

**BALGONIE ESTATES LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2012**

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**BALGONIE ESTATES LIMITED**  
**ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**BALGONIE ESTATES LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31 DECEMBER 2012**

|                                                                | Note     | £                | 2012<br>£        | 2011<br>£ |
|----------------------------------------------------------------|----------|------------------|------------------|-----------|
| <b>Fixed assets</b>                                            | <b>2</b> |                  |                  |           |
| Tangible assets                                                |          |                  | <b>4,308,196</b> | 4,186,725 |
| Investments                                                    |          |                  | <b>815,606</b>   | 838,756   |
|                                                                |          |                  | <b>5,123,802</b> | 5,025,481 |
| <b>Current assets</b>                                          |          |                  |                  |           |
| Stocks                                                         |          | <b>722,689</b>   |                  | 457,066   |
| Debtors                                                        |          | <b>298,890</b>   |                  | 94,331    |
| Cash at bank and in hand                                       |          | <b>73,398</b>    |                  | 198,030   |
|                                                                |          | <b>1,094,977</b> |                  | 749,427   |
| <b>Creditors: amounts falling due within one year</b>          |          | <b>874,501</b>   |                  | 530,735   |
| <b>Net current assets</b>                                      |          |                  | <b>220,476</b>   | 218,692   |
| <b>Total assets less current liabilities</b>                   |          |                  | <b>5,344,278</b> | 5,244,173 |
| <b>Creditors: amounts falling due after more than one year</b> |          |                  | <b>200,062</b>   | 174,689   |
| <b>Provisions for liabilities</b>                              |          |                  | <b>43,470</b>    | 53,046    |
|                                                                |          |                  | <b>5,100,746</b> | 5,016,438 |
| <b>Capital and reserves</b>                                    |          |                  |                  |           |
| Called-up equity share capital                                 | <b>3</b> |                  | <b>40,000</b>    | 40,000    |
| Revaluation reserve                                            |          |                  | <b>1,762,512</b> | 1,762,512 |
| Other reserves                                                 |          |                  | <b>17,600</b>    | 17,600    |
| Profit and loss account                                        |          |                  | <b>3,280,634</b> | 3,196,326 |
| <b>Shareholders' funds</b>                                     |          |                  | <b>5,100,746</b> | 5,016,438 |

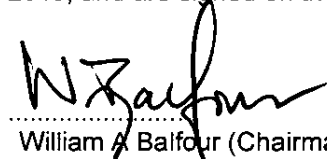
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 25 April 2013, and are signed on their behalf by:



William A Balfour (Chairman)

Company Registration Number: SC009072

**BALGONIE ESTATES LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Going concern**

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, farming subsidies and revenue grants together with an adjustment in respect of the movement in the year end valuation of crops in store.

**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:

|                           |                               |
|---------------------------|-------------------------------|
| Self propelled machinery  | -20% Straight line p.a.       |
| Other plant and equipment | -10% Straight line p.a.       |
| Fixtures and fittings     | -10% - 20% Straight line p.a. |

**Freehold land and buildings**

Depreciation is not provided on freehold land and buildings as a large proportion in value of the freehold properties consists of land and depreciation on buildings is not considered material. The buildings are subjected to an annual impairment review and the directors are of the opinion that the market value of buildings is in excess of their book value and that no impairment requires to be recognised.

**Investment properties**

Investment properties are accounted for in accordance with SSAP 19, as follows:

- i. investment properties are revalued annually and if material the aggregate surplus or deficit is transferred to a revaluation reserve. Where the total of the revaluation reserve is insufficient to cover a deficit, the amount by which the deficit exceeds the amount in the investment revaluation reserve is charged in the profit and loss account; and
- ii no depreciation is provided in respect of freehold investment properties.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, as the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Grants**

Capital grants received are deducted from the cost of the assets to which they relate. Grants of a revenue nature are credited to income in the period to which they relate.

Although this treatment is allowable under SSAP4, it is a departure from the requirements of the Companies Act. However, as the capital grant received in the year is not refundable and the asset to which the grant is associated is not depreciated, the directors believe the current treatment to deduct from the cost of the asset gives a true and fair view of the asset's value.

