Registered number: SC179037

Lovat Highland Estates Ltd

Abbreviated accounts

for the year ended 31 October 2011

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

We have examined the company's abbreviated accounts, , together with the of Lovat Highland Estates Ltd 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 an 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.

Ernst & Young LLP

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

Lovat Highland Estates Ltd
Registered number: SC179037

Abbreviated balance sheet
as at 31 October 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	2		7,324,454		7,113,458
Investments	3		17,346,740		16,978,189
			24,671,194		24,091,647
Current assets					
Debtors		94,431		72,917	
Cash at bank		579,080		410,699	
		673,511		483,616	
Creditors: *amounts falling due within one year*		(8,368,942)		(8,372,183)	
Net current liabilities			(7,695,431)		(7,888,567)
Total assets less current liabilities			16,975,763		16,203,080
Accruals and deferred income			(95,141)		-
Net assets			16,880,622		16,203,080
Capital and reserves					
Called up share capital	4		150,000		150,000
Revaluation reserve			11,194,476		10,825,925
Profit and loss account			5,536,146		5,227,155
Shareholders' funds			16,880,622		16,203,080

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

Iain D Shepherd

Mr I D Shepherd
Director

The notes on pages 3 to 5 form part of these financial statements.

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 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
Office 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 one of the directors and a member of staff.

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

	£
Cost or valuation	
At 1 November 2010	7,148,428
Additions	341,279
Disposals	(114,085)
At 31 October 2011	7,375,622
Depreciation	
At 1 November 2010	34,970
Charge for the year	16,798
On disposals	(600)
At 31 October 2011	51,168
Net book value	
At 31 October 2011	7,324,454
At 31 October 2010	7,113,458

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

3. Fixed asset investments

	£
Cