

Balgonie Estates Limited

9072/120

Report and Accounts
December 31, 1981



Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Chartered Accountants Edinburgh

BALGONIE ESTATES LIMITED

1.

Directors

Michael J. Balfour
Peter E. G. Balfour
Mary Balfour

Secretary

Andrew Phillip

Auditors

Arthur Young McClelland Moores & Co.,
17 Abercromby Place,
Edinburgh
EH3 6LT

Solicitors

Strathern & Blair, W.S.,
12 South Charlotte Street,
Edinburgh
EH2 4AY

Registered office

12 South Charlotte Street,
Edinburgh
EH2 4AY

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended December 31, 1981.

Results and dividends

The trading profit for the year, after taxation, was £143,567 (1980 - £120,673) before crediting an extraordinary gain of £38,330 from compensation for land damage. The trading profit for the year includes gains on disposal of investments £30,654 (1980 - £2,996) and gains on disposal of fixed assets £43,233 (1980 - £13,292).

The directors recommend that an ordinary dividend of 10% amounting to £4,000 be paid out of the accumulated revenue reserves. The dividends on the 5% and 7½% preference shares have been paid.

Principal activity

The company's principal activity during the year was farming and the management of estates.

Directors and their interests

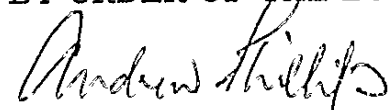
The directors of the company at December 31, 1981 and their interests in the share capital of the company were as follows:-

	<u>At January 1, 1981 and December 31, 1981</u>		
	Ordinary shares of £10 each	5% Preference shares of £10 each	7½% Second Preference shares of £10 each
Michael J. Balfour (Beneficial)	1,750	488	700
Peter E. G. Balfour	Nil	Nil	Nil
Mary Balfour (Beneficial)	Nil	1	Nil

Auditors

A resolution to re-appoint as auditors Arthur Young McClelland Moores & Co. will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD



ANDREW PHILLIP
Secretary

October 22, 1982



Arthur Young McClelland Moores & Co.

Chartered Accountants
17 Abercromby Place,
Edinburgh EH3 6LT

REPORT OF THE AUDITORS TO THE MEMBERS OF BALGONIE ESTATES LIMITED

We have audited the accounts on pages 4 to 10 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at December 31, 1981 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

ARTHUR YOUNG McCLELLAND MOORES & CO.

October 22, 1982

BALGONIE ESTATES LIMITED

4.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1981

	<u>Notes</u>		<u>1981</u>	<u>1980</u>
		£	£	£
Profit before taxation			162,032	129,664
after charging:				
Depreciation	4	43,589		37,672
Directors' emoluments	7	4,220		1,500
Interest on loan		3,000		3,000
Bank overdraft interest		10,592		17,138
Auditors' remuneration		2,625		2,375
and crediting:				
Income:				
Listed investments		45,598		43,212
Unlisted investments		307		307
Interest on deposits etc.		3,266		3,272
Rents		40,943		40,059
Net gain on disposal of investments and fixed assets		73,887		16,288
Taxation	2		18,465	3,991
Net profit before extraordinary gain			143,567	120,673
Extraordinary gain:				
Compensation for land damage on renunciation of lease, less attributable taxation of £6,800			38,330	-
Net profit after extraordinary gain			181,897	120,673
Dividends	3		4,739	4,739
Retained profit for the year	10		£177,158	£115,934

The notes on pages 7 to 10 form part of these accounts

BALGONIE ESTATES LIMITED

5.

BALANCE SHEET AT DECEMBER 31, 1981

	Notes	£	1981 £	1980 £
Fixed assets	4		623,862	587,741
Investments	5		405,914	383,958
Current assets:				
Stocks	6	545,607		433,712
Debtors		28,024		34,017
Loan to director	8	4,000		4,000
Taxation recoverable		-		2,199
Bank balance		10,979		2,671
		<u>588,610</u>		<u>476,599</u>
Current liabilities:				
Creditors		70,668		64,183
Bank overdrafts		90,335		115,445
Current taxation		11,555		-
Loans	11	100,000		100,000
Proposed ordinary dividend		4,000		4,000
		<u>276,558</u>		<u>283,628</u>
Net current assets			312,052	192,971
			<u>£1,341,828</u>	<u>£1,164,670</u>
Representing:				
Share capital	9		57,600	57,600
Reserves	10		1,284,228	1,107,070
<i>M. J. Balfour</i> MICHAEL J. BALFOUR	)			
<i>M. C. Balfour</i> MARY BALFOUR	)	Directors		
October 22, 1982			<u>£1,341,828</u>	<u>£1,164,670</u>

