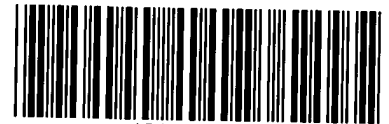


**Lovat Investments Limited**

**Abbreviated accounts**

**for the year ended 31 October 2016**

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**Independent auditors' report to Lovat Investments Limited  
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 4, together with the financial statements of Lovat Investments Limited for the year ended 31 October 2016 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 director and auditors**

The director is 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

Inverness

Date:

*3 May 2017*

**Lovat Investments Limited**  
**Registered number: SC081199**

**Abbreviated balance sheet**  
**as at 31 October 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Investments	2		5,987,052		4,920,918
<b>Current assets</b>					
Debtors		3,220,000		2,816,387	
Cash at bank		209,260		647,503	
		<u>3,429,260</u>		<u>3,463,890</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(10,130)</u>		<u>(9,724)</u>	
<b>Net current assets</b>			<u>3,419,130</u>		<u>3,454,166</u>
<b>Total assets less current liabilities</b>			<u><u>9,406,182</u></u>		<u><u>8,375,084</u></u>
<b>Capital and reserves</b>					
Called up share capital	3		7,169,830		7,169,830
Share premium account			10,773,999		10,773,999
Revaluation reserve			1,577,911		749,679
Profit and loss account			<u>(10,115,558)</u>		<u>(10,318,424)</u>
<b>Shareholders' funds</b>			<u><u>9,406,182</u></u>		<u><u>8,375,084</u></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 **3 May 2017**

  
**Mr I D Shepherd**  
 Director

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

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**Lovat Investments Limited**

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**Notes to the abbreviated accounts  
for the year ended 31 October 2016**

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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 fixed asset investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

**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**

	£
<b>Cost or valuation</b>	
At 1 November 2015	4,920,918
Additions	1,052,378
Disposals	(762,893)
Revaluations	776,649
At 31 October 2016	5,987,052
<b>Net book value</b>	
At 31 October 2016	5,987,052
At 31 October 2015	4,920,918

**Listed investments**

The market value of the listed investments at 31 October 2016 was £5,987,052 (2015 - £4,920,918).

The original cost of the listed investments was £4,409,141.

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

**3. Share capital**

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
35,849,150 Ordinary shares of £0.20 each	7,169,830	7,169,830

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**Lovat Investments Limited**

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**Notes to the abbreviated accounts  
for the year ended 31 October 2016**

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**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 Limited, a company registered in Scotland. Highland and Islands Investments Limited owned 100% of the share capital of the company at 31 October 2016 (2015 - 100%).

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