

DELNABO ESTATE LIMITED  
REPORT AND FINANCIAL STATEMENTS  
31 JANUARY 1996



***Saffery Champness***  
CHARTERED ACCOUNTANTS

DELNABO ESTATE LIMITED

REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 JANUARY 1996

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COMPANY INFORMATION

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DIRECTORS

B A Yeowart  
Mrs V I Yeowart

SECRETARY

Mrs V I Yeowart

REGISTERED OFFICE

15 Atholl Crescent  
Edinburgh  
EH3 8HA

REGISTERED NUMBER

SC126621

AUDITORS

Saffery Champness  
Hill Place House  
Inverness  
IV2 3AD

SOLICITORS

Brodies WS  
15 Atholl Crescent  
Edinburgh  
EH3 8HA

BANKERS

Bank of Scotland  
1 The Square  
Grantown on Spey  
PH26 3HG

DIRECTORS' REPORT

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The directors submit their report and the financial statements of Delnabo Estate Limited for the year ended 31 January 1996.

## 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 and of the profit or loss of the company for that period. In preparing those 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; and 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. 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.

## RESULTS AND DIVIDENDS

The loss for the year, after taxation, was £38,225 (1995 £41,960).

The directors do not recommend the payment of a dividend for this year.

## REVIEW OF THE BUSINESS

The company's principal activities during the year was the management of Delnabo Estate.

## FIXED ASSETS

The movements in fixed assets are shown in note 4 to the financial statements.

## DIRECTORS

The directors who have held office since 1 February 1995 are shown on page 1.

## DIRECTORS' REPORT (Continued)

## DIRECTORS AND THEIR INTERESTS

The directors of the company who held office at 31 January 1996 had the following interests in the shares of the company:

|                 | 31 January 1996 |                          | 1 February 1995 |                          |
|-----------------|-----------------|--------------------------|-----------------|--------------------------|
|                 | Ordinary        | Redeemable<br>Preference | Ordinary        | Redeemable<br>Preference |
| B A Yeowart     | 1               | -                        | 1               | -                        |
| Mrs V I Yeowart | 1               | 400,000                  | 1               | 400,000                  |

## AUDITORS

A resolution to re-appoint Saffery Champness as auditors will be put to the members at the annual general meeting.

## SMALL COMPANY EXEMPTIONS

Advantage has been taken, in the preparation of this report, of special exemptions applicable to small companies.

By Order of the Board



Mrs V I Yeowart  
Secretary

9th November 1996

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

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We have audited the financial statements on pages 5 to 11.

Respective Responsibilities of Directors and Auditors

As described in the directors' report on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of affairs of the company as at 31 January 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



SAFFERY CHAMPNESS

Chartered Accountants

Registered Auditors

Hill Place House

Inverness

19th November... 1996

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 1996

|                                                | Note | 1996             | 1995             |
|------------------------------------------------|------|------------------|------------------|
| TURNOVER                                       | 1    | 36,856           | 36,500           |
| Cost of sales                                  |      | (48,126)         | (43,956)         |
| GROSS PROFIT                                   |      | (11,270)         | (7,456)          |
| Operating expenses                             |      | (27,128)         | (34,504)         |
| OPERATING PROFIT                               |      | (38,398)         | (41,960)         |
| Interest receivable                            |      | 173              | -                |
| LOSS ON ORDINARY ACTIVITIES<br>BEFORE TAXATION | 2    | (38,225)         | (41,960)         |
| Taxation                                       | 3    | -                | -                |
| RETAINED LOSS FOR THE YEAR                     |      | <u>£(38,225)</u> | <u>£(41,960)</u> |

The notes on pages 8 to 11 form part of these financial statements.

All gains or losses arising in the year have been recognised in the profit and loss account and arise from continuing operations.

A reconciliation of movements in shareholders' funds is shown in note 12 to the financial statements.