The notes on pages 7 to 10 form part of these accounts

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1981

		<u>1981</u>	<u>1980</u>
	£	£	£
Source of funds:			
Profit before taxation and extraordinary gain		162,032	129,664
Adjustment for items not involving the movement of funds:			
Depreciation		43,589	37,672
Gain on disposal of investments		(30,654)	(2,996)
Gain on disposal of fixed assets		(43,233)	(13,292)
		<u>131,734</u>	<u>151,048</u>
Funds from other sources:			
Sales of fixed assets		47,143	14,583
Sales of investments		105,553	33,745
Grants on fixed assets		7,049	1,770
Extraordinary gain (before taxation)		45,130	-
		<u>336,609</u>	<u>201,146</u>
Application of funds:			
Dividends paid	(4,739)		(4,739)
Tax paid and suffered	(11,511)		(297)
Purchase of fixed assets	(90,669)		(98,252)
Purchase of investments	(96,855)		(32,626)
		<u>(203,774)</u>	<u>(135,914)</u>
Working capital - increase		<u>£132,835</u>	<u>£ 65,232</u>
Components of increase/(decrease) in working capital:			
Stocks		111,895	55,118
Debtors		(5,993)	7,363
Creditors		(6,485)	(16,115)
Movement in net liquid funds:			
Bank overdraft and bank balance		33,418	18,866
		<u>£132,835</u>	<u>£ 65,232</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1981

These accounts have been prepared in compliance with Section 149A of and Schedule 8A to the Companies Act 1948.

1. Accounting policies

Depreciation

The company's policy is to provide depreciation at rates which are calculated to write off the cost of each asset by equal annual instalments over its expected useful life as follows:-

Plant and equipment, motor vehicles

- self propelled machinery - 20%
- other plant and equipment - 10%

Estate buildings have not been depreciated as is required by "SAP 12" since the amount involved is not material.

Stocks

Stocks have been stated as follows:-

- Livestock and crops - estimated realisable value
- Fertilisers, seeds etc. - at actual cost

Foreign currencies

Transactions in foreign currencies during the year are translated at the rate ruling at the date of the transaction. Assets in foreign currencies are translated at the rate of exchange on the balance sheet date.

Grants

Grants received are deducted from the cost of the assets to which they relate.

Deferred taxation

In the opinion of the directors no liability is expected to arise in the foreseeable future from the application of capital allowances for tax purposes in advance of the corresponding charge against profits or from stock relief. (See note 2).

2. Taxation

The taxation charge is made up as follows:

Based on the profits of the year -

Corporation tax

Tax credits attributable to dividends received

Tax (over)/underprovided in previous years

<u>1981</u>	<u>1980</u>
£	£
8,900	-
9,565	10,132
-	(1,141)
<u>£ 18,465</u>	<u>£ 8,991</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 1981

(continued)

2. Taxation
(continued)

The corporation tax charge for the year is after taking credit for allowances of £39,600 in respect of stock relief.

At December 31, 1981 capital allowances claimed in advance of depreciation amounted to £190,400 for which deferred tax has not been provided.

3. Dividends

	<u>1981</u> £	<u>1980</u> £
Preference - paid on 1,060 shares equivalent with associated tax credit to 5% gross	371	371
Preference - paid on 700 shares equivalent with associated tax credit to 7½% gross	368	368
Ordinary proposed - 10%	4,000	4,000
	<u>£4,739</u>	<u>£4,739</u>

4. Fixed assets

	<u>Freehold land and estat. buildings</u> £	<u>Plant & equipment, motor vehicles</u> £	<u>Total</u> £
<u>Cost:</u>			
At January 1, 1981	453,444	302,006	755,450
Additions	28,228	62,441	90,669
Grants on additions	(7,049)	-	(7,049)
	<u>474,623</u>	<u>364,447</u>	<u>839,070</u>
Disposals	(1,229)	(22,025)	(23,254)
At December 31, 1981	<u>473,394</u>	<u>342,422</u>	<u>815,816</u>
<u>Depreciation:</u>			
At January 1, 1981	-	167,709	167,709
Provided during year	-	43,589	43,589
Disposals	-	(19,344)	(19,344)
At December 31, 1981	<u>-</u>	<u>191,954</u>	<u>191,954</u>
<u>Net book value:</u>			
December 31, 1981	<u>£473,394</u>	<u>£150,468</u>	<u>£623,862</u>
January 1, 1981	<u>£453,444</u>	<u>£134,297</u>	<u>£587,741</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1981
(continued)

4. Fixed assets
(continued)

In the opinion of the directors the market value of land and estate is substantially in excess of their book value. In the absence of a formal valuation, however, the directors are unable to assess the amount of appreciation with any degree of accuracy.

5. Investments

	<u>1981</u>	<u>1980</u>
	£	£
Listed investments at cost	403,540	381,841
Unlisted investments at cost	2,374	2,117
	<u>£405,914</u>	<u>£383,958</u>
<u>Valuation</u>	£	£
Listed investments - market value	905,037	849,596
Unlisted investments - directors' valuation	2,374	2,117
	<u>£907,411</u>	<u>£851,713</u>

6. Stocks

	<u>1981</u>	<u>1980</u>
	£	£
Livestock and crops	484,745	378,935
Fertilisers, seeds etc.	60,862	54,777
	<u>£545,607</u>	<u>£433,712</u>

7. Directors' emoluments

	<u>1981</u>	<u>1980</u>
	£	£
Fees	1,500	1,500
Other emoluments	2,720	-
	<u>£4,220</u>	<u>£1,500</u>