**BALGONIE ESTATES LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**1. Accounting policies (*continued*)**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises expenditure incurred in the development of residential properties for sale and in purchasing, processing or growing and harvesting the stock in hand and bringing it to its current condition.

**Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**Pension costs**

The company contributes to the personal pension schemes of three (2011: two) of the directors. Contributions are charged to the profit and loss account in the year to which they relate.

**Deferred taxation**

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences other than those arising from the revaluation of fixed assets and investments where there is no commitment to sell at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**BALGONIE ESTATES LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2012**

**2. Fixed assets**

|                            | <b>Tangible<br/>Assets<br/>£</b> | <b>Joint Venture<br/>&amp; listed<br/>Investments<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|----------------------------------|-------------------------------------------------------------|--------------------|
| <b>Cost or valuation</b>   |                                  |                                                             |                    |
| At 1 January 2012          | 4,859,951                        | 838,756                                                     | 5,698,707          |
| Additions                  | 201,111                          | (23,150)                                                    | 177,961            |
| Disposals                  | (37,200)                         | —                                                           | (37,200)           |
| <b>At 31 December 2012</b> | <b>5,023,862</b>                 | <b>815,606</b>                                              | <b>5,839,468</b>   |
| <b>Depreciation</b>        |                                  |                                                             |                    |
| At 1 January 2012          | 673,226                          | —                                                           | 673,226            |
| Charge for year            | 77,740                           | —                                                           | 77,740             |
| On disposals               | (35,300)                         | —                                                           | (35,300)           |
| <b>At 31 December 2012</b> | <b>715,666</b>                   | <b>—</b>                                                    | <b>715,666</b>     |
| <b>Net book value</b>      |                                  |                                                             |                    |
| <b>At 31 December 2012</b> | <b>4,308,196</b>                 | <b>815,606</b>                                              | <b>5,123,802</b>   |
| At 31 December 2011        | 4,186,725                        | 838,756                                                     | 5,025,481          |

In the opinion of the directors the market value of land and estates, excluding investment property is substantially in excess of their book value; however the directors consider it impractical to assess the amount of appreciation with any degree of accuracy.

Investment properties included within investment assets have not been revalued to open market value at 31 December 2012 as the directors do not consider it to be cost effective to commission a valuation report. The investment properties were last formally revalued by the directors in 2003.

Kingdom Farming LLP is a joint venture between the company and J M Drysdale & Co which provides farm and other contracting services (see note 17).

|                                                                   | <b>2012</b>      | <b>2011</b>      |
|-------------------------------------------------------------------|------------------|------------------|
| Listed investments at cost                                        |                  |                  |
| - on the UK Stock exchange                                        | 494,682          | 519,555          |
| - on overseas stock exchanges                                     | 18,888           | 18,888           |
|                                                                   | <b>513,570</b>   | <b>538,443</b>   |
| Valuation:                                                        |                  |                  |
| - Investments at market value                                     | <b>2,769,825</b> | <b>2,492,275</b> |
| Estimated taxation on potential capital gain if sold at valuation | <b>503,000</b>   | <b>481,000</b>   |

**3. Share capital**

**Authorised share capital:**

|                                   | <b>2012<br/>£</b> | <b>2011<br/>£</b> |
|-----------------------------------|-------------------|-------------------|
| 7,000 Ordinary shares of £10 each | <b>70,000</b>     | <b>70,000</b>     |

**BALGONIE ESTATES LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**3. Share capital (*continued*)**

**Allotted, called up and fully paid:**

|                                   | <b>2012</b>         |                      | <b>2011</b>         |                      |
|-----------------------------------|---------------------|----------------------|---------------------|----------------------|
|                                   | <b>No</b>           | <b>£</b>             | <b>No</b>           | <b>£</b>             |
| 4,000 Ordinary shares of £10 each | <u><b>4,000</b></u> | <u><b>40,000</b></u> | <u><b>4,000</b></u> | <u><b>40,000</b></u> |

The ultimate parent company is Balgonie Holdings Limited, a company registered in Scotland, which owns 100% of the ordinary share capital.