89,782</u>
Operating (Loss)		(940,566)	(520,184)
Share of Operating Profit in Associated Undertaking	10	5,465	24,393
Investment Income less Interest Payable	6	<u>2,352,199</u>	<u>(503,184)</u>
Profit/(Loss) on Ordinary Activities before Taxation	2	1,417,098	(998,975)
Taxation	7	<u>(35,509)</u>	<u>(40,704)</u>
Profit/(Loss) on Ordinary Activities after Taxation		1,381,589	(1,039,679)
Profit/(Loss) for Year		<u>1,381,589</u>	<u>(1,039,679)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31st DECEMBER 2009

	2009 £	2008 £
Profit/(Loss) for the financial year	1,381,589	(1,039,679)
Prior Period Adjustment	-	194,581
Total Gains and Losses Recognised since last Financial Statements	<u>1,381,589</u>	<u>(845,098)</u>

GROUP BALANCE SHEET

AS AT 31st DECEMBER 2009

	Notes	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible Assets	1 & 9		2,210,570		2,153,796
Investments	10		23,094,188		21,000,747
			<hr/>		<hr/>
			25,304,758		23,154,543
 CURRENT ASSETS					
Stocks	11	251,881		224,658	
Debtors	12	429,933		1,948,920	
Short Term Deposits		633,931		361,694	
Cash at Bank and in Hand		72,460		94,324	
			<hr/>	<hr/>	
			1,388,205	2,629,596	
 CREDITORS - Amounts falling due within one year	13	(605,472)		(439,679)	
			<hr/>	<hr/>	
 NET CURRENT ASSETS			782,733		2,189,917
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			26,087,491		25,344,460
 CREDITORS - Amounts falling due after more than one year	13		(319,810)		(328,052)
			<hr/>		<hr/>
			25,767,681		25,016,408
 DEFERRED INCOME	14		(129,000)		(132,000)
			<hr/>		<hr/>
			25,638,681		24,884,408
 PROVISION FOR LIABILITIES AND CHARGES	15		(55,000)		(32,000)
			<hr/>		<hr/>
 NET ASSETS			<u>25,583,681</u>		<u>24,852,408</u>

GROUP BALANCE SHEET (Contd.)

AS AT 31st DECEMBER 2009

	Notes	2009 £	2008 £
SHARE CAPITAL AND RESERVES			
Called up Share Capital	16	270,965	270,965
Profit & Loss Account	17	22,917,635	22,186,362
Other Reserves	17	2,395,081	2,395,081
<hr/>			
TOTAL SHAREHOLDERS' FUNDS	20	<u>25,583,681</u>	<u>24,852,408</u>
Equity Shareholders' Funds		<u>25,583,681</u>	<u>24,852,408</u>

Authorised for issue on 24th March 2010 by the Board of Directors and signed on behalf of the Board on 24th March 2010.



C.R. CONNELL
Director

Registration Number: SC5140

BALANCE SHEET

AS AT 31st DECEMBER 2009

	Notes	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible Assets	9		144,301		144,301
Investments	10		1,039,206		1,033,244
			<hr/>		<hr/>
			1,183,507		1,177,545
CURRENT ASSETS					
Debtors	13	12,295,212		12,972,081	
Short Term Deposits		1,270		1,283	
		<hr/>		<hr/>	
		12,296,482		12,973,364	
CREDITORS - Amounts falling due within one year					
	14	(305,874)		(305,580)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			11,990,608		12,667,784
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,174,115		13,845,329
CREDITORS - Amounts falling due after more than one year					
	14		(319,810)		(319,810)
			<hr/>		<hr/>
			<u>12,854,305</u>		<u>13,525,519</u>
SHARE CAPITAL AND RESERVES					
Called up Share Capital	16		270,965		270,965
Other Reserves	17		759,225		759,225
Profit & Loss Account	17		11,824,115		12,495,329
			<hr/>		<hr/>
TOTAL SHAREHOLDERS' FUNDS			<u>12,854,305</u>		<u>13,525,519</u>
Equity Shareholders' Funds					
			<u>12,854,305</u>		<u>13,525,519</u>

Authorised for issue on 24th March 2010 by the Board of Directors and signed on behalf of the Board on 24th March 2010.



