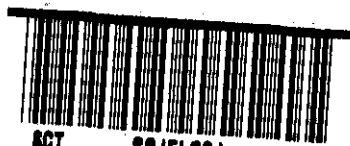


Longthorn Farms Limited

Annual Report for the year ended 30 September 2005

Registered no: SC 127175



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Longthorn Farms Limited

Annual Report for the year ended 30 September 2005

	Page
Directors and advisers	1
Directors' report	2 - 3
Profit and loss account	4
Balance sheet	5 - 6
Notes to the financial statements	7 - 12

Longthorn Farms Limited

1

Directors and advisers

Directors

George Alan More Nisbett
Alan James Hartley
Bruce George Andrew Mickel
Mrs Patrea Evelyn More Nisbett

Secretary and registered office

Alan James Hartley (appointed 6/12/04)
Alexander Robert Smith (retired 6/12/04)
1 Atlantic Quay
1 Robertson Street
Glasgow
G2 8JB

Solicitors

Turcan Connell WS
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 9EE

Bankers

Adam & Co plc
22 Charlotte Square
Edinburgh
EH2 4DF

Directors' report for the year ended 30 September 2005

The directors present their report and financial statements for the year ended 30 September 2005.

Principal activities

The profit and loss account for the year is set out on page 4.

The principal activity of the company is farming.

Review of business and future developments

The directors consider the results for the year to be satisfactory and expect that the present level of activity will be sustained for the foreseeable future.

Option to purchase

Under the terms of a shareholders agreement dated 19 February 1999, Mactaggart & Mickel Limited have an option to purchase the land owned by the Company at market value. This option will lapse on 31 December 2015.

Bruce G A Mickel was a director and shareholder of Mactaggart & Mickel Limited during the year. Alan J Hartley was a director of Mactaggart & Mickel Limited during the year.

Dividend and transfers to reserves

The directors do not recommend the payment of a dividend in respect of the year ended 30 September 2005 (2004: nil). The loss for the year, after tax, of £540 will be transferred from reserves.

Directors' report (continued)

The interests of the directors at 30 September 2005 in the shares of the company were as follows:

		Ordinary shares of £1 each	
		1 October 2004 and 30 September 2005	
		Number	Nominal value
			£
George Alan More Nisbett	"A" shares	4	4
Alan James Hartley		-	-
John Cumming Craig		-	-
Bruce George Andrew Mickel		-	-
Mrs Patrea Evelyn More Nisbett		-	-
		<hr/>	<hr/>
		4	4
		<hr/>	<hr/>

George Alan More Nisbett also has an interest in 46 "A" shares (2004-46 shares), held by the G A More Nisbett 1990 No.1 and G A More Nisbett 1990 No.2 Trusts.

Directors' responsibilities

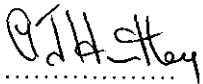
Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss for that period. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

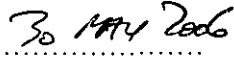
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year. The directors also confirm that applicable accounting standards have been followed.

The directors are responsible for maintaining 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 accounts 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.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


.....
A J Hartley
Secretary


.....
Dated

Longthorn Farms Limited

4

Profit and loss account for the year ended 30 September 2005

	Notes	2005 £	2004 £
Income from other participating interests		<u>1,563</u>	<u>2,555</u>
Other expenses		<u>(2,003)</u>	<u>(2,271)</u>
Profit/(loss) on ordinary activities before interest		(440)	284
Interest payable and other charges		<u>(100)</u>	<u>(100)</u>
Profit/(loss) on ordinary activities before taxation		(540)	184
Taxation	3	<u>-</u>	<u>-</u>
Retained profit/(loss) for the year		<u><u>(540)</u></u>	<u><u>184</u></u>

All the results relate to continuing activities.

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

The company has no recognised profits or losses other than the profit or loss detailed above for the years ended 30 September 2004 and 30 September 2005.

Longthorn Farms Limited

5

Balance sheet at 30 September 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	4	<u>260,000</u>	<u>260,000</u>
Current assets			
Debtors	5	1,513	2,805
Cash at bank	6	<u>237</u>	<u>1,160</u>
		<u>1,750</u>	<u>3,965</u>
Creditors: amounts falling due within one year	7	<u>(4,351)</u>	<u>(6,026)</u>
Net current liabilities		<u>(2,601)</u>	<u>(2,061)</u>
Provisions for liabilities and charges			
Provision for deferred taxation	8	<u>(53,075)</u>	<u>(53,075)</u>
Net assets		<u><u>204,324</u></u>	<u><u>204,864</u></u>
		£	£
Capital and reserves			
Called-up share capital	9	100	100
Revaluation reserve	11	206,915	206,915
Profit and loss account	11	<u>(2,691)</u>	<u>(2,151)</u>
Equity shareholders' funds	10	<u><u>204,324</u></u>	<u><u>204,864</u></u>

Balance sheet at 30 September 2005 (continued)

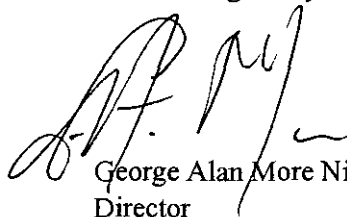
Advantage has been taken of the audit exemptions available for small companies conferred by Section 249A(1) of the Companies Act 1985 on the grounds:

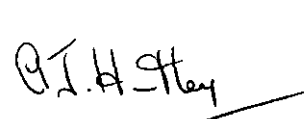
- (a) that for the year ended 30 September 2005 the company was entitled to the exemption from a statutory audit under section 249A(1) of the Companies Act 1985; and
- (b) that no notice has been deposited under section 249B(2) of the Companies Act 1985 in relation to the financial statements for the financial year.

