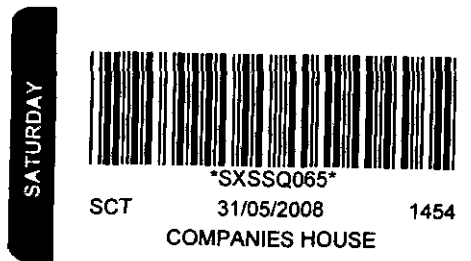


REGISTERED NUMBER SC167292

EILEAN AIGAS LIMITED

REPORT OF THE DIRECTOR AND FINANCIAL STATEMENTS

31 JULY 2007



**EILEAN AIGAS LIMITED**  
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**For the year ended 31 July 2007**

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**EILEAN AIGAS LIMITED****COMPANY INFORMATION****For the year ended 31 July 2007**

<b>REGISTERED NUMBER</b>	<b>SC167292</b>
<b>DIRECTOR</b>	<b>Mango Ridge LLC</b>
<b>SECRETARY</b>	<b>Brodies Secretarial Services Limited</b>
<b>REGISTERED OFFICE</b>	<b>Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA</b>
<b>SOLICITORS</b>	<b>Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA</b>
<b>ACCOUNTANTS</b>	<b>Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA</b>
<b>AUDITORS</b>	<b>MacKenzie Kerr Chartered Accountants and Registered Auditors 19 Culduthel Road Inverness IV2 4AA</b>

**EILEAN AIGAS LIMITED****DIRECTOR'S REPORT****For the year ended 31 July 2007**

The director presents its report with the audited financial statements of the company for the year ended 31 July 2007

**Principal Activities and Business Review**

The principal activity of the company in the year under review was that of running the estate known as Eilean Aigas Estate, by Beaully, Inverness-shire

The company is a wholly owned subsidiary of Mango Ridge LLC

The director is satisfied with the results of the year and considers the state of affairs of the company to be satisfactory

**Director**

The director shown below have held office during the whole of the period from 1 August 2007 to the date of this report

Mango Ridge LLC

**EILEAN AIGAS LIMITED****DIRECTOR'S REPORT**

(continued)

**For the year ended 31 July 2007****Directors' Responsibilities**

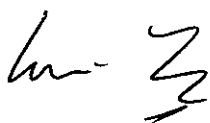
The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom 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 year. In preparing these financial statements the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper financial records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD**

**Director for**  
**Brodies Secretarial Services Limited**  
*Secretary*

Approved by the Board on      May 2008

**EILEAN AIGAS LIMITED**  
**AUDITORS' REPORT**  
**For the year ended 31 July 2007**

**Independent Auditors' Report to the Shareholders of Eilean Aigas Limited**

We have audited the financial statements of Eilean Aigas Limited for the year ended 31 July 2007, which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

**Respective responsibilities of director and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding director's remuneration and other transactions are not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**EILEAN AIGAS LIMITED**  
**AUDITORS' REPORT continued**  
**For the year ended 31 July 2007**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 July 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

*Mackenzie Kerr*

**MACKENZIE KERR**  
Chartered Accountants & Registered Auditors  
19 Culduthel Road  
Inverness  
IV2 4AA

**30 May 2008**

**EILEAN AIGAS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 July 2007**

		2007	2006
	Notes	£	£
Turnover		1,453	300
Cost of Sales			
Gross Profit		1,453	300
Administrative expenses		(707,066)	(414,539)
Other operating income		11,102	276
<b>Loss on ordinary activities before taxation</b>	<b>4</b>	<b>(694,511)</b>	<b>(413,963)</b>
Tax on loss on ordinary activities	5		
<b>Loss for the financial year after taxation</b>		<b>(694,511)</b>	<b>(413,963)</b>
<i>Deficit brought forward</i>		<i>(1,037,288)</i>	<i>(623,325)</i>
<b>Deficit carried forward</b>		<b>(1,731,799)</b>	<b>(1,037,288)</b>