C. R. CONNELL

Director

Registration Number: SC5140

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st DECEMBER 2009

	Notes	£	2009 £	£	2008 £
Net Cash (Outflow) from Operating Activities	18a)		(533,380)		(978,174)
Returns on Investments and Servicing of Finance					
Investment Income		700,136		828,449	
Interest Paid		(19,304)		(19,437)	
			680,832		809,012
Taxation	18b)		(5,883)		2,269
Capital Expenditure					
Purchase of Tangible Fixed Assets		(101,631)		(106,102)	
Proceeds of Sale of Tangible Fixed Assets		1,122,747		713,735	
			1,021,116		607,633
Equity Dividends Paid			(650,316)		(67,742)
Management of Liquid Resources					
Investments Purchased		(12,947,842)		(9,805,955)	
Proceeds from Sales of Investments		12,633,501		8,022,670	
Payments (into)/out of Short Term Deposits		(272,237)		1,370,941	
Currency Gains		64,893		135,883	
			(521,685)		(276,461)
Financing					
Partners Capital		6,370		14,308	
Capital element of hire purchase contract		(18,918)		(20,350)	
			(12,548)		(6,042)
(Decrease)/ Increase in Cash	18c)		(21,864)		90,495

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2009

1. ACCOUNTING POLICIES

- a) The Financial Statements have been prepared under the historical cost convention as modified for the revaluation of Fixed Asset Investments and in accordance with applicable Accounting Standards. No Profit and Loss Account is presented for the Parent Company as permitted by Section 408 of the Companies Act 2006.

The Group Financial Statements comprise a consolidation of the Parent Company and all its Subsidiary Undertakings.

b) **Depreciation**

Freehold property, vehicles, fittings and equipment are depreciated down to their estimated residual values at the end of their useful lives. The estimated useful lives of the assets are as follows:-

Buildings	-	5 to 50 years
Plant and Machinery	-	3 to 15 years

Short leasehold property is depreciated over the period of the lease.

In the case of land, no depreciation is provided. The Group's London property has not been depreciated as required by FRS15. The Directors consider that no depreciation is required on the long leasehold property as it has a long useful life and accordingly any depreciation charge would be immaterial. The Directors have also carried out an impairment review on the long leasehold property and they are satisfied that no adjustment is required to the carrying value.

c) **Stocks**

Stocks have been valued at the lower of average cost and net realisable value.

d) **Investments**

All investments are designated upon initial recognition as held at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. The sales of assets are recognised at the trade date of the disposal. Proceeds will be measured at fair value, which will be regarded as the proceeds of sale.

Changes in the fair value of investments held at fair value through profit or loss and gains or losses on disposal are recognised in the Group Profit and Loss Account as "Investment Income less Interest Payable".

Investments are valued at the closing price, the bid price or the single price as appropriate, released by the relevant investment manager.

e) **Foreign Currencies**

The value of Current Assets and Liabilities in currencies other than sterling have been converted at the rate ruling on 31st December 2009.

f) **Grants**

Grants of a revenue nature are credited to income in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

g) **Leasing**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

h) **Pensions**

The Group operates a defined contribution pension scheme. Contributions are charged in the Profit and Loss Account as they become payable.

i) **Deferred Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. **ANALYSIS OF TURNOVER AND PROFIT**

	Turnover £	2009 Profit £	Turnover £	2008 Profit £
Farming	851,157	151,883	1,007,081	145,311
Investment	-	1,284,403	-	(1,125,098)
	<hr/>	<hr/>	<hr/>	<hr/>
	851,157	1,436,286	1,007,081	(979,787)
Preference Dividend		(19,188)		(19,188)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>851,157</u>	<u>1,417,098</u>	<u>1,007,081</u>	<u>(998,975)</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

3. COST OF SALES

	2009 £	2008 £
Depreciation	46,452	62,903
Leasing Charges	254	254
Other Costs	633,037	788,843
	<u>679,743</u>	<u>852,000</u>

4. ADMINISTRATION EXPENSES

	2009 £	2008 £
Directors' Remuneration (excluding benefits)	698,207	322,336
Auditors' Remuneration	20,918	19,378
Depreciation	8,332	14,296
Other Expenses	486,038	409,037
	<u>1,213,495</u>	<u>765,047</u>