The directors acknowledge their 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 affairs of the company as at 30 September 2005 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 4 to 12 were approved by the board on 30 May 2006 and were signed by


George Alan More Nisbett
Director


Alan James Hartley
Director

Notes to the financial statements for the year ended 30 September 2005

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.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of property.

Tangible assets

The fixed assets, which relate to land, are not being depreciated.

Investment income

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

Income from other participating interests

The contract farming partnership of which the company is a member completes its accounts to 31 March each year. These accounts include the company's share of profits (17.95%) received during the year, in respect of the period ended 31 March 2005.

Taxation

Deferred tax is provided on all timing differences which have originated but not reversed by the balance sheet date at the current rate of corporation tax relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which the underlying timing difference can be deducted. The company, as permitted by FRS 19, has not adopted a policy of discounting deferred tax assets and liabilities.

**Notes to the financial statements (continued)
for the year ended 30 September 2005**

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 Employee information

There were no employees of the company during the year, other than the directors, who received no emoluments (2004: nil).

3 Tax on profit on ordinary activities

(a) Analysis of tax charge for the period

	2005	2004
	£	£
United Kingdom corporation tax at 19% (2004: 19%)		
Current year	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the period

	2005	2004
	£	£
Profit/(loss) on ordinary activities before tax	<u>(540)</u>	<u>184</u>
Tax on ordinary activities multiplied by the standard rate in the UK of 19% (2004: 19%)	(103)	35
Effects of:		
Other timing differences	<u>103</u>	<u>(35)</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

(c) Factors affecting tax charge for the period

The company has an unrecognised deferred tax asset in respect of non trade debits of £301 and an unrecognised deferred tax asset in respect of trading losses of £440.

**Notes to the financial statements (continued)
for the year ended 30 September 2005**

4	Tangible assets		
		2005	2004
		£	£
	Valuation		
	At 1 October 2004 and 2005	260,000	260,000
	Aggregate depreciation		
	At 30 September 2004 and 2005	<u>-</u>	<u>-</u>
	Net book value at 30 September 2005	<u>260,000</u>	<u>260,000</u>
	Net book value at 30 September 2004	<u>260,000</u>	<u>260,000</u>

The property was last valued at 30 September 1998, by independent surveyors, Davidson & Robertson. The directors believe this valuation is still relevant and have not had the property revalued at 30 September 2005. If the land had not been revalued, it would have been included at the following amounts:

	2005	2004
	£	£
Cost	10	10
Aggregate depreciation based on cost	<u>-</u>	<u>-</u>
Net book value based on cost	<u>10</u>	<u>10</u>
Tangible assets comprises:		
Heritable land	<u>260,000</u>	<u>260,000</u>

5	Debtors		
		2005	2004
		£	£
	Amounts falling due within one year:		
	Other debtors	<u>1,513</u>	<u>2,805</u>

6	Cash at bank		
		2005	2004
		£	£
	Current account	<u>237</u>	<u>1,160</u>

**Notes to the financial statements (continued)
for the year ended 30 September 2005**

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Accruals and deferred income	4,024	4,042
Directors loan account	<u>327</u>	<u>1,984</u>
	<u><u>4,351</u></u>	<u><u>6,026</u></u>

8 Deferred taxation

As disclosed in note 13, the directors have granted an option to purchase land which has been revalued and it is probable it will be disposed of in the foreseeable future. Accordingly, the revalued amounts constitute a timing difference as defined by SSAP 15 and the potential amounts of deferred tax have been quantified based on a tax rate of 30%. This has been set against the revaluation reserve.

9 Called up share capital

	2005 £	2004 £
Authorised:		
500 "A" Ordinary shares of £1 each	500	500
500 "B" Ordinary shares of £1 each	<u>500</u>	<u>500</u>
Ordinary shares of £1 each	<u><u>1,000</u></u>	<u><u>1,000</u></u>
	£	£
Allotted, called up and fully paid:		
50 "A" Ordinary shares of £1 each	50	50
50 "B" Ordinary shares of £1 each	<u>50</u>	<u>50</u>
	<u><u>100</u></u>	<u><u>100</u></u>

The "A" shares and "B" shares constitute different classes of shares but, except as expressly provided in the company's articles, confer upon the holders the same rights and rank pari passu in all respects.

**Notes to the financial statements (continued)
for the year ended 30 September 2005**

10 Reconciliation of movement in shareholders' funds

	2005	2004
	£	£
Profit/(loss) for the financial year	(540)	184
Opening shareholders' funds	<u>204,864</u>	<u>204,680</u>
Closing shareholders' funds	<u>204,324</u>	<u>204,864</u>

11 Reserves

	Revaluation Reserve	Profit & loss Account
	£	£
At 1 October 2004	206,915	(2,151)
Retained loss for the year	<u>-</u>	<u>(540)</u>
Closing shareholders' funds	<u>206,915</u>	<u>(2,691)</u>

12 Related party transactions

Material interests of director

During the year the company was a partner of a contract farming partnership with George Alan More Nisbett and others.

At 30 September 2005 an amount of £327 was owed to the director, George Alan More Nisbett.

There were no other related party transactions.

Controlling party

The company is under the joint control of G A More Nisbett and Mactaggart & Mickel Limited.

**Notes to the financial statements (continued)
for the year ended 30 September 2005**

13 Option to purchase

Under the terms of a shareholder agreement dated 19 February 1999, Mactaggart & Mickel Limited have an option to purchase the land owned by the company at market value. This option will lapse on 31 December 2015.

Bruce G A Mickel was a director and shareholder of Mactaggart & Mickel Limited during the year. Alan J Hartley was a director of Mactaggart & Mickel Limited during the year.