

**Lovat Highland Estates Ltd**

**Abbreviated accounts**  
**for the year ended 31 October 2015**

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## **Independent auditors' report to Lovat Highland Estates Ltd under section 449 of the Companies Act 2006**

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We have examined the abbreviated accounts which comprise the Balance sheet and related notes 1 to 5, together with the financial statements of Lovat Highland Estates Ltd for the year ended 31 October 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. 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 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the , that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

### **Opinion on**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

*EMA & Young LLP*

Eunice McAdam (Senior statutory auditor)

for and on behalf of

**Ernst & Young LLP**

Statutory Auditor

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Date: *20 June 2016*

Abbreviated balance sheet  
as at 31 October 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	2		8,263,873		8,038,220
Investments	3		21,154,479		20,377,100
			<u>29,418,352</u>		<u>28,415,320</u>
<b>Current assets</b>					
Debtors		49,034		140,575	
Cash at bank		98,667		92,722	
		<u>147,701</u>		<u>233,297</u>	
<b>Creditors: amounts falling due within one year</b>					
		(8,489,903)		(8,316,154)	
<b>Net current liabilities</b>			(8,342,202)		(8,082,857)
<b>Total assets less current liabilities</b>			<u>21,076,150</u>		<u>20,332,463</u>
<b>Accruals and deferred income</b>			(130,325)		(149,713)
<b>Net assets</b>			<u>20,945,825</u>		<u>20,182,750</u>
<b>Capital and reserves</b>					
Called up share capital	4		150,000		150,000
Revaluation reserve			14,834,213		14,056,833
Profit and loss account			5,961,612		5,975,917
<b>Shareholders' funds</b>			<u>20,945,825</u>		<u>20,182,750</u>

The abbreviated accounts, which have been prepared in accordance with the provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 16 June 2016



Mr I D Shepherd  
Director

The notes on pages 3 to 6 form part of these financial statements.

**Notes to the abbreviated accounts  
for the year ended 31 October 2015**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

New motor vehicles	-	25% reducing balance
Used motor vehicles	-	50% straight line
Plant and equipment	-	33.3% straight line

**1.4 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

**1.6 Pensions**

The company contributes to personal pension plans for three of the directors and three members of staff.

Notes to the abbreviated accounts  
for the year ended 31 October 2015

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1. Accounting policies (continued)

**1.7 Subsidiary undertaking**

Subsidiary undertakings are entities over which the company exerts significant influence and in which it has a long term interest comprising an investment of more than 50% in the voting capital.

**1.8 Investments**

Subsidiary undertakings and associated undertakings included within fixed asset investments are valued at the company's shareholding proportion of their net assets, with any surplus on revaluation being taken to a revaluation reserve.

Other investments are valued at cost less any permanent diminution in value.

2. Tangible fixed assets

	£
<b>Cost or valuation</b>	
At 1 November 2014	8,107,675
Additions	245,793
Disposals	(11,980)
At 31 October 2015	<u>8,341,488</u>
<b>Depreciation</b>	
At 1 November 2014	69,455
Charge for the year	20,140
On disposals	(11,980)
At 31 October 2015	<u>77,615</u>
<b>Net book value</b>	
At 31 October 2015	<u><u>8,263,873</u></u>
At 31 October 2014	<u><u>8,038,220</u></u>

No depreciation is charged on buildings as the director is of the opinion that the amount of depreciation which would have had to be provided is not material.

**Notes to the abbreviated accounts  
for the year ended 31 October 2015**

**3. Fixed asset investments**

	£
<b>Cost or valuation</b>	
At 1 November 2014	20,377,100
Revaluations	777,379
At 31 October 2015	<u>21,154,479</u>
<b>Net book value</b>	
At 31 October 2015	<u>21,154,479</u>
At 31 October 2014	<u>20,377,100</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<i>Name</i>	<i>Class of shares</i>	<i>Holding</i>
Highlands & Islands Investments Limited	Ordinary	100 %
Lovat Investments Limited (held by Highlands & Islands Investments Limited)	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 October 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<i>Name</i>	<i>Aggregate of share capital and reserves</i> £	<i>Profit/(loss)</i> £
Highlands & Islands Investments Limited	19,419,109	294,361
Lovat Investments Limited (held by Highlands & Islands Investments Limited)	<u>8,375,084</u>	<u>226,614</u>

**Participating interests**

Lovat Highland Estates Limited has a 49% holding in SLITCO Limited. During the latest financial period to 31 October 2015, SLITCO Limited made a profit after tax of £133,819 (2014 - £96,329) and at the end of the period the aggregate of its capital and reserves was £2,328,858 (2014 - £2,141,144). Lovat Highland Estates Limited's attributable share of its net assets was £1,141,140 (2014 - £1,049,165) at that date.

**4. Share capital**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

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**Lovat Highland Estates Ltd**

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**Notes to the abbreviated accounts  
for the year ended 31 October 2015**

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**5. Controlling party**

In the directors' opinion the company's ultimate parent undertaking is Lovat Estates Trust.