BALANCE SHEET  
31 JANUARY 1996

|                                              | Notes | 1996              | 1995              |
|----------------------------------------------|-------|-------------------|-------------------|
| FIXED ASSETS                                 |       |                   |                   |
| Tangible assets                              | 4     | 1,857,809         | 1,721,825         |
| CURRENT ASSETS                               |       |                   |                   |
| Stock                                        | 5     | 10,250            | 3,465             |
| Debtors                                      | 6     | 3,440             | 7,601             |
| Cash at bank and in hand                     |       | 3,626             | 385               |
|                                              |       | <u>17,316</u>     | <u>11,451</u>     |
| CREDITORS                                    |       |                   |                   |
| Amounts falling due within one year          | 7     | <u>(7,827)</u>    | <u>(3,053)</u>    |
| NET CURRENT ASSETS                           |       | 9,489             | 8,398             |
| TOTAL ASSETS LESS CURRENT LIABILITIES        |       |                   |                   |
|                                              |       | <u>1,867,298</u>  | <u>1,730,223</u>  |
| CREDITORS                                    |       |                   |                   |
| Amounts falling due after more than one year | 8     | (396,839)         | (221,539)         |
|                                              |       | <u>£1,470,459</u> | <u>£1,508,684</u> |
| CAPITAL AND RESERVES                         |       |                   |                   |
| Called up share capital                      | 10    | 1,700,000         | 1,700,000         |
| Profit and loss account                      | 11    | (229,541)         | (191,316)         |
| SHAREHOLDERS' FUNDS                          | 12    | <u>£1,470,459</u> | <u>£1,508,684</u> |

The notes on pages 8 to 11 form part of these financial statements.

In preparing the annual financial statements, advantage has been taken of special exemptions applicable to small companies on the grounds that the company qualifies as a small company under Section 247 of the Companies Act 1985.

The financial statements were approved by the board on *9th November* 1996

  
 ..... Mrs V I Yeowart )  
 )  
 ) Directors  
 )  
  
 ..... B A Yeowart )

ACCOUNTING POLICIES

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## BASIS OF ACCOUNTING

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

## TURNOVER

Turnover represents the invoiced amounts of goods sold net of Value Added Tax.

## TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets, except land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

|                        |                                        |
|------------------------|----------------------------------------|
| Furniture and fittings | - 15% pa on the reducing balance basis |
| Motor vehicles         | - 25% pa on the reducing balance basis |
| Plant and equipment    | - 25% pa on the reducing balance basis |

No depreciation is provided on land and buildings as the directors are of the opinion that the assets are maintained in such condition that their residual value is in excess of the net book value.

## GOVERNMENT GRANTS

Grants of a revenue nature are credited to income in the period to which they relate.

## STOCKS

Stocks are valued at the lower of cost and net realisable value.

Cost means purchase price including transport and handling costs, less trade discounts, calculated on a first in first out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

## DEFERRED TAXATION

Provision is made, using the liability method, for taxation in respect of items where there is a timing difference between their treatment for accounts and taxation purposes if, in the opinion of the directors, it is probable that a material tax liability will crystallise in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 1996

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The whole of the company's results relate to continuing operations in the United Kingdom.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

|                                                                        | 1996          | 1995          |
|------------------------------------------------------------------------|---------------|---------------|
| Loss on ordinary activities before taxation is stated after crediting: |               |               |
| Grant received                                                         | <u>£2,000</u> | <u>£-</u>     |
| And after charging:                                                    |               |               |
| Depreciation of, and amounts written off, assets:                      |               |               |
| Charge for the year                                                    |               |               |
| - tangible fixed assets                                                | £11,244       | £12,889       |
| Auditors' remuneration                                                 | <u>£1,600</u> | <u>£1,700</u> |

3 TAXATION

|                                                     | 1996     | 1995     |
|-----------------------------------------------------|----------|----------|
| UK Corporation tax at 25% on the loss for the year: | <u>-</u> | <u>-</u> |

There will be no liability to corporation tax on the results for the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 31 JANUARY 1996

4 TANGIBLE FIXED ASSETS

|                                       | Heritable<br>Property | Furniture<br>& Fittings | Motor<br>Vehicles | Plant &<br>Equipment | Total             |
|---------------------------------------|-----------------------|-------------------------|-------------------|----------------------|-------------------|
| Cost:                                 |                       |                         |                   |                      |                   |
| 1 February 1995                       | 1,665,856             | 61,355                  | 13,927            | 25,460               | 1,766,598         |
| Additions                             | 142,085               | 3,696                   | -                 | 1,552                | 147,333           |
| Disposals                             | -                     | -                       | -                 | (250)                | (250)             |
| 31 January 1996                       | <u>1,807,941</u>      | <u>65,051</u>           | <u>13,927</u>     | <u>26,762</u>        | <u>1,913,681</u>  |
| Depreciation:                         |                       |                         |                   |                      |                   |
| 1 February 1995                       | -                     | 23,745                  | 6,383             | 14,645               | 44,773            |
| Charge for the year                   | -                     | 6,196                   | 1,886             | 3,162                | 11,244            |
| Eliminated in respect<br>of disposals | -                     | -                       | -                 | (145)                | (145)             |
| 31 January 1996                       | <u>-</u>              | <u>29,941</u>           | <u>8,269</u>      | <u>17,662</u>        | <u>55,872</u>     |
| Net book value<br>31 January 1996     | <u>£1,807,941</u>     | <u>£35,110</u>          | <u>£5,658</u>     | <u>£9,100</u>        | <u>£1,857,809</u> |
| Net book value<br>31 January 1995     | <u>£1,665,856</u>     | <u>£37,610</u>          | <u>£7,544</u>     | <u>£10,815</u>       | <u>£1,721,825</u> |

5 STOCKS

The main categories are:

|                                     | 1996           | 1995          |
|-------------------------------------|----------------|---------------|
| Livestock and other                 | 6,940          | 715           |
| Finished goods and goods for resale | 3,310          | 2,750         |
|                                     | <u>£10,250</u> | <u>£3,465</u> |

6 DEBTORS

Due within one year:

|               | 1996          | 1995          |
|---------------|---------------|---------------|
| Trade debtors | 268           | 3,488         |
| Other debtors | 3,172         | 4,113         |
|               | <u>£3,440</u> | <u>£7,601</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 31 JANUARY 1996

|   |                                          |               |               |
|---|------------------------------------------|---------------|---------------|
| 7 | CREDITORS                                | 1996          | 1995          |
|   | Amounts falling due within one year:     |               |               |
|   | Trade creditors                          | 5,146         | 587           |
|   | Other taxation and social security costs | 966           | 203           |
|   | Other creditors                          | 1,715         | 2,263         |
|   |                                          | <u>£7,827</u> | <u>£3,053</u> |

|   |                                               |                 |                 |
|---|-----------------------------------------------|-----------------|-----------------|
| 8 | CREDITORS                                     | 1996            | 1995            |
|   | Amounts falling due after more than one year: |                 |                 |
|   | Directors' loan                               | 366,839         | 191,539         |
|   | Shareholders' loan                            | 30,000          | 30,000          |
|   |                                               | <u>£396,839</u> | <u>£221,539</u> |

The loans are unsecured, interest free and have no fixed terms of repayment.

9 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

Deferred taxation provided in the financial statements and the total potential liability, including the amounts for which provision has been made are as follows:

|                                            | Amount provided |          | Total potential liability |               |
|--------------------------------------------|-----------------|----------|---------------------------|---------------|
|                                            | 1996            | 1995     | 1996                      | 1995          |
| Tax effect of timing differences due to:   |                 |          |                           |               |
| Excess of tax allowances over depreciation | <u>-</u>        | <u>-</u> | <u>£3,630</u>             | <u>£3,450</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 31 JANUARY 1996

## 10 SHARE CAPITAL

|                                                 | 1996              | 1995              |
|-------------------------------------------------|-------------------|-------------------|
| Authorised:                                     |                   |                   |
| 1,600,000 Ordinary shares of £1 each            | 1,600,000         | 1,600,000         |
| 400,000 Redeemable preference shares of £1 each | 400,000           | 400,000           |
|                                                 | <u>£2,000,000</u> | <u>£2,000,000</u> |
| Allotted, called up and fully paid:             |                   |                   |
| 1,300,000 Ordinary shares of £1 each            | 1,300,000         | 1,300,000         |
| 400,000 Redeemable preference shares of £1 each | 400,000           | 400,000           |
|                                                 | <u>£1,700,000</u> | <u>£1,700,000</u> |

Redemption of the redeemable preference shares requires that the holders be given 6 months written notice of the intention to redeem all or part of the shares which have been issued. The shares are to be redeemed at par plus a premium of £0.07 per share. In the event of a redemption all declared but unpaid dividends require to be paid.

## 11 RESERVES

|                            | <u>Total</u>      |
|----------------------------|-------------------|
| PROFIT AND LOSS ACCOUNT    |                   |
| 1 February 1995            | (191,316)         |
| Retained loss for the year | <u>(38,225)</u>   |
| 31 January 1996            | <u>£(229,541)</u> |

## 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                             | 1996              | 1995              |
|-----------------------------|-------------------|-------------------|
| Loss for the financial year | (38,225)          | (41,960)          |
| Opening shareholders' funds | 1,508,684         | 1,550,644         |
| Closing shareholders' funds | <u>£1,470,459</u> | <u>£1,508,684</u> |

## 13 CAPITAL COMMITMENTS

The company had no capital commitments outstanding as at 31 January 1996 (1995 - nil).

DELNABO ESTATE LIMITED

TRADING ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 1996

|                                  | 1996                    | 1995                    |
|----------------------------------|-------------------------|-------------------------|
| <b>INCOME</b>                    |                         |                         |
| Sporting income                  | 16,150                  | 23,040                  |
| Lodge and cottage receipts       | 13,648                  | 10,142                  |
| Farm and land                    | 3,857                   | 2,508                   |
| Whisky revenue                   | 1,201                   | 810                     |
| Grants received                  | 2,000                   | -                       |
| Bank interest receivable         | 173                     | -                       |
|                                  | <u>37,029</u>           | <u>36,500</u>           |
| <b>EXPENDITURE</b>               |                         |                         |
| Wages and allowances             | 25,159                  | 26,755                  |
| Rates and levies                 | 1,436                   | 2,272                   |
| Heat and light                   | 3,307                   | 2,615                   |
| Repairs and maintenance          | 2,555                   | 3,052                   |
| Planting costs                   | 4,640                   | -                       |
| Animal feed costs                | 338                     | -                       |
| Sporting expenses                | 7,348                   | 5,681                   |
| House expenses                   | 2,058                   | 2,157                   |
| Whisky expenditure               | 1,285                   | 1,424                   |
| Printing, postage and stationery | 77                      | 157                     |
| Motor vehicle expenses           | 4,617                   | 4,331                   |
| Telephone                        | 796                     | 826                     |
| Insurance                        | 4,017                   | 4,216                   |
| Subscriptions                    | 414                     | 121                     |
| Professional fees                | 1,158                   | 8,518                   |
| Audit and accountancy            | 1,600                   | 1,700                   |
| Bank charges                     | 44                      | 10                      |
| Depreciation                     | 11,244                  | 12,889                  |
| Miscellaneous expenses           | 3,236                   | 2,241                   |
| Profit on sale of fixed assets   | (75)                    | (505)                   |
|                                  | <u>75,254</u>           | <u>78,460</u>           |
| <b>LOSS FOR THE YEAR</b>         | <u><u>£(38,225)</u></u> | <u><u>£(41,960)</u></u> |