	2009 £	2008 £
Directors' Remuneration		
For Services as Director	18,750	15,000
For Executive Services (including benefits)	693,368	320,792
	<u>712,118</u>	<u>335,792</u>

Emoluments of the Chairman and Highest Paid Director (excluding Pension Contributions)	<u>638,881</u>	<u>229,344</u>
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NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

4. ADMINISTRATION EXPENSES (Contd.)

Employees

The average number of employees (excluding non-Executive Directors) during the year is made up as follows:

	Number	Number
Production	11	14
Management and Administration	7	7
	—	—
	18	21
Staff Costs for the above employees during the year amounted to:-	£	£
Wages and Salaries	998,060	706,406
Social Security Costs	115,366	73,047
Other Pension Costs	15,339	14,337
	<hr/>	<hr/>
	<u>1,128,765</u>	<u>793,790</u>

5. OTHER OPERATING INCOME

	2009 £	2008 £
Gains on Sale of Fixed Assets	9,444	13,195
Management Charges Receivable	1,000	1,000
Property Revenue	88,071	72,587
Lease Premium	3,000	3,000
	<hr/>	<hr/>
	<u>101,515</u>	<u>89,782</u>

6. INVESTMENT INCOME LESS INTEREST PAYABLE

	2009 £	2008 £
Interest and Dividends Receivable - Listed Investments	747,300	719,445
Interest Receivable - Other	3,688	65,325
Gains on Exchange	52,596	149,393
Gains on Sales of Investments	172,333	364,337
Decrease/(Increase) in provision for diminution in value of Investments	1,395,689	(1,782,247)
	<hr/>	<hr/>
	2,371,606	(483,747)
Interest Payable:-		
on Bank Loan and Overdrafts wholly repayable within five years	(219)	(249)
Dividends paid on Preference Shares	(19,188)	(19,188)
	<hr/>	<hr/>
	<u>2,352,199</u>	<u>(503,184)</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

7. TAXATION	2009 £	2008 £
The charge for the year comprises:-		
UK Corporation Tax – Current Year	13,000	25,000
UK Corporation Tax – Prior Year	(4,377)	-
Overseas Tax	3,886	3,704
	<hr/>	<hr/>
	12,509	28,704
Deferred Tax (Note 15)	23,000	12,000
	<hr/>	<hr/>
	<u>35,509</u>	<u>40,704</u>

Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:-

	2009 £	2008 £
Profit/(Loss) per Accounts	<u>1,417,098</u>	<u>(998,975)</u>
Chargeable @ 28% (2008 @ 28.5%)	396,787	(284,708)
Benefits of small Companies Rate	(4,170)	(5,270)
Expenses not deductible for tax	4,201	5,569
Preference Dividends not deductible for tax	5,373	5,469
Capital Allowances in excess of Depreciation	(19,067)	(9,615)
Adjustments to tax charge in respect of previous periods	(4,377)	-
Fair Value adjustment for period in excess of tax losses	(253,793)	364,086
Adjustment of Chargeable Gains	(64,573)	(7,527)
Income not subject to tax	(51,634)	(49,386)
Other movements	3,762	3,901
	<hr/>	<hr/>
	<u>12,509</u>	<u>28,704</u>

8. EQUITY DIVIDENDS

	2009 £	2008 £
Paid During Year		
Ordinary Interim - paid	650,316	67,742
	<hr/>	<hr/>
	<u>650,316</u>	<u>67,742</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

9. TANGIBLE FIXED ASSETS

GROUP	Freehold, Farmland, Woodland & Buildings £	Leasehold Property Long £	Short £	Plant, Vehicles & Fittings £	Total £
Cost					
As at 1st January 2009	2,538,029	127,178	37,851	1,607,152	4,310,210
Additions	12,938	-	-	120,256	133,194
Disposals	(772)	-	-	(136,961)	(137,733)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31st December 2009	<u>2,550,195</u>	<u>127,178</u>	<u>37,851</u>	<u>1,590,447</u>	<u>4,305,671</u>
Aggregate Depreciation					
As at 1st January 2009	827,308	-	37,851	1,291,255	2,156,414
Charge for Year	17,217	-	-	37,567	54,784
Eliminated On Disposals	(772)	-	-	(115,325)	(116,097)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31st December 2009	<u>843,753</u>	<u>-</u>	<u>37,851</u>	<u>1,213,497</u>	<u>2,095,101</u>
Net Book Value					
As at 31st December 2009	<u>1,706,442</u>	<u>127,178</u>	<u>-</u>	<u>376,950</u>	<u>2,210,570</u>
As at 31st December 2008	<u>1,710,721</u>	<u>127,178</u>	<u>-</u>	<u>315,897</u>	<u>2,153,796</u>

