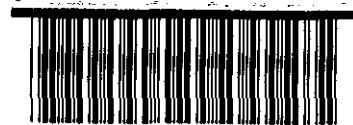


EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

FINANCIAL STATEMENTS

For the period ended 31 October 2005



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EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

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EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	A M Guthrie S G Vickers
Company Secretary	M J McGrath
Registered Office	Head Office Weatherhouse Bowhill Selkirk TD7 5ES
Auditors	Chiene + Tait CA 61 Dublin Street Edinburgh EH3 6NL
Bankers	The Royal Bank of Scotland Plc 36 St Andrew Square Edinburgh EH2 2YB

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

THE DIRECTORS' REPORT

PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

The directors present their report and the financial statements of the company for the period from incorporation on 12 July 2004 to 31 October 2005. The company changed its name on 19 November 2004.

Review of the business and future developments

The principal activity of the company during the period was that of animal incineration.

The loss for the period after taxation was £6,926. The directors do not recommend payment of a dividend. The directors will continue to develop the business as opportunities arise.

Directors

The directors who served the company during the period were as follows:

J N Kerr	(appointed 12 July 2004, resigned 18 November 2004)
S T D Brown	(appointed 12 July 2004, resigned 18 November 2004)
A M Guthrie	(appointed 18 November 2004)
S G Vickers	(appointed 18 November 2004)

The company is a wholly owned subsidiary and none of the current directors has any interest in the shares of the parent company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

Auditors

A resolution to re-appoint Chiene & Tait as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



S G Vickers
Director

Approved by the directors on *L.H. May* 2006



EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 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 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 October 2005 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Chiene + Tait
CHIENE + TAIT

Chartered Accountants and Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

9 May 2006

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

PROFIT and LOSS ACCOUNT

PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

	Notes	2005 £
Turnover		27,258
Cost of sales		14,888

Gross profit		12,370
Administrative expenses		21,670

Operating loss	2	(9,300)
Interest payable and similar charges	3	246

Loss on ordinary activities before taxation		(9,546)
Tax on loss on ordinary activities	5	2,620

Retained loss for the financial period		(6,926)
		=====

The company's turnover and expenses all relate to continuing activities.
The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 7 to 11 form part of these financial statements.

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

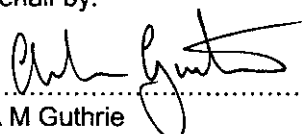
BALANCE SHEET

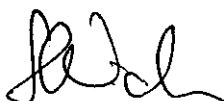
31 OCTOBER 2005

	Note	2005 £
Fixed assets		
Tangible assets	6	28,702
		<u>28,702</u>
Current assets		
Debtors	7	8,339
Cash at bank		3,544
		<u>11,883</u>
Creditors: amounts falling due within one year	8	6,795
		<u>5,088</u>
Net current assets		<u>33,790</u>
Total assets less current liabilities		<u>33,790</u>
Provision for liabilities and charges		
Deferred tax	9	716
		<u>33,074</u>
Net assets		<u>33,074</u>
Capital and reserves		
Called-up equity share capital	10	40,000
Profit and loss account	11	(6,926)
		<u>33,074</u>
Shareholders' funds	12	<u>33,074</u>

These financial statements were approved by the directors on behalf by:

2006 and are signed on their


..... Director
A M Guthrie


..... Director
S G Vickers

The notes on pages 7 to 11 form part of these financial statements.

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

CASH FLOW STATEMENT

FOR THE PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

	Notes	2005 £
Net cash outflow from operating activities	13(a)	(1,657)
Returns on investments and servicing of finance		
Interest paid		(246)
Net cash outflow from returns on investments and servicing of financing		(246)
Capital expenditure and financial investment		
Purchase of tangible fixed assets		(34,553)
Net cash outflow from capital expenditure and financial investment		(34,553)
Net cash outflow before financing		(36,456)
Financing		
Share capital issued		40,000
Net cash flow from financing		40,000
Increase in cash	13(c)	3,544

The notes on pages 7 to 11 form part of these financial statements.

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

NOTES to the FINANCIAL STATEMENTS

PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year. Turnover is stated net of value added tax.

