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REGISTERED NUMBER SC167292

EILEAN AIGAS LIMITED

REPORT OF THE DIRECTOR AND FINANCIAL STATEMENTS

31 JULY 2009

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**EILEAN AIGAS LIMITED**  
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**For the year ended 31 July 2009**

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**EILEAN AIGAS LIMITED**

**COMPANY INFORMATION**

**For the year ended 31 July 2009**

<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>SENIOR STATUTORY AUDITOR</b>	<b>Mark Sanderson</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 2009**

The director presents its report with the audited financial statements of the company for the year ended 31 July 2009.

**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 Beaulieu, 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:

	2009	2008
	Ordinary £1 Shares	Ordinary £1 Shares
Mango Ridge LLC	2	2

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

(continued)

**For the year ended 31 July 2009****Director's Responsibilities**

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of the company and of the profit or loss of the company for that period. 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 2006. 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 taking advantage of the small companies exemption.

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 485 Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

 DIRECTOR  
FOR BRODIES SECRETARIAL SERVICES LTD.

**Brodies Secretarial Services Limited**  
*Secretary*

Approved by the Board on 30 November 2009

**EILEAN AIGAS LIMITED****AUDITORS' REPORT****For the year ended 31 July 2009****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 2009, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008), (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

**Respective responsibilities of director and auditors**

As explained more fully in the Directors' Responsibilities Statement (set out on page 3), 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'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 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 state of the company's affairs as at 31 July 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of 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 are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



Mark Sanderson (Senior Statutory Auditor)  
for and on behalf of MacKenzie Kerr  
Statutory Auditor  
Redwood  
19 Culduthel Road  
Inverness  
IV2 4AA

**30** November 2009

**EILEAN AIGAS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 July 2009**

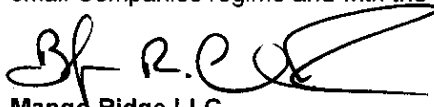
		2009	2008
	Notes	£	£
Turnover	3	300	300
Cost of Sales		-	-
Gross Profit		300	300
Administrative expenses		(462,428)	(515,169)
Other operating income		6,075	8,567
<b>Loss on ordinary activities before taxation</b>	4	(456,053)	(506,302)
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year after taxation</b>		(456,053)	(506,302)
Deficit brought forward		(2,238,101)	(1,731,799)
<b>Deficit carried forward</b>		(2,694,154)	(2,238,101)

The notes on pages 8 to 10 form part of these financial statements.

**EILEAN AIGAS LIMITED**  
**BALANCE SHEET**  
For the year ended 31 July 2009

		2009	2008
	Note	£	£
<b>Fixed Assets</b>			
Tangible assets	6	20,754,387	20,966,084
<b>Current assets</b>			
Cash and Bank		-	217,609
Debtors	7	1,891	237
		<u>1,891</u>	<u>217,846</u>
<b>Creditors:</b> amounts falling due within one year	8	(5,800)	(25,009)
<b>Net current assets/(liabilities)</b>		<u>(3,909)</u>	<u>192,837</u>
<b>Total assets less current liabilities</b>		<u>20,750,478</u>	<u>21,158,921</u>
<b>Creditors:</b> amounts falling due after one year	9	(23,444,630)	(23,397,020)
		<u>(2,694,152)</u>	<u>(2,238,099)</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account		<u>(2,694,154)</u>	<u>(2,238,101)</u>
<b>Shareholders' funds</b>		<u>(2,694,152)</u>	<u>(2,238,099)</u>

These accounts have been prepared in accordance with provisions applicable to companies subject to the small Companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

  
Mango Ridge LLC  
Director

Approved by the Board on 27 November 2009

The notes on pages 8 to 10 form part of these financial statements.



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

For the year ended 31 July 2009

**1 Fundamental Accounting Concept**

The company has net liabilities at the balance sheet date amounting to £2,694,152. 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 April 2008).

**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:

	2009	2008
	£	£
Depreciation – owned assets	453,850	449,643
Audit fees	2,500	1,900

**EILEAN AIGAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 July 2009

**5 Taxation**

**Analysis of the Tax Charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2009 nor for the year ended 31 July 2008

**6 Tangible Fixed Assets**

	Office Equipment	Heritable Property	Plant & Equipment	Total
Cost	£	£	£	£
At 1 August 2008	755	22,355,033	13,558	22,369,346
Additions	-	242,153	-	242,153
At 31 July 2009	<u>755</u>	<u>22,597,186</u>	<u>13,558</u>	<u>22,611,499</u>
<b>Depreciation</b>				
At 1 August 2008	755	1,396,575	5,932	1,403,262
Charge for year	-	451,944	1,906	453,850
At 31 July 2009	<u>755</u>	<u>1,848,519</u>	<u>7,838</u>	<u>1,857,112</u>
<b>Net Book Value</b>				
At 31 July 2009	<u>-</u>	<u>20,748,667</u>	<u>5,720</u>	<u>20,754,387</u>
At 31 July 2008	<u>-</u>	<u>20,958,458</u>	<u>7,626</u>	<u>20,966,084</u>

No formal valuation of the company's property has been carried out at 31 July 2009. 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.

	2009	2008
	£	£
<b>7 Debtors</b>		
VAT refund due	1,891	237
	<u>1,891</u>	<u>237</u>
<b>8 Creditors: Amount Falling Due Within One Year</b>		
	£	£
Trade creditors	-	19,209
Accruals	5,800	5,800
	<u>5,800</u>	<u>25,009</u>

**EILEAN AIGAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 July 2009

<b>9</b>	<b>Creditors: Amounts Falling Due After More Than One Year</b>	<b>2009</b>	<b>2008</b>
		£	£
	Amounts owed to parent company	23,444,630	23,397,020
		<u>23,444,630</u>	<u>23,397,020</u>

**10 Capital Commitments**

As at 31 July 2009 capital expenditure commitments were as follows:

	<b>2009</b>	<b>2008</b>
Contracted for but not provided in the accounts	-	228,000
	<u>-</u>	<u>228,000</u>

**11 Called Up Share Capital**

Authorised:	Nominal	<b>2009</b>	<b>2008</b>
Number:	Class:	£	£
100	Ordinary	100	100
		<u>100</u>	<u>100</u>
Allotted, issued and fully paid:	Nominal	<b>2009</b>	<b>2008</b>
Number:	Class:	£	£
2	Ordinary	2	2
		<u>2</u>	<u>2</u>

**12 Related Party Disclosure**

At the year end the company owed Mango Ridge LLC (Director) £23,444,630, (2008 £23,397,020).

**Ultimate Parent Undertaking**

- 13** 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 2009**

	2009		2008	
	£	£	£	£
<b>Income</b>				
Wayleaves received		300		300
Other income		6,075		8,567
		<u>6,375</u>		<u>8,867</u>
<b>Expenditure</b>				
Fencing	-		11,499	
Accountancy and tax fees	5,233		7,796	
Audit fees	2,500		1,900	
Legal and professional fees	195		10,740	
Transmission lines fees	-		33,591	
Sundry expenses	650		-	
Depreciation	453,850		449,643	
		<u>(462,428)</u>		<u>(515,169)</u>
<b>Net Loss</b>		<u>(456,053)</u>		<u>(506,302)</u>

This page does not form part of the statutory financial statements