Included in plant, vehicles & fittings above are assets held under finance leases or hire purchase contracts with a total net book value of £30,858 (2008 - £74,558) and a total depreciation charge of £3,642 (2008 - £5,942).

COMPANY	Freehold, Farmland, Woodland & Buildings £	Total £
Cost		
As at 1.1.09 & 31.12.09	<u>144,301</u>	<u>144,301</u>
Net Book Value		
As at 31.12.08 & 31.12.09	<u>144,301</u>	<u>144,301</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

10. INVESTMENTS

Fixed Asset Investments		Property Investment Partnership		Associated Undertaking (Share of Net Tangible Assets)	Total
GROUP	Listed £	Unlisted £	£	£	£
Cost					
As at 1st January 2009	19,656,051	25,715	200,000	103,100	19,984,866
Additions	12,947,843	-	-	-	12,947,843
Disposals	(12,223,472)	(25,714)	-	(6,370)	(12,255,556)
Share of Profit	-	-	-	5,465	5,465
As at 31st December 2009	<u>20,380,422</u>	<u>1</u>	<u>200,000</u>	<u>102,195</u>	<u>20,682,618</u>
Valuation Adjustment					
As at 1st January 2009	1,081,595	(25,714)	(40,000)	-	1,015,881
Increase/(Decrease)	1,429,975	25,714	(60,000)	-	1,395,689
As at 31st December 2009	<u>2,511,570</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>2,411,570</u>
Net Values					
As at 31st December 2009	<u>22,891,992</u>	<u>1</u>	<u>100,000</u>	<u>102,195</u>	<u>23,094,188</u>
As at 31st December 2008	<u>20,737,646</u>	<u>1</u>	<u>160,000</u>	<u>103,100</u>	<u>21,000,747</u>

COMPANY	Subsidiary Undertakings £	Listed £	Unlisted £	Total £
Cost				
As at 1st January 2009	1,012,554	24,404	25,714	1,062,672
Disposals	-	-	(25,714)	(25,714)
As at 31st December 2009	<u>1,012,554</u>	<u>24,404</u>	<u>-</u>	<u>1,036,958</u>
Valuation Adjustment				
As at 1st January 2009	-	(3,714)	(25,714)	(29,428)
Increase	-	5,962	25,714	31,676
As at 31st December 2009	<u>-</u>	<u>2,248</u>	<u>-</u>	<u>2,248</u>
Net Values				
As at 31st December 2009	<u>1,012,554</u>	<u>26,652</u>	<u>-</u>	<u>1,039,206</u>
As at 31st December 2008	<u>1,012,554</u>	<u>20,690</u>	<u>-</u>	<u>1,033,244</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

10. INVESTMENTS (Contd.)

The Subsidiary Undertakings which, in the opinion of the Directors, principally affected the Group Accounts are:-

Subsidiary Undertaking	Country of Incorporation	Class of Shares	Proportion Held	Principal Activity
Bodies Corporate				
Charles Connell & Co. Ltd.	Scotland	Ordinary	100%	Investment
		Preference	100%	
Charles Connell & Co. (Colquhalzie Farms) Ltd.	Scotland	Ordinary	100%	Farming

Associated Undertaking

The Company's subsidiary, Charles Connell & Co (Colquhalzie Farms) Ltd owns 49% of the Farming Partnership based at Ladyston and the Group share of the profit therein amounted to £5,465 (2008 - £24,393).