The notes on pages 7 to 9 form part of these financial statements



## EILEAN AIGAS LIMITED

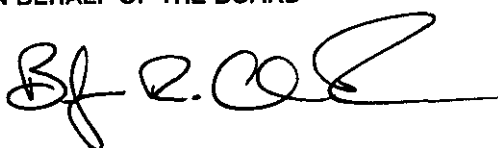
## BALANCE SHEET

For the year ended 31 July 2007

		2007		2006	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	6		20,589,713		12,462,400
<b>Current assets</b>					
Cash and Bank		489,048		50,309	
Debtors	7	49,242		41,469	
		<u>538,290</u>		<u>91,778</u>	
Creditors amounts falling due within one year	8	(719,188)		(641,495)	
<b>Net current liabilities</b>			<u>(180,898)</u>		<u>(549,717)</u>
<b>Total assets less current liabilities</b>			20,408,815		11,912,683
Creditors amounts falling due after one year	9		(22,140,612)		(12,949,969)
			<u>(1,731,797)</u>		<u>(1,037,286)</u>
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Profit and loss account			(1,731,799)		(1,037,288)
<b>Shareholders' funds</b>			<u>(1,731,797)</u>		<u>(1,037,286)</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

ON BEHALF OF THE BOARD

 Member

Mango Ridge LLC  
Director

Approved by the Board on May 2008

The notes on pages 7 to 9 form part of these financial statements

## EILEAN AIGAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2007

**1 Fundamental Accounting Concept**

The company has net liabilities at the balance sheet date amounting to £1,731,797. However, the parent company has undertaken to make funds available to enable the company to meet its liabilities as they fall due and as a result the director considers the going concern basis of accounts production to be appropriate.

**2 Accounting Policies****Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

**Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Heritable Property	2% straight line
Office equipment	25% straight line
Plant & Equipment	25% reducing balance

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred Tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**3 Turnover**

The total turnover of the company for the year is derived from its principal activity wholly undertaken in the UK.

**4 Operating Loss**

The operating loss is stated after charging:

	2007	2006
	£	£
Depreciation – owned assets	434,158	259,811
Audit fees	3,600	2,800

**EILEAN AIGAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2007

**5 Taxation**

**Analysis of the Tax Charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2007 nor for the year ended 31 July 2006

**6 Tangible Fixed Assets**

	Office Equipment	Heritable Property	Plant & Equipment	Total
Cost	£	£	£	£
At 1 August 2006	755	12,981,106		12,981,861
Additions		8,547,913	13,558	8,561,471
At 31 July 2007	755	21,529,019	13,558	21,543,332
<b>Depreciation</b>				
At 1 August 2006	567	518,894		519,462
Charge for year	188	430,580	3,390	434,158
At 31 July 2007	755	949,474	3,390	953,620
<b>Net Book Value</b>				
At 31 July 2007		20,579,545	10,168	20,589,713
At 31 July 2006	188	12,462,212		12,462,400

No formal valuation of the company's property has been carried out at 31 July 2007. However, although the director considers that the value of the partly completed property is less than that shown in the accounts, no revaluation can be incorporated in the accounts due to the lack of a professional valuation. When building work is completed the property will be transferred to the parent company at a value determined by a professional valuation. It is anticipated by the director that this final valuation will be at least the value shown in the accounts at that date.

	2007	2006
7 Debtors	£	£
VAT refund due	49,242	41,469
	49,242	41,469
<b>8 Creditors Amount Falling Due Within One Year</b>		
	2007	2006
	£	£
Trade creditors	713,688	634,995
Accruals	5,500	6,500
	719,188	641,495

**EILEAN AIGAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 July 2007**

9	<b>Creditors Amounts Falling Due After More Than One Year</b>			<b>2007</b>	<b>2006</b>
				£	£
	Amounts owed to parent company			22,140,612	12,949,969
				<u>22,140,612</u>	<u>12,949,969</u>
10	<b>Capital Commitments</b>				
	As at 31 July 2007 capital expenditure commitments were as follows				
				<b>2007</b>	<b>2006</b>
	Contracted for but not provided in the accounts			<u>700,000</u>	<u>1,800,000</u>
11	<b>Called Up Share Capital</b>				
	Authorised	Nominal		<b>2007</b>	<b>2006</b>
	Number	Class	Value	£	£
	100	Ordinary	£1	<u>100</u>	<u>100</u>
	Allotted, issued and fully paid			<b>2007</b>	<b>2006</b>
	Number	Class	Value	£	£
	2	Ordinary	£1	<u>2</u>	<u>2</u>
12	<b>Ultimate Parent Undertaking</b>				
	The ultimate holding company is Mango Ridge LLC, a company registered in the USA				