

Buccleuch Property Developments Limited

Financial statements

For the year ended 31 October 2006

Grant Thornton 



Company No. SC257360

Officers and professional advisers

Company registration number	SC257360
Registered office	Head Office Weatherhouse Bowhill SELKIRK TD7 5ES
Directors	M D Clarke D C Gwyther J C Lamont
Secretary	M J McGrath
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square EDINBURGH EH2 2YB
Solicitors	Anderson Strathern 1 Rutland Court EDINBURGH EH3 8EY
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1 4 Atholl Crescent EDINBURGH EH3 8LQ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 October 2006

Principal activities

The principal activity of the company during the year was development of estate property owned by The Buccleuch Estates Limited, the parent undertaking, and other undertakings within the group

Directors

The directors who served the company during the year were as follows

M D Clarke
D C Gwyther
J C Lamont

None of the current directors hold an interest in the shares of the company.

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 these 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,
- 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 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.

Report of the directors (continued)

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditor

Chiene & Tait, Chartered Accountants, resigned as auditor on 3 November 2006 and Grant Thornton UK LLP was appointed. A resolution to re appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

BY ORDER OF THE BOARD



M J McGrath
Secretary

12/6/07

Report of the independent auditor to the members of Buccleuch Property Developments Limited

We have audited the financial statements of Buccleuch Property Developments Limited for the year ended 31 October 2006 on pages 9 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out on pages 7 to 8.

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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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.

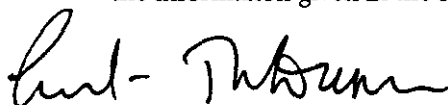
Report of the independent auditor to the members of Buccleuch Property Developments Limited (continued)

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 applicable to Smaller Entities, of the state of the company's affairs as at 31 October 2006 and of its profit 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 Report of the Directors is consistent with the financial statements



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

10/7/07....

Accounting policies

Basis of accounting

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)

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2005)

The company is a small company as defined by the Companies Act 1985 and as such is entitled to prepare financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), (the FRSSE). The company has adopted the FRSSE in the current year and this allows reduced disclosure in the financial statements. There is no significant effect on the current or previous year results.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	5 years
IT Equipment (included within Plant & Machinery)	3 years

Accounting policies (continued)

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, with the following exceptions.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

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

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2006 £	2005 £
Turnover		445,484	530,869
Other operating charges	1	(283,426)	(296,436)
Operating profit	2	162,058	234,433
Loss on disposal of fixed assets		(1,050)	(851)
		161,008	233,582
Interest receivable		10,452	–
Interest payable and similar charges		–	(3,766)
Profit on ordinary activities before taxation		171,460	229,816
Tax on profit on ordinary activities		(54,322)	(69,164)
Profit for the financial year	10	117,138	160,652

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

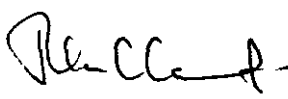
	Note	2006 £	2005 £
Fixed assets			
Tangible assets	4	9,458	19,732
Current assets			
Debtors	5	92,363	38,840
Cash at bank		216,322	194,728
		<u>308,685</u>	<u>233,568</u>
Creditors: amounts falling due within one year	6	(66,534)	(118,829)
Net current assets		<u>242,151</u>	<u>114,739</u>
Total assets less current liabilities		<u>251,609</u>	<u>134,471</u>
Capital and reserves			
Called up equity share capital	9	100	100
Profit and loss account	10	251,509	134,371
Shareholders' funds		<u>251,609</u>	<u>134,471</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on 12/10/07 and are signed on their behalf by:



D C Gwyther
Director



J C Lamont
Director

Notes to the financial statements

1 Other operating charges

	2006 £	2005 £
Administrative expenses	<u>283,426</u>	<u>296,436</u>

2 Operating profit

Operating profit is stated after charging

	2006 £	2005 £
Depreciation of owned fixed assets	7,398	11,081
Auditor's fees	<u>1,818</u>	<u>3,050</u>

3 Particulars of employees

The company has no employees and neither the directors nor the secretary received any remuneration from the company in the period.

The parent undertaking, The Buccleuch Estates Limited, makes a charge for the services of its personnel and the charge for the year was £194,126 (2005 £170,618)

The directors are employees of the holding company, The Buccleuch Estates Limited, and are also directors of other group subsidiaries. Emoluments are paid by The Buccleuch Estates Limited and it is not practicable to allocate emoluments between their services as executives of The Buccleuch Estates Limited and their services as directors of this company and other subsidiaries.

One (2005 one) director is accruing benefits under a defined benefit pension scheme and two (2005 two) directors are accruing benefits under a defined contribution scheme in respect of their services to the group companies.

Notes to the financial statements (continued)

4 Tangible fixed assets

	Plant & Machinery £
Cost	
At 1 November 2005	35,039
Additions	6,424
Disposals	(18,000)
At 31 October 2006	<u>23,463</u>
Depreciation	
At 1 November 2005	15,307
Charge for the year	7,398
On disposals	(8,700)
At 31 October 2006	<u>14,005</u>
Net book value	
At 31 October 2006	<u>9,458</u>
At 31 October 2005	<u>19,732</u>

5 Debtors

	2006 £	2005 £
Trade debtors	55,956	15,787
Amounts owed by group undertakings	28,775	20,587
Other debtors	7,632	2,466
	<u>92,363</u>	<u>38,840</u>

6 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	3,485	21,776
Amounts owed to group undertakings	61,231	87,940
Other creditors	1,818	9,113
	<u>66,534</u>	<u>118,829</u>

Notes to the financial statements (continued)

7 Contingent liability

The directors have signed an unlimited inter company guarantee in favour of the group's bankers in respect of the group's global overdraft facility

8 Related party transactions

Related party transactions with other group undertakings are excluded from the consolidated financial statements of The Buccleuch Estates Limited and are therefore exempt from disclosure in these financial statements

9 Share capital

Authorised share capital.

	2006 £	2005 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid.

	No	2006 £	No	2005 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10 Profit and loss account

	2006 £	2005 £
Balance brought forward	134,371	(26,281)
Profit for the financial year	<u>117,138</u>	<u>160,652</u>
Balance carried forward	<u>251,509</u>	<u>134,371</u>

11 Ultimate parent company

The company's parent undertaking and controlling entity is The Buccleuch Estates Limited, a company registered in Scotland.