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REGISTERED NUMBER SC167292

EILEAN AIGAS LIMITED

REPORT OF THE DIRECTOR AND FINANCIAL STATEMENTS

31 JULY 2008

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EILEAN AIGAS LIMITED
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For the year ended 31 July 2008

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EILEAN AIGAS LIMITED**COMPANY INFORMATION****For the year ended 31 July 2008**

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

EILEAN AIGAS LIMITED
DIRECTOR'S REPORT
For the year ended 31 July 2008

The director presents its report with the audited financial statements of the company for the year ended 31 July 2008.

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 Beauly, 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.

Directors

The directors during the year under review were:

Mango Ridge LLC

The beneficial interest of the director holding office on 31 July in the issued share capital of the company was as follows:

	2008	2007
	Ordinary £1 Shares	Ordinary £1 Shares
Mango Ridge LLC	2	2

EILEAN AIGAS LIMITED**DIRECTOR'S REPORT**

(continued)

For the year ended 31 July 2008**Directors' Responsibilities**

Company law requires the director to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the 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 30 April 2009

EILEAN AIGAS LIMITED
AUDITORS' REPORT
For the year ended 31 July 2008

Independent Auditors' Report to the Shareholders of Eilean Aigas Limited

We have audited the financial statements of Eilean Aigas Ltd for the year ended 31 July 2008, 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 2007).

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 directors and auditors

The directors' 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 Directors' 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 Directors' 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 directors' remuneration and other transactions are not disclosed.

We read the Directors' 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 directors 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 2008****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 2008 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 Directors' Report is consistent with the financial statements

**MACKENZIE KERR**

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

30 April 2009

EILEAN AIGAS LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 July 2008

		2008	2007
	Notes	£	£
Turnover	3	300	1,453
Cost of Sales		-	-
Gross Profit		300	1,453
Administrative expenses		(515,169)	(707,066)
Other operating income		8,867	11,102
Loss on ordinary activities before taxation	4	(506,302)	(694,511)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year after taxation		(506,302)	(694,511)
Deficit brought forward		(1,731,799)	(1,037,288)
Deficit carried forward		(2,238,101)	(1,731,799)

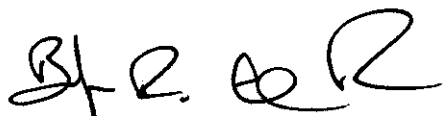
The notes on pages 7 to 9 form part of these financial statements.

EILEAN AIGAS LIMITED
BALANCE SHEET
For the year ended 31 July 2008

		2008		2007	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	6		20,966,084		20,589,713
Current assets					
Cash and Bank		217,609		489,048	
Debtors	7	237		49,242	
		217,846		538,290	
Creditors: amounts falling due within one year	8	(25,009)		(719,188)	
Net current assets/(liabilities)			192,837		(180,898)
Total assets less current liabilities			21,158,921		20,408,815
Creditors: amounts falling due after one year	9		(23,397,020)		(22,140,612)
			(2,238,099)		(1,731,797)
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account			(2,238,101)		(1,731,799)
Shareholders' funds			(2,238,099)		(1,731,797)

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 2007).

ON BEHALF OF THE BOARD



Mango Ridge LLC
Director

Approved by the Board on ³⁰ April 2009

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 2008

1 Fundamental Accounting Concept

The company has net liabilities at the balance sheet date amounting to £2,238,099. 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 2007).

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:

	2008	2007
	£	£
Depreciation – owned assets	449,643	434,158
Audit fees	1,900	3,600

EILEAN AIGAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

5 Taxation

Analysis of the Tax Charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2008 nor for the year ended 31 July 2007

6 Tangible Fixed Assets

	Office Equipment	Heritable Property	Plant & Equipment	Total
Cost	£	£	£	£
At 1 August 2007	755	21,529,019	13,558	21,534,332
Additions	-	826,014	-	826,014
At 31 July 2008	755	22,355,033	13,558	22,369,346
Depreciation				
At 1 August 2007	755	949,747	3,390	953,619
Charge for year	-	447,101	2,542	449,643
At 31 July 2008	755	1,396,575	5,932	1,403,262
Net Book Value				
At 31 July 2008	-	20,958,458	7,626	20,966,084
At 31 July 2007	-	20,579,545	10,168	20,589,713

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.

	2008	2007
	£	£
7 Debtors		
VAT refund due	237	49,242
	237	49,242
8 Creditors: Amount Falling Due Within One Year	2008	2007
	£	£
Trade creditors	19,209	713,688
Accruals	5,800	5,500
	25,009	719,188

EILEAN AIGAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2008

9 Creditors: Amounts Falling Due After More Than One Year	2008	2007
	£	£
Amounts owed to parent company	23,397,020	22,140,612
	<u>23,397,020</u>	<u>22,140,612</u>

10 Capital Commitments

As at 31 July 2008 capital expenditure commitments were as follows:

	2008	2007
Contracted for but not provided in the accounts	<u>228,000</u>	<u>700,000</u>

11 Called Up Share Capital

Authorised:	Nominal	2008	2007
Number:	Value:	£	£
100	Ordinary	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:	Nominal	2008	2007
Number:	Value:	£	£
2	Ordinary	<u>2</u>	<u>2</u>

12 Ultimate Parent Undertaking

The ultimate holding company is Mango Ridge LLC, a company registered in the USA.

EILEAN AIGAS LIMITED
DETAILED PROFIT AND LOSS ACCOUNT

For the year ended 31 July 2008

	2008		2007	
	£	£	£	£
Income				
Timber		-		1,153
Wayleaves received		300		300
Other income		8,567		11,102
		<u>8,867</u>		<u>12,555</u>
Expenditure				
Woodland management	-		3,202	
Forestry contracting	-		15,671	
Fencing	11,499		5,423	
Insurance	-		-	
Accountancy and tax fees	7,796		7,511	
Audit fees	1,900		3,600	
Legal and professional fees	10,740		16,649	
Transmission lines fees	33,591		213,350	
Sundry expenses	-		-	
VAT penalty interest	-		7,502	
Depreciation	<u>449,643</u>		<u>434,158</u>	
		(515,169)		(707,066)
Net Loss		<u>(506,302)</u>		<u>(694,511)</u>

This page does not form part of the statutory financial statements