

Lovat Investments Limited

Abbreviated accounts
for the year ended 31 October 2011

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Lovat Investments Limited

**Independent auditors' report to Lovat Investments Limited
under section 449 of the Companies Act 2006**

We have examined the company's abbreviated accounts, , together with the financial statements of Lovat Investments Limited for the year ended 31 October 2011 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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

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.

Ernst & Young LLP

Eunice McAdam (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
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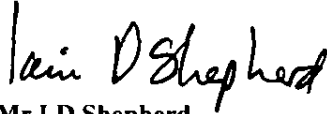
Date: *1 May 2012*

Lovat Investments Limited
Registered number: 81199

Abbreviated balance sheet
as at 31 October 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Investments	2		2,550,330		2,832,100
Current assets					
Debtors		4,257,901		4,166,026	
Cash at bank		328,396		17,486	
		<u>4,586,297</u>		<u>4,183,512</u>	
Creditors: amounts falling due within one year					
		<u>(4,991)</u>		<u>(3,987)</u>	
Net current assets			4,581,306		4,179,525
Total assets less current liabilities			<u>7,131,636</u>		<u>7,011,625</u>
Capital and reserves					
Called up share capital	3		7,169,830		7,169,830
Share premium account			10,773,999		10,773,999
Revaluation reserve			409,585		1,122,498
Profit and loss account			<u>(11,221,778)</u>		<u>(12,054,702)</u>
Shareholders' funds			<u>7,131,636</u>		<u>7,011,625</u>

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, were approved and authorised for issue by the board and were signed on its behalf on 1 May 2012


Mr I D Shepherd
 Director

The notes on pages 3 to 4 form part of these financial statements.

Lovat Investments Limited

Notes to the abbreviated accounts for the year ended 31 October 2011

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 fixed asset investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Investments

The company's investment portfolio is intended to be held for use on a continuing basis to provide income and capital growth. The investments are treated as fixed assets and, under the Alternative Accounting Rules, are revalued annually with an adjustment to the company's revaluation reserve. In the case of listed securities the valuation is based on the middle market price at the balance sheet date.

2. Fixed asset investments

	£
Cost or valuation	
At 1 November 2010	2,832,100
Additions	1,032,562
Disposals	(1,201,762)
Revaluations	(112,570)
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At 31 October 2011	2,550,330
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Net book value	
At 31 October 2011	2,550,330
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At 31 October 2010	2,832,100
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Listed investments

The market value of the listed investments at 31 October 2011 was £2,499,057 (2010 - £2,780,827).

The original cost of the listed and other investments was £2,546,300.

No tax charge would arise on the disposal of revalued investments due to the availability of losses carried forward.

3. Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
35,849,150 Ordinary shares of £0.20 each	7,169,830	7,169,830
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**Notes to the abbreviated accounts
for the year ended 31 October 2011**

4. Ultimate parent undertaking and controlling party

The parent undertaking of the group of undertakings of which the company is a member is Highlands and Islands Investments Ltd, a company registered in Scotland. Highland and Islands Investments Ltd owned 100% of the share capital of the company at 31 October 2011 (2010 - 100%).

In the directors' opinion, the company's ultimate parent company is Lovat Highland Estates Limited, which is registered in Scotland and the ultimate controlling party is Lovat Estates Trust.