

**ELDERSTREET BALLATER LIMITED**

**DIRECTORS REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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COMPANIES HOUSE

**ELDERSTREET BALLATER LIMITED****Directors**

Michael E W Jackson  
Paul M L Frew  
Barnaby B L Terry

**Secretary**

Barnaby B L Terry

**Registered Office**

50 Lothian Road  
Festival Square  
Edinburgh  
EH3 9BY

**Auditors**

Moore Stephens LLP  
St Paul's House  
Warwick Lane  
EC4M 7BP

**Report of Directors**

The Directors present their report and audited accounts for the year ended 31 December 2007

**Principal Activity, Business Review, Results and Dividends**

The principal business activity is to act as general partner to limited partnerships. The directors do not envisage that there will be any significant change in the business operations of the Company in the foreseeable future.

The profit after tax for the year was £nil (2006 £nil). The directors do not recommend the payment of a dividend (2006 £nil).

**Directors and Directors' Interests**

The directors who held office at the year end were as follows:

P M L Frew  
M E W Jackson  
B B L Terry

The disclosable interests of the directors in the shares and debentures of group companies are shown in the directors' report of the immediate parent company, Elderstreet Investments Limited.

**Auditors**

An elective resolution to dispense with the annual appointment of auditors pursuant to Section 386 Companies Act 1985 is in force. Accordingly, Moore Stephens LLP shall be deemed to be reappointed for 2007 and subsequently until further notice.

Each of the persons who are directors at the time when this report is approved has confirmed that:

(a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**Approved by the Board of Directors**  
**Signed on behalf of the Board**



**Michael Jackson**  
**Director**

**Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2007 and that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

## **Independent Auditors' Report to the Shareholders of Elderstreet Ballater Limited**

We have audited the financial statements of Elderstreet Ballater Limited for the year ended 31 December 2007 which are set out in pages 6 to 10. These financial statements have been prepared under the accounting policies set out therein.

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 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, 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 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 is 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 judgments 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 considered 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.

## Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result 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



Moore Stephens LLP  
St Paul's House  
Warwick Lane  
London  
EC4M 7BP

Registered Auditors Chartered Accountants

12 May 2008

**Profit and Loss Account**  
**For the year ended 31 December 2007**

	<u>Note</u>	2007	2006
		£	£
<b>Turnover</b>	1	391,758	521,413
Administrative expenses	2	(391,758)	(521,413)
<b>Profit on Ordinary Activities Before Taxation</b>			
Taxation	3		
<b>Profit on Ordinary Activities After Taxation</b>			

There are no recognised gains and losses other than those set out in the profit and loss account

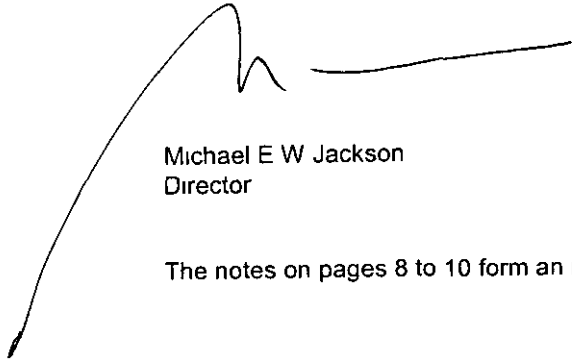
All operations are continuing

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

**Balance Sheet as at 31 December 2007**

	<u>Note</u>	<u>2007</u>	<u>2006</u>
		£	£
<b>Investments</b>	4		
<b>Current Assets</b>			
Debtors	5	34,197	41,830
Creditors amounts falling due Within one year	6	34,195	41,828
<b>Net Current assets</b>		<u>2</u>	<u>2</u>
<b>Total Assets less Current Liabilities</b>		<u>2</u>	<u>2</u>
<b>Share Capital and Reserves</b>			
Share Capital	7	2	2
Profit and loss account		<u></u>	<u></u>
<b>Shareholders' Funds</b>		<u>2</u>	<u>2</u>

These financial statements were approved by the Board on 2<sup>nd</sup> May 2008 and were signed on its behalf by



