

# Lovat Investments Limited

## Abbreviated Accounts

31 October 1999

 ERNST & YOUNG

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# Lovat Investments Limited

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Registered No. 81199

## **DIRECTORS**

The Hon Kim I M Fraser  
Malcolm Fraser

## **SECRETARY**

Innes & MacKay  
Kintail House  
Beechwood Business Park  
Inverness  
IV2 3BW

## **AUDITORS**

Ernst & Young  
Moray House  
16 Bank Street  
Inverness  
IV1 1QY

## **BANKERS**

Bank of Scotland  
High Street  
Beauly  
IV4 7BS

## **SOLICITORS**

Innes & MacKay  
Kintail House  
Beechwood Business Park  
Inverness  
IV2 3BW

## **REGISTERED OFFICE**

Lovat Estates Office  
Beauly  
IV4 7DA

 ERNST & YOUNG

**SPECIAL REPORT OF THE AUDITORS**

to the members of Lovat Investments Limited under section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 4 to 6 together with the annual accounts of Lovat Investments Limited for the year ended 31 October 1999 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

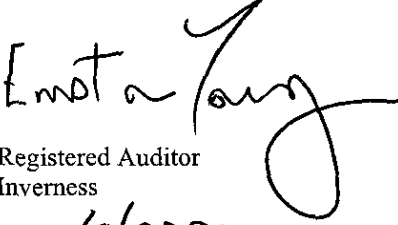
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 6 are properly prepared in accordance with those provisions.

  
Registered Auditor  
Inverness  
15/5/2000

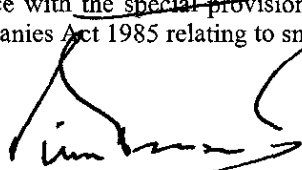
# Lovat Investments Limited

## ABBREVIATED BALANCE SHEET

as at 31 October 1999

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Investments	2	1,254,806	-
<b>CURRENT ASSETS</b>			
Investments		-	233,800
Debtors		1,950	6,688
Cash at bank and in hand		2,423,585	3,398,400
		2,425,535	3,638,888
<b>CREDITORS: amounts falling due within one year</b>		29,526	36,438
<b>NET CURRENT ASSETS</b>		2,396,009	3,602,450
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		£3,650,815	£3,602,450
<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		66,999	-
Profit and loss account		(14,360,013)	(14,341,379)

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



)  
) Director  
)

17 April 2000

<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	<b>£3,650,815</b>	<b>£3,602,450</b>
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# Lovat Investments Limited

## NOTES TO THE ABBREVIATED ACCOUNTS to 31 October 1999

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention.

#### *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. INVESTMENTS

	1999 £
Cost or market value:	
At 1 November 1998	-
Additions	1,152,123
Disposals	(77,366)
Revaluation	66,999
Reclassification from current assets	113,050
At 31 October 1999	<u>£1,254,806</u>

### 3. SHARE CAPITAL

	1999 No.	Authorised 1998 No.	1999	Allotted, called up and fully paid 1998
Ordinary shares of 20p each	100,000,000	100,000,000	£7,169,830	£7,169,830

### 4. TRANSACTIONS INVOLVING DIRECTORS AND RELATED PARTIES

The directors had interests in the following transaction:

Included in expenses is an amount of £70,500 (including VAT) relating to management fees payable to Lovat Highland Estates Limited. This is for general management and accountancy costs for the company.

Malcolm Fraser was a director of Lovat Highland Estates Limited during the year ended 31 October 1999.

NOTES TO THE ABBREVIATED ACCOUNTS  
to 31 October 1999

**5. PARENT UNDERTAKING**

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. At 31 October 1999 *Highlands and Islands Investments Limited* owned 90.4% of the share capital of the company.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is *Imperial Livestock Corporation*, which is registered in Panama.