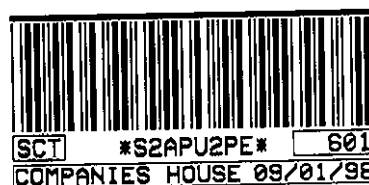


LARSEN & ROSS (FARMS) LIMITED
(REGISTERED IN SCOTLAND NUMBER 133450)
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1997

[Handwritten signature]



REPORT OF THE AUDITORS

TO THE DIRECTORS OF LARSEN & ROSS (FARMS) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 and 3 together with the full accounts of Larsen & Ross (Farms) Limited for the year ended 31st March 1997. The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from the full accounts.

In our opinion the directors are entitled under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts in respect of the year ended 31st March 1997, and the abbreviated accounts on pages 2 and 3 have been properly prepared in accordance with Schedule 8 to that Act.

As auditors of the company we reported on *8 January 1998* to the members on the full accounts prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1997 and our audit report was as follows:

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st March 1997, and of the profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Stuart MacDonal & Co.

Stuart MacDonal & Co.,
Chartered Accountants,
Registered Auditors,
34 Cherry Park,
Balloch,
Inverness.

8 January 1998

LARSEN & ROSS (FARMS) LIMITED

BALANCE SHEET

AT 31ST MARCH 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible fixed assets	2	920,900	916,284
CURRENT ASSETS			
Cash and bank and in hand		2	2
Prepayments		1,093	-
		<hr/>	<hr/>
		1,095	2
		<hr/>	<hr/>
CREDITORS			
Amounts falling due within one year		910,730	909,070
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(909,635)	(909,068)
		<hr/>	<hr/>
NET ASSETS		11,265	7,216
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital	3	3	3
Profit and loss account		11,262	7,213
		<hr/>	<hr/>
		11,265	7,216
		<hr/>	<hr/>

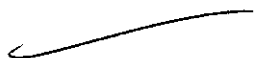
We have relied on the exemptions for individual accounts on the grounds that the Company is entitled to the benefit of those exemptions as a Small Company.

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

The financial statements on pages 2 and 3 were approved by the Board of Directors on 19th December 1997, and were signed on its behalf by:



DIRECTOR



LARSEN & ROSS (FARMS) LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 1997

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention.

b) Depreciation

It is the Company's policy to maintain fully its property in a state of good repair and, in the case of its freehold property, the Directors consider that the life of the property and its residual value, based upon its value as at the date of acquisition, are such that its depreciation is not material; accordingly no depreciation is provided on this property. Provision will be made in the profit and loss account for any permanent diminution in value which occurs.

c) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

2. TANGIBLE FIXED ASSETS

Tangible fixed assets comprise three farms which the company owned at the beginning of the year at a cost of £916,284 plus improvements during the year at a cost of £4,616.

3. SHARE CAPITAL

	Authorised 1997 & 1996 £	Allotted, Called up and fully paid 1997 & 1996 £
Ordinary shares of £1 each	500,000	3

4. HOLDING COMPANY

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