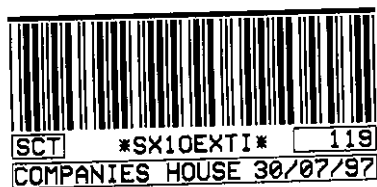


Longthorn Farms Limited

Annual report
for the year ended 30 September 1996

Registered no: SC 127175



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Longthorn Farms Limited

Annual report for the year ended 30 September 1996

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Longthorn Farms Limited

1

Director and advisers

Director

George Alan More Nisbett

Secretary and registered office

D W Company Services Limited
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

Solicitors

Messrs. Dundas & Wilson CS
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

Bankers

Adam & Co plc
22 Charlotte Square
Edinburgh
EH2 4DF

Director's report for the year ended 30 September 1996

The director presents his report and financial statements for the year ended 30 September 1996.

Principal activities

The profit and loss account for the year is set out on page 5.

The principal activity of the company is owning property and the management thereof.

Review of business and future developments

The director considers the results for the year to be satisfactory and expects that the present level of activity will be sustained for the foreseeable future.

Dividend and transfers to reserves

The director does not recommend the payment of a dividend in respect of the year ended 30 September 1996. The profit for the year, after tax, of £339 will be transferred to reserves.

Changes in fixed assets

Land held for investment purposes is set out in note 6 to the financial statements. There have been no changes to fixed assets during the year.

Director

The director of the company during the year to 30 September 1996 was:-

George Alan More Nisbett

Director's report (continued)**Director's interests in shares of the company**

The interests of the director at 30 September 1996 in the shares of the company were as follows:

	Number of ordinary shares of £1 each 1 October 1995 and 30 September 1996	
	Number	Nominal Value £
George Alan More Nisbett	4	4
	=	=

George Alan More Nisbett also has an interest in 96 shares held by the G A More Nisbett 1990 No. 1 and G A More Nisbett No. 2 Trusts.

Close company provisions

As far as the director is aware, the close company provisions of the Income and Corporation Taxes Act 1988 are applicable to the company.

Director's responsibilities

The director is required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

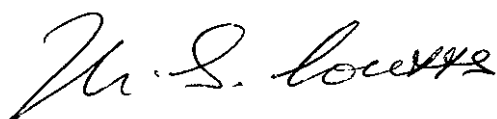
The director confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 1996. The director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

Director's report (continued)

Director's responsibilities (continued)

The director is responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to read "M. S. Louw".

Director

D. W. COMPANY SERVICES LIMITED

Secretary

**Profit and loss account
for the year ended 30 September 1996**

	Notes	1996 £	1995 £
Other income			
Investment income	2	1,435	1,435
Gross profit		<u>1,435</u>	<u>1,435</u>
Other expenses		1,096	1,706
Profit/(loss) on ordinary activities before interest		<u>339</u>	<u>(271)</u>
Interest payable and similar charges	4	-	(1)
Profit/(loss) on ordinary activities before taxation		<u>339</u>	<u>(272)</u>
Taxation	5	-	30
Retained profit/(loss) for the year		<u><u>339</u></u>	<u><u>(242)</u></u>
Statement of retained profits/(losses)			
Retained losses at 1 October 1995		(277)	(35)
Retained profit/(loss) for the year		<u>339</u>	<u>(242)</u>
Retained profits/(losses) at 30 September 1996		<u><u>62</u></u>	<u><u>(277)</u></u>

All the results relate to continuing activities.

There is no difference between the profit on ordinary activities before taxation and the retained profits for the year stated above, and their historical cost equivalents.

The company has no recognised gains and losses other than the profits/(losses) above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet at 30 September 1996

	Notes	1996 £	1995 £
Fixed assets			
Investments	6	60,191	60,191
Current assets			
Debtors	8	1,195	1,196
Cash at bank	9	597	444
		1,792	1,640
Creditors: amounts falling due within one year	10	1,640	1,827
Net current assets/(liabilities)		152	(187)
Total assets less current liabilities		60,343	60,004
Capital and reserves			
Called-up share capital	11	100	100
Revaluation reserve	13	60,181	60,181
Profit and loss account	13	62	(277)
Equity shareholders' funds		60,343	60,004

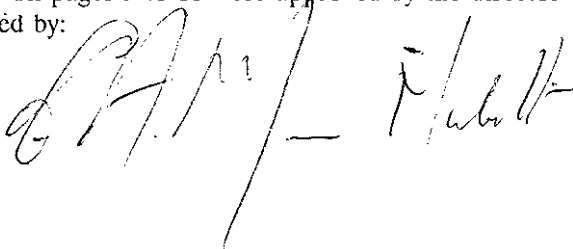
Advantage has been taken of the audit exemptions available for small companies conferred by Section 249A(1) of the Companies Act 1985 on the grounds:

- (a) that for the year ended 30 September 1996 the company was entitled to the exemption from a statutory audit under section 249A(1) of the Companies Act 1985; and
- (b) that no notice has been deposited under section 249B(2) of the Companies Act 1985 in relation to the financial statements for the financial year.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps proper accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of the affairs of the company as at 30 September 1996 and of its profit for the year then ended in accordance with the requirement of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements on pages 5 to 10 were approved by the director on 29/7/97 and were signed by:

 G A MORE NISBETT

Director

Notes to the financial statements for the year ended 30 September 1996

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Changes in accounting policies

The fixed assets relate to land which has been classified as investment property and revalued in 1993. The valuation was carried out by the District Valuer. The surplus on revaluation was transferred to a revaluation reserve. No depreciation or amortisation has been provided in respect of the land in accordance with the Companies Act 1985 and SSAP 19.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Investment income

Income from investments is included in the profit and loss account on an accruals basis.

Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items, and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expenses in a different accounting period from that in which they are recognised in the financial statements. The tax effect of other timing differences as reduced by the tax benefit of any accumulated losses is treated as a deferred tax liability.

Cashflow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cashflow statement.

2 Other income

	1996	1995
	£	£
Investment income represents rental income:		
United Kingdom	1,435	1,435

3 Employee information

There were no employees of the company during the year, other than the director, who received no emoluments.

4 Interest payable and similar charges

	1996 £	1995 £
Interest payable on sums Wholly repayable within 5 years	-	1
	<u> </u>	<u> </u>

5 Tax on profit on ordinary activities

The tax charge is based on the profit on ordinary activities for the year and comprises:-

	1996 £	1995 £
United Kingdom corporation tax at 25% (1995:25%)		
Current year	-	-
Over/(under)provision in respect of prior years	-	30
	<u> </u>	<u> </u>
	-	30
	<u> </u>	<u> </u>

6 Fixed asset investments

	Land £	Total £
Valuation		
At 1 October 1995 and At 30 September 1996	60,191	60,191
	<u> </u>	<u> </u>

Investment property was valued for the purpose of these financial statements at open market value. This valuation was made by the District Valuer in March 1993. If the investment property had not been revalued, it would have been included at the following amounts:

6 Fixed asset investments (continued)

	1996 £	1995 £
Cost	10	10
Aggregate depreciation based on cost	-	-
	<u>10</u>	<u>10</u>
Net book value based on cost	<u>10</u>	<u>10</u>
Investment property comprises:		
Freehold land	<u>60,191</u>	<u>60,191</u>

7 Deferred taxation

The director has no intention at present to realise the investments included in the balance sheet. Accordingly, the revalued amounts do not constitute timing differences as defined by SSAP 15, and the potential amounts of deferred tax if they were to be disposed of has not therefore been quantified.

8 Debtors

Amounts falling due within one year:

	1996 £	1995 £
Other debtors	<u>1,195</u>	<u>1,196</u>

9 Bank

	1996 £	1995 £
Current account	<u>597</u>	<u>444</u>

10 Creditors: amounts falling due within one year

	1996 £	1995 £
Accruals and deferred income	1,640	1,827
Corporation tax	-	-
	<u>1,640</u>	<u>1,827</u>

11 Called up share capital

	1996 £	1995 £
Authorised:		
Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

12 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit/(loss) for the financial year	339	(242)
Opening shareholders' funds	60,004	60,246
	<u> </u>	<u> </u>
Closing shareholders' funds	60,343	60,004
	<u> </u>	<u> </u>

13 Reserves

	Revaluation Reserve £	Profit and loss account £
At 1 October 1995	60,181	(277)
Retained profit for the year	-	339
	<u> </u>	<u> </u>
At 30 September 1996	60,181	62
	<u> </u>	<u> </u>