

Longthorn Farms Limited

Annual Report for the year ended 30 September 2003

Registered no: SC 127175



Longthorn Farms Limited

Annual Report for the year ended 30 September 2003

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Directors and advisers

Directors

George Alan More Nisbett
Alan James Hartley (appointed 1/5/04)
John Cumming Craig (retired 30/4/04)
Bruce George Andrew Mickel
Mrs Patrea Evelyn More Nisbett

Secretary and registered office

Alexander Robert Smith
126 West Regent Street
Glasgow
G2 2BH

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 2003**

The directors present their report and financial statements for the year ended 30 September 2003.

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. This option will lapse on 31 December 2015.

Messrs John C Craig and Bruce G A Mickel were directors and shareholders 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 2003 (2002: nil). The loss for the year, after tax, of £292 will be transferred to reserves.

Directors' report (continued)

The interests of the directors at 30 September 2003 in the shares of the company were as follows:

**Ordinary shares of £1 each
1 October 2002 and 30 September 2003**

	Number	Nominal value £
George Alan More Nisbett	4	4
Alan James Hartley	-	-
John Cumming Craig	-	-
Bruce George Andrew Mickel	-	-
Mrs Patrea Evelyn More Nisbett	-	-
	<u>4</u>	<u>4</u>

George Alan More Nisbett also has an interest in 46 shares (2002 - 46 shares), held by the G A More Nisbett 1990 No.1 and G A More Nisbett 1990 No.2 Trusts.

Directors' responsibilities

The directors are 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 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 ended 30 September 2003. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board of directors

A. Smith

A Smith
Secretary

20 July 2004
Dated

Longthorn Farms Limited

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Profit and loss account for the year ended 30 September 2003

	Notes	2003 £	2002 £
Other operating income			
Investment income	2	-	240
Sundry income	2	-	1,000
Income from other participating interests		<u>1,653</u>	<u>-</u>
		1,653	1,240
Other expenses		<u>(1,844)</u>	<u>(1,769)</u>
Loss on ordinary activities before interest		(191)	(529)
Interest payable and other charges		<u>(101)</u>	<u>(75)</u>
Loss on ordinary activities before taxation		(292)	(604)
Taxation	4	<u>-</u>	<u>-</u>
Retained loss for the year		<u>(292)</u>	<u>(604)</u>

All the results relate to continuing activities

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

Longthorn Farms Limited

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Balance sheet at 30 September 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	5	<u>260,000</u>	<u>260,000</u>
Current assets			
Debtors	6	250	250
Cash at bank	7	<u>1,260</u>	<u>119</u>
		<u>1,510</u>	<u>369</u>
Creditors amounts falling due within one year	8	<u>(3,755)</u>	<u>(2,322)</u>
Net current liabilities		<u>(2,245)</u>	<u>(1,953)</u>
Provisions for liabilities and charges			
Provision for deferred taxation	9	<u>(53,075)</u>	<u>(53,075)</u>
Net assets		<u><u>204,680</u></u>	<u><u>204,972</u></u>
		£	£
Capital and reserves			
Called-up share capital	10	100	100
Revaluation reserve	12	206,915	206,915
Profit and loss account	12	<u>(2,335)</u>	<u>(2,043)</u>
Equity shareholders' funds	11	<u><u>204,680</u></u>	<u><u>204,972</u></u>

Balance sheet at 30 September 2003 (continued)

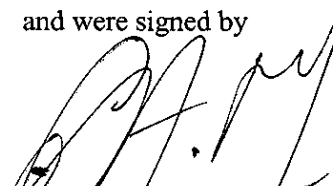
Advantage has been taken of the audit exemptions available for small companies conferred by Section 249A(1) of the Companies Act 1985 on the grounds:

- (a) that for the year ended 30 September 2003 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 2003 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 13 were approved by the board on 20 July 2004 and were signed by


George Alan More Nisbett
Director




Alan James Hartley
Director

Statement of total recognised gains and losses

	2003 £	2002 £
Loss for the financial year after taxation	(292)	(604)
Unrealised surplus on revaluation of property	<u>-</u>	<u>-</u>
Total recognised losses relating to the year	<u>(292)</u>	<u>(604)</u>

**Notes to the financial statements
for the year ended 30 September 2003****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 28 February each year. These accounts include the company's share of profits received during the year, in respect of the year ended 28 February 2003.