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

11. STOCKS

	2009	2008
	£	£
Raw Materials and Stores	35,451	63,755
Livestock	156,458	110,188
Growing Stocks and Finished Goods	59,972	50,715
	<u>251,881</u>	<u>224,658</u>

12. DEBTORS

	2009	Group 2008	2009	Company 2008
	£	£	£	£
Trade Debtors	33,869	233,165	-	-
Taxation Recoverable	6,271	21,914	-	-
Other Debtors	7,392	1,304,751	-	-
Prepayments and Accrued Income	234,198	165,917	-	-
Forward Currency	148,203	223,173	-	-
Amounts owed by Subsidiary Undertakings	-	-	12,295,212	12,972,081
	<u>429,933</u>	<u>1,948,920</u>	<u>12,295,212</u>	<u>12,972,081</u>

13. CREDITORS

	2009	Group 2008	2009	Company 2008
	£	£	£	£
Amounts falling due within one year:-				
Trade Creditors	67,041	26,536	-	-
Hire Purchase Creditor	8,232	18,908	-	-
Other Creditors	23,144	20,318	-	-
Current Taxation	13,000	25,000	-	-
Other Taxes and Social Security	8,053	47,003	-	-
Accruals and Deferred Income	332,812	87,041	5,874	5,580
Forward Currency	153,190	214,873	-	-
Amounts owed to Subsidiary Undertakings	-	-	300,000	300,000
	<u>605,472</u>	<u>439,679</u>	<u>305,874</u>	<u>305,580</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

13. CREDITORS (Contd.)

	2009	Group 2008	2009	Company 2008
	£	£	£	£
Amounts falling due after one year:-				
Hire Purchase Creditor	-	8,242	-	-
127,924 6% Non-Cumulative Non-Redeemable Preference Shares of £2.50 each	319,810	319,810	319,810	319,810
	<u>319,810</u>	<u>328,052</u>	<u>319,810</u>	<u>319,810</u>
Preference Shares				

The non-cumulative preference shares are non-equity shares which carry an entitlement to a dividend at a rate of 6.0% per annum. Every holder of a preference share shall be entitled to receive notice of and to attend and to vote at any general meeting and shall be entitled to one vote in respect of each preference share held.

14. DEFERRED INCOME

	2009 £	2008 £
Lease Premium	132,000	135,000
Transfer to Profit and Loss	(3,000)	(3,000)
	<u>129,000</u>	<u>132,000</u>
As at 31st December 2009	<u>129,000</u>	<u>132,000</u>

15. PROVISION FOR LIABILITIES AND CHARGES

	2009 £	2008 £
Deferred Tax		
Timing differences	<u>55,000</u>	<u>32,000</u>
Provision as at 1 st January 2009	32,000	20,000
Deferred tax charge in year	23,000	12,000
	<u>55,000</u>	<u>32,000</u>
Provision as at 31 st December 2009	<u>55,000</u>	<u>32,000</u>

The group has not recognised the deferred tax asset of approximately £82,000 relating to excess capital losses and excess management charges as the directors do not believe it is prudent in the current financial climate.

16. CALLED UP SHARE CAPITAL

Allotted, Issued and Fully Paid		
54,193 Ordinary Shares of £5 each	270,965	270,965
	<u>270,965</u>	<u>270,965</u>

Under the terms of the Company's Articles of Association, Preference Shareholders have the power to block the Ordinary Shareholders from receiving payment from the Company.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

17. RESERVES

	Capital Redemption Reserve Fund £	Consolidation Reserve £	Profit and Loss Account £	Total £
Group				
As at 1 st January 2009	759,225	1,635,856	22,186,362	24,581,443
Profit for Year	-	-	1,381,589	1,381,589
Dividends Paid	-	-	(650,316)	(650,316)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31st December 2009	<u>759,225</u>	<u>1,635,856</u>	<u>22,917,635</u>	<u>25,312,716</u>
Company				
As at 1st January 2009	759,225	-	12,495,329	13,254,554
Loss for Year	-	-	(20,898)	(20,898)
Dividends Paid	-	-	(650,316)	(650,316)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31st December 2009	<u>759,225</u>	<u>-</u>	<u>11,824,115</u>	<u>12,583,340</u>