Michael E W Jackson  
Director

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



## Financial Statements for the year ended 31 December 2007

### Notes

#### 1 Accounting Policies

##### (a) Accounting convention

The accounts have been prepared in accordance with applicable accounting standards

##### (b) Turnover

Turnover comprises a priority share of profits for being the general partner to Elderstreet Capital Partners General Partner Limited Partnership

##### (c) Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at rates that are expected to crystallise based on current tax rates and law

Timing differences arise from the inclusion of items in income and expenditure in taxation computations in periods different to those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that they are regarded as more likely than not to be recoverable. Deferred tax assets and liabilities are not discounted

##### (d) Cashflow statement

The Company has taken advantage of the exemption under Financial Reporting Standard 1 (revised) not to prepare a cashflow statement on the grounds that an immediate parent undertaking Elderstreet Investments Limited prepares consolidated financial statements which are publicly available

#### 2 Administrative expenses

The Company has delegated responsibility for the management of Elderstreet Capital Partners General Partner Limited Partnership to its parent undertaking, Elderstreet Investments Limited, and for which it pays a management fee

None of the directors received any remuneration in relation to their services to the Company. The Company had no employees during the year

The auditors' remuneration, amounting to £2,750 (2006 £2,750), is borne by Elderstreet Capital Partners General Partners Limited Partnership

#### 3 Taxation

There was no tax charge in either this or the prior year. The Company has £nil (2006 £nil) of losses available to carry forward and offset against its share of any profits arising from the limited partnerships to which it is general partner

The Company has an unrecognised deferred tax asset of £nil (2006 £nil). In the Directors' opinion, administrative expenses will equal turnover for the foreseeable future and consequently no deferred tax asset has been recognised

# Financial Statements for the year ended 31 December 2007

## Notes (Continued)

### 4. Investments

The Company is the general partner to Elderstreet Capital Partners General Partner Limited Partnership which, in turn, is the general partner to,

*Elderstreet Capital Partners Limited Partnership  
Elderstreet Capital Partners GbR  
Elderstreet Capital Partners 'B' Limited Partnership  
Elderstreet Affiliates Fund 'A' Limited Partnership  
Elderstreet Affiliates Fund 'B' Limited Partnership  
Elderstreet Affiliates Fund 'C' Limited Partnership  
Elderstreet Affiliates Fund 'D' Limited Partnership  
Elderstreet Affiliates Fund 'E' Limited Partnership*

All of these partnerships are registered at 50 Lothian Road, Edinburgh EH3 8BY and the general partner has unlimited liability in relation to their activities

### 5. Debtors

	<u>2007</u> £	<u>2006</u> £
Due from limited partnerships	6,765	12,254
Due from immediate parent undertaking	27,432	29,576
	<hr/>	<hr/>
	34,197	41,830
	<hr/>	<hr/>

### 6. Creditors

	<u>2007</u> £	<u>2006</u> £
Due to limited partnerships	27,430	29,574
Due to immediate parent undertaking	6,765	12,254
	<hr/>	<hr/>
	34,195	41,828
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# Financial Statements for the year ended 31 December 2007

## Notes (Continued)

### 7 Equity Share Capital

	<u>2007</u> £	<u>2006</u> £
Authorised 100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid 2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

### 8 Reconciliation of Movements in Shareholders' Funds

	<u>2007</u> £	<u>2006</u> £
At beginning of the year	2	2
Profit for the year		
	<hr/>	<hr/>
At 31 December	2	2
	<hr/>	<hr/>

### 9 Ultimate Parent Company

Elderstreet Investments Limited, a company incorporated in Great Britain and registered in England and Wales, is the immediate parent undertaking

Copies of the consolidated financial statements of Elderstreet Investments Limited for the year ended 31 December 2007 will be available in due course at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

### 10 Related Party Transactions

Elderstreet Ballater Limited's immediate parent undertaking, Elderstreet Investments Limited, prepares consolidated financial statements which are publicly available. Accordingly, advantage is taken in these financial statements of the exemption available in Financial Reporting Standard 8 for disclosure of transactions that are part of the group or investees of the group entities as related parties.