

LARSEN & ROSS (FARMS) LIMITED
(REGISTERED IN SCOTLAND NUMBER 133450)
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2003



SCT SUBECTQ3 1637
COMPANIES HOUSE 26/03/04

AUDITORS' REPORT TO LARSEN & ROSS (FARMS) LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the full accounts of the company for the year ended 31st March 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the members of the company, in accordance with s247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

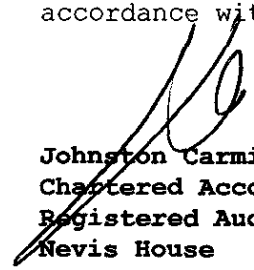
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the full accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Johnston Carmichael
Chartered Accountants,
Registered Auditors,
Nevis House
Beechwood Park
Inverness.
IV2 3BW

23 March 2004

LARSEN & ROSS (FARMS) LIMITED

BALANCE SHEET

AT 31ST MARCH 2003

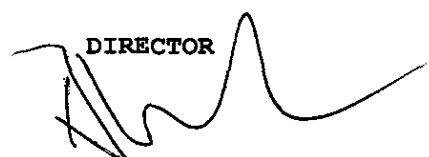
	Note	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets	3	1,035,331	1,035,477
CURRENT ASSETS			
Stock		8,183	9,360
Debtors		23,587	8,903
Cash at bank and in hand		22	3
		<hr/> 31,792	<hr/> 18,266
CREDITORS			
Amounts falling due within one year	4	963,674	1,147,818
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(931,882)	(1,129,552)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		103,449	(94,075)
CREDITORS			
Amounts falling due after more than one year	5	270,000	-
		<hr/>	<hr/>
NET LIABILITIES		(166,551)	(94,075)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital	6	3	3
Profit and loss account		(166,554)	(94,078)
		<hr/>	<hr/>
		(166,551)	(94,075)
		<hr/>	<hr/>

We have relied on the exemptions for individual accounts on the grounds that the Company is entitled to the benefit of those exemptions as a Small Company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

The financial statements on pages 2 to 4 were approved by the Board of Directors on 19 March 2004 and were signed on its behalf by:

DIRECTOR



LARSEN & ROSS (FARMS) LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2003

1. FUNDAMENTAL ACCOUNTING CONCEPT

Notwithstanding the deficiency of net assets these accounts have been prepared on a going concern basis as the holding company has undertaken to defer settlement of sums due to them in order that the interests of third party creditors are protected. Further funding will be made available as necessary by the holding company to meet any third party liabilities as they fall due.

2. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Depreciation

The cost of fixed assets is written off over their expected useful lives as follows:-

Buildings	- 2% straight line
Equipment	- 10% straight line
Motor vehicles	- 25% reducing balance

No depreciated has been provided on freehold land.

c) Stock

Stock is stated at the lower of cost and net realisable value.

d) Government grants

Agricultural grants and subsidies are treated as income as received.

d) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

LARSEN & ROSS (FARMS) LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2003

3. TANGIBLE FIXED ASSETS

	Farms £	Equipment £	Vehicles £	Total £
COST				
At 31st March 2002	964,260	95,083	23,247	1,082,590
Additions	3,143	11,318	1,500	15,961
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2003	967,403	106,401	24,747	1,098,551
	<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION				
At 31st March 2002	5,805	31,665	9,643	47,113
Charge for the year	1,998	10,333	3,776	16,107
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2003	7,803	41,998	13,419	63,220
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31st March 2003	959,600	64,403	11,328	1,035,331
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2002	958,455	63,418	13,604	1,035,477
	<hr/>	<hr/>	<hr/>	<hr/>

Included in Farms is £866,150 in respect of Land which has not been depreciated.

4. CREDITORS - amounts falling due within one year

Included in Creditors, amounts falling due within one year is a bank loan of £130,000 (2002: £nil). Details of security are set out in note 5 below.

5. CREDITORS - amounts falling after more than one year

Included in Creditors, amounts falling due after more than one year is a bank loan of £270,000 (2002: £nil) which is secured by a bond and floating charge and standard security over assets owned by the company. In addition the fellow subsidiary, Black Isle Christmas Trees Limited has guaranteed £400,000 of its borrowings, and the parent company Larsen and Ross Limited has postponed £600,000 of its loan.

6. SHARE CAPITAL

	Authorised 2003 & 2002 £	Allotted, Called up and fully paid 2003 & 2002 £
Ordinary shares of £1 each	500,000	3
	<hr/>	<hr/>

7. HOLDING COMPANY

The ultimate holding company is Larsen and Ross Limited, a company registered in Scotland.