18. CASH FLOW STATEMENT

	2009 £	2008 £
a) Reconciliation of Operating Loss to Net Cash (Outflow) from Operating Activities		
Operating Loss	(940,566)	(520,184)
Depreciation	54,784	77,199
(Gain) on Sale of Fixed Assets	(9,444)	(13,195)
Transfer from Lease Premium	(3,000)	(3,000)
Stock (Increase)	(27,223)	(13,596)
Debtors Decrease/(Increase)	170,760	(10,459)
Creditors Increase/(Decrease)	221,309	(494,939)
	<hr/>	<hr/>
Net Cash (Outflow) from Operating Activities	<u>(533,380)</u>	<u>(978,174)</u>
b) Net Cash (Outflow)/Inflow on Taxation		
Corporation Tax (Paid)/Repaid	(20,623)	52
Overseas Tax Repaid	14,740	2,217
	<hr/>	<hr/>
	<u>(5,883)</u>	<u>2,269</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

18. CASH FLOW STATEMENT (Contd)

	2009 £	2008 £		
c) Reconciliation of Net Cash Flow to Movement in Net Funds				
(Decrease)/Increase in Cash in the Year	(21,864)	90,495		
Cash Outflow in Hire Purchase financing	18,918	49,546		
	<hr/>	<hr/>		
Changes in Net Funds resulting from Cash Flow	(2,946)	140,041		
New Hire Purchase Contracts	-	(29,195)		
	<hr/>	<hr/>		
Movement in Net Funds in the Year	(2,946)	(110,846)		
Net Funds at 1 January 2009	67,174	(43,673)		
	<hr/>	<hr/>		
Net Funds at 31 December 2009	<u>64,228</u>	<u>67,174</u>		
d) Analysis of Changes in Net Funds				
	Opening Balance £	Cash Flows £	Other Changes £	Closing Balance £
Cash at Bank and in Hand	94,324	(21,864)	-	72,460
Hire Purchase Contracts	(27,150)	18,918	-	(8,232)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Funds	<u>67,174</u>	<u>(2,946)</u>	<u>-</u>	<u>64,228</u>
e) Liquid Resources				
Charles Connell & Company (Holdings) Limited includes as liquid resources term deposits of less than a year and stocks and shares.				

19. PENSION SCHEME

Included in Group Accruals at the year end are amounts totalling £NIL (2008 – £1,632) due in respect of pension contributions.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FOR THE YEAR ENDED 31st DECEMBER 2009

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit/(Loss) for the year	1,381,589	(1,020,491)
Dividends	(650,316)	(86,930)
	<hr/>	<hr/>
Net (Decrease)/Increase in Shareholders' Funds	731,273	(1,107,421)
Opening Shareholders' Funds	24,852,408	25,959,829
	<hr/>	<hr/>
Closing Shareholders' Funds	<u>25,583,681</u>	<u>24,852,408</u>

21. OPERATING LEASE COMMITMENTS

	2009 Land & Buildings £	2008 Land & Buildings £
In one year or less	<u>10,000</u>	<u>10,000</u>

22. CAPITAL COMMITMENTS

At the year end, the group had capital commitments contracted for but not provided for in these financial statements of £7,000 (2008 - £nil).

23. PRIOR PERIOD ADJUSTMENT

The comparative figures in the Statement of Total Recognised Gains and Losses show the financial statements have been amended in the year ended 31 December 2008 to incorporate a prior period adjustment to show the effect of the company's adoption of fair value accounting.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**FOR THE YEAR ENDED 31st DECEMBER 2009****24. TRANSACTIONS WITH RELATED PARTIES**

During the year transactions took place between Charles Connell & Co (Colquhalzie Farms) Ltd and Ladyston Farming Company an associated undertaking. During the year Charles Connell & Co (Colquhalzie Farms) Ltd provided services and goods of £114,368 (2008 - £103,880), and bought products and services worth £13,164 (2008 - £1,609). At the year end the balance owing to Charles Connell & Co (Colquhalzie Farms) Ltd was £2,730 (2008 - £4,876). The balance due to Ladyston Farming Company was £nil (2008 - £1,609).

Transactions also took place between Charles Connell & Co (Colquhalzie Farms) Ltd and EBM. Mr A. Bremner is a Director of Charles Connell & Co (Colquhalzie Farms) Ltd and a Partner with EBM. At the year end, the balance owing to EBM was £nil (2008 - £212).

As the parent of Charles Connell & Co. (Holdings) Ltd group, the Company is exempt from the requirements of FRS 8 to disclose transactions with other group members.