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 and machinery – 5 years

Deferred taxation

Provision is made to take account of the timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. Operating loss

Operating loss is stated after charging:

	2005
	£
Depreciation	5,851
Auditors' fees	1,200
	=====

3. Interest payable and similar charges

	2005
	£
Bank loans and overdrafts	246
	=====

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

NOTES to the FINANCIAL STATEMENTS (continued)

PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

4. Directors' emoluments

The directors and secretary received no remuneration from the company in the period. The directors are employees of other group companies and are also directors of other group subsidiaries. Emoluments are paid by the employing companies and it is not practicable to allocate this between their services as executives of the group companies concerned and their services as directors of Eildon Fallen Stock Limited and other subsidiaries.

In addition, the directors are each accruing benefits under pension schemes in respect of their services to the group companies as follows:

Defined benefit	2
	==

5. Taxation on ordinary activities

	2005
	£
(a) Analysis of charge/(credit) in period	
Current tax:	
Group relief surrendered	(3,336)

Total current tax	(3,336)

Deferred tax:	
Origination and reversal of timing differences	716

Tax on profit on ordinary activities	(2,620)
	=====

(b) Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2005
	£
Loss on ordinary activities before tax	(9,546)

Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(2,864)
Effects of:	
Expenses not deductible for tax purposes	244
Capital allowances for period in excess of depreciation	(716)

	(3,336)
	=====

(c) Factors which may affect future tax charges

A deferred tax liability of £716 exists which has been included in the financial statements.

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

NOTES to the FINANCIAL STATEMENTS (continued)

PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

6. Tangible fixed assets

	Plant and Machinery £
Cost	
Additions	34,553
At 31 October 2005	34,553
	=====
Depreciation	
Charge for the period	5,851
At 31 October 2005	5,851
	=====
Net book value	
At 31 October 2005	28,702
	=====

7. Debtors

	2005 £
Amounts due from group undertakings	3,336
Prepayments and accrued income	5,003
	8,339
	=====

8. Creditors: amounts falling due within one year

	2005 £
Trade creditors	3,434
Amounts due to group undertakings	1,666
Accruals and deferred income	1,695
	6,795
	=====

9. Deferred tax

	2005 £
Provision at start of period	-
Deferred tax movement	716
	716
	=====

Deferred tax charges arise in respect of accelerated capital allowances.

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

NOTES to the FINANCIAL STATEMENTS (continued)

PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

10. Share capital

Authorised share capital:		2005
		£
40,000 ordinary shares of £1 each		40,000
		=====
Allotted, called up and fully paid:		2005
	No	£
Ordinary shares of £1 each	40,000	40,000
	=====	=====

Two ordinary shares of £1 each were issued on incorporation and a further 39,998 shares of £1 each were issued on 14 January 2005.

11. Profit and loss account

	2005
	£
Retained loss for the financial period	(6,926)

Balance carried forward	(6,926)
	=====

12. Reconciliation of movements in shareholders' funds

	2005
	£
Loss for the financial period	(6,926)
New shares issued	40,000

Net addition to shareholders' funds	33,074
Opening shareholders' funds	-

Closing shareholders' funds	33,074
	=====

13. Cash flow statement

	2005
	£
(a) Reconciliation of operating loss to net cash outflow from operating activities	
Operating loss	(9,300)
Depreciation and amortisation charges	5,851
Increase in debtors	(5,003)
Increase in creditors	6,795

Net cash outflow from operating activities	(1,657)
	=====

EILDON FALLEN STOCK LIMITED
(formerly ANDSTRAT (NO.197) LIMITED)

NOTES to the FINANCIAL STATEMENTS (continued)

PERIOD FROM 12 JULY 2004 TO 31 OCTOBER 2005

13. Cash flow statement (continued)

	Cash Flows	Other Non-cash Changes	At 31 October 2005
	£	£	£
(b) Analysis of changes in net debt			
Cash at bank and in hand	3,544	-	3,544
	-----	-----	-----
Total	3,544	-	3,544
	=====	=====	=====

(c) Reconciliation of net cash inflow to movement in net debt

	2005 £
Increase in cash for the period	3,544

Change in net debt resulting from cash flows	3,544

Movement in net debt in the period	3,544
Net debt at 12 July 2004	-

Net debt at 31 October 2005	3,544
	=====

13. Ultimate parent undertaking and related party transactions

The parent undertaking is BQ Farms Limited, a wholly owned subsidiary of The Buccleuch Estates Limited, both companies are registered in Scotland.

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.