8. Loan to director

The loan of £4,000 to a director Michael J. Balfour, has remained unchanged throughout the year. Interest is charged at $2\frac{1}{2}\%$ per annum. There are no terms for repayment.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1981
 (continued)

9. Share capital

	<u>1981</u>	<u>1980</u>
	<u>£</u>	<u>£</u>
Authorised - 7,000 shares of £10 each (1979 - 7,000)		
Issued and fully paid:		
4,000 ordinary shares of £10 each	40,000	40,000
1,060 5% preference shares of £10 each	10,600	10,600
700 7½% Second Preference shares of £10 each	7,000	7,000
	<u>£57,600</u>	<u>£57,600</u>

10. Reserves

	<u>£</u>
At January 1, 1981	1,107,070
Retained profit of the year	<u>177,158</u>
At December 31, 1981	<u>£1,284,228</u>

11. Loans

The loans are unsecured and bear interest at 3% per annum. There is no fixed term for repayment.

12. Capital commitments

Amounts contracted for but not provided in the accounts amounted to £5,000 (1980 - £5,000).

Amounts authorised by the directors but not contracted for amounted to £15,000 (1980 - £2,000)

RECONCILIATION OF PROFIT PER DETAILED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1981

	£	<u>1981</u> £	<u>1980</u> £
Profit per farms profit and loss account		94,363	117,962
Loss per estates profit and loss account		(25,100)	(17,646)
		<u>69,263</u>	<u>100,316</u>
Interest and dividends:			
Listed	45,598		43,421
Unlisted	307		307
	<u>45,905</u>		<u>43,728</u>
Interest on deposits	3,266		3,272
	<u> </u>	<u>49,171</u>	<u>47,000</u>
		118,434	147,316
Directors' fees	1,500		1,500
Interest on loan	3,000		3,000
Bank overdraft interest	10,592		17,138
Management expenses	15,197		12,302
	<u> </u>	<u>(30,289)</u>	<u>(33,940)</u>
		88,145	113,376
Net gain on disposal of investments		30,654	2,996
Gain on disposal of fixed assets		43,233	13,292
		<u> </u>	<u> </u>
Profit before taxation		<u>£162,032</u>	<u>£129,664</u>

BALGONIE ESTATES LIMITED

12.

ESTATES PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED DECEMBER 31, 1981

	Gene	Newton Don Estate	1981 Total	1980 Total
	£	£	£	£
Wages and salaries	-	5,309	22,491	19,463
Repairs and general estate expenses	-	-	376	407
Game expenses	-	-	-	-
Stipends, feu duties and tiends	-	225	225	225
Rates and insurance	-	-	-	-
Sundries	-	-	-	-
Depreciation	-	-	-	537
Profit/(loss) on estate carried to profit and loss account	165	273	273	-
	<u>£165</u>	<u>£5,807</u>	<u>£23,365</u>	<u>£20,632</u>

FARMS PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED DECEMBER 31, 1981

	So B:Newton & Don Farm	1981 Total	1980 Total
	£ £	£	£
Farm stocks and crops at January 1, 1981	80,542	312,787	365,927
Purchases of livestock	50,841	50,841	40,772
Purchases of seeds, manure and feeding stuffs	7 389	17,944	20,596
Wages and salaries	7	-	-
Depreciation	2	-	-
Repairs and renewals - implements	2 183,303	545,607	433,712
Repairs to fences, buildings, drains etc	-	-	-
General farm expenses	3	-	-
Rent, rates and insurance	-	-	-
Profit on Farms carried to profit and loss account	7	-	-
	<u>£613,157</u>	<u>£927,179</u>	<u>£861,007</u>

<u>0</u> <u>al</u>		Newton			<u>1981</u> <u>Total</u> £	<u>1980</u> <u>Total</u> £
		<u>General</u> £	<u>Balgonie</u> <u>Estate</u> £	<u>Don</u> <u>Estate</u> £		
943	Rents	-	17,182	5,309	22,491	19,463
306 32	Feuduties	165	211	-	376	407
291 864	Shooting rents	-	-	225	225	225
001 841	Timber sales	-	-	-	-	537
646)	Forestry grant	-	-	273	273	-
632		<u>£165</u>	<u>£17,393</u>	<u>£5,807</u>	<u>£23,365</u>	<u>£20,632</u>

		South Parks		<u>1981</u> <u>Total</u> £	<u>1980</u> <u>Total</u> £
		<u>Balfour Mains</u> <u>& Murisport</u> <u>Farms</u> £	<u>Newton</u> <u>Don</u> <u>Farm</u> £		
594	Sale of crops and livestock	232,245	80,542	312,787	365,927
70	Sales of milk	-	50,841	50,841	40,772
039 099	Rents	17,555	389	17,944	20,596
031 091	Farm stocks and crops at December 31, 1981	362,304	183,303	545,607	433,712
095 016 010					
062					
007		<u>£612,104</u>	<u>£315,075</u>	<u>£927,179</u>	<u>£861,007</u>