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 2003**

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	2003	2002
		£	£
	Investment income represents rental income:		
	United Kingdom	<u>-</u>	<u>240</u>
	Sundry income represents receipts for:		
	Small disposal of ground	<u>-</u>	<u>1,000</u>

3 Employee information

There were no employees of the company during the year, other than the directors, who received no emoluments (2002: nil).

4 Tax on profit on ordinary activities

(a) Analysis of tax charge for the period	2003	2002
	£	£
United Kingdom corporation tax at 19% (2002: 19%)		
Current year	<u>-</u>	<u>-</u>
(b) Factors affecting tax charge for the period	2003	2002
	£	£
Loss on ordinary activities before tax	<u>(292)</u>	<u>(604)</u>
Tax on ordinary activities multiplied by the standard rate in the UK of 19% (2002: 19%)	(55)	(115)
Effects of:		
Excess management expenses carried forward	-	115
Other timing differences	<u>55</u>	<u>-</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 unutilised management expenses of £531 and an unrecognised deferred tax asset in respect of trading losses of £55.

**Notes to the financial statements (continued)
for the year ended 30 September 2003**

5 Tangible assets

	2003 £	2002 £
Valuation		
At 1 October 2002	260,000	-
Transfer	-	260,000
At 30 September 2003	<u>260,000</u>	<u>260,000</u>
Aggregate depreciation		
At 30 September 2002 and 2003	<u>-</u>	<u>-</u>
Net book value at 30 September 2003	<u>260,000</u>	<u>260,000</u>
Net book value at 30 September 2002	<u>260,000</u>	<u>-</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 2003. If the land had not been revalued, it would have been included at the following amounts:

	2003 £	2002 £
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:		
Freehold land	<u>260,000</u>	<u>260,000</u>

6 Debtors

	2003 £	2002 £
Amounts falling due within one year:		
Other debtors	<u>250</u>	<u>250</u>

7 Cash at bank

	2003 £	2002 £
Current account	<u>1,260</u>	<u>119</u>

**Notes to the financial statements (continued)
for the year ended 30 September 2003**

8 Creditors: amounts falling due within one year

	2003 £	2002 £
Accruals and deferred income	3,584	2,151
Directors loan account	171	171
Corporation tax	-	-
	<u>3,755</u>	<u>2,322</u>

9 Deferred taxation

As disclosed in note 14, 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.

10 Called up share capital

	2003 £	2002 £
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	£	£
Allotted, called up and fully paid:		
50 "A" Ordinary shares of £1 each	50	50
50 "B" Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

**Notes to the financial statements (continued)
for the year ended 30 September 2003**

11 Reconciliation of movement in shareholders' funds

	2003 £	2002 £
Loss for the financial year	(292)	(604)
Revaluation reserve increase	-	-
Opening shareholders' funds	<u>204,972</u>	<u>205,576</u>
Closing shareholders' funds	<u>204,680</u>	<u>204,972</u>

12 Reserves

	Revaluation Reserve £	Profit & loss Account £
At 1 October 2002	206,915	(2,043)
Retained loss for the year	<u>-</u>	<u>(292)</u>
Closing shareholders' funds	<u>206,915</u>	<u>(2,335)</u>

13 Related party transactions

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

At 30 September 2003 an amount of £171 was owed to the director, George Alan More Nisbett.

There were no other related party transactions.

**Notes to the financial statements (continued)
for the year ended 30 September 2003**

14 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. This option will lapse on 31 December 2015.

Messrs John C Craig and Bruce G A Mickel were directors and shareholders of Mactaggart & Mickel Limited during the year.