

REGISTERED IN SCOTLAND NUMBER 242385

LARSEN AND ROSS (NESS BANK) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2010

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COMPANIES HOUSE

**INDEPENDENT AUDITOR'S REPORT TO LARSEN AND ROSS (NESS BANK) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the company's abbreviated accounts which comprise the Balance Sheet and the related notes 1 to 7, together with the financial statements of Larsen and Ross (Ness Bank) Limited for the year ended 31 March 2010 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 audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's 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 as a body, for our audit work, for this report, or for the opinions we have formed.

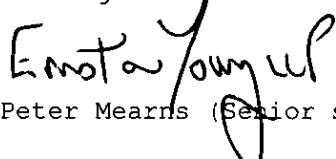
**Respective responsibilities of directors and auditors**

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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**Opinion**

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 regulation made under that section.



Peter Mearns (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditors

Inverness

23/12/2010

**LARSEN AND ROSS (NESS BANK) LIMITED**  
**(REGISTERED IN SCOTLAND NUMBER 242385)**

**ABBREVIATED BALANCE SHEET**

**AT 31ST MARCH 2010**

	Note	£	2010	£	2009	£
<b>FIXED ASSETS</b>						
Tangible fixed assets	3		1,092,496		1,146,485	
<b>CURRENT ASSETS</b>						
Stocks			-		-	
Debtors			-		-	
Cash at bank and in hand			-		-	
			<hr/>		<hr/>	
			-		-	
			<hr/>		<hr/>	
<b>CREDITORS</b>						
Amounts falling due within one year			1,019,053		1,073,303	
			<hr/>		<hr/>	
<b>NET CURRENT LIABILITIES</b>			(1,019,053)		(1,073,303)	
			<hr/>		<hr/>	
<b>NET ASSETS</b>			73,443		73,182	
			<hr/>		<hr/>	
<b>CAPITAL AND RESERVES</b>						
Share capital	4		200,000		200,000	
Profit and loss account			(126,557)		(126,818)	
			<hr/>		<hr/>	
			73,443		73,182	
			<hr/>		<hr/>	

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) were approved and authorised for issue by the board and were signed on its behalf on 23 December 2010:

  
**BARRY LARSEN**

**LARSEN AND ROSS (NESS BANK) LIMITED**

**NOTES TO THE ACCOUNTS**

**31ST MARCH 2010**

**1. FUNDAMENTAL ACCOUNTING CONCEPT**

These accounts have been prepared on a going concern basis, as: (1) the holding company has undertaken to defer settlement of sums due to them in order that the interests of third party creditors are protected; (2) the director of the holding company has made arrangements to ensure sufficient bank facilities can be made available on a group basis to meet third party creditors 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 April 2008).

**b) Depreciation**

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

Leasehold Property	- 2% straight line
Fixtures and Equipment	- 10% straight line

Although the Financial Reporting Standard for Smaller Entities would normally require depreciation on property assets to be over the shorter of the term of the lease or the expected useful life of the asset, the director believe that the policy providing depreciation over fifty years and not on the five year period of the lease is necessary in order for the accounts to give a true and fair view. Although the lease is for five years the company has an option to purchase the property which secures the carrying value of the leasehold property asset.

**c) Stock**

Stock is valued at the lower of cost and net realisable value with provision being made for obsolete and slow moving stocks.

**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 AND ROSS (NESS BANK) LIMITED**

**NOTES TO THE ACCOUNTS**

**31ST MARCH 2010**

**3. TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Equipment £	Total £
<b>COST</b>			
At 31st March 2009	978,239	384,243	1,362,482
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st March 2010	978,239	384,243	1,362,482
	<hr/>	<hr/>	<hr/>
<b>ACCUMULATED DEPRECIATION</b>			
At 31st March 2009	47,650	168,347	215,997
Charge for the period	15,565	38,424	53,989
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st March 2010	63,215	206,771	269,986
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31st March 2010	915,024	177,472	1,092,496
	<hr/>	<hr/>	<hr/>
At 31st March 2009	930,589	215,896	1,146,485
	<hr/>	<hr/>	<hr/>
<b>COST</b>			

**4. SHARE CAPITAL**

Allotted, Called  
up and fully paid  
£

At 31st March 2009 and 2010  
Ordinary shares of £1 each

200,000

**5. CONTINGENT LIABILITIES**

The company has guaranteed borrowings of £4,500,000 by its ultimate holding company. At 31st March 2010 the guaranteed amounts outstanding were £4,480,203 (2009: £4,416,812). The director does not consider that this guarantee will be called upon in the near future.

**6. HOLDING COMPANY**

The ultimate holding company is Larsen and Ross Limited, a company registered in Scotland. Copies of group accounts are available from Larsen and Ross Limited, Hillside Villas, Inverness, IV2 3ES.

**7. ULTIMATE CONTROLLING PARTIES**

The ultimate controlling party of the company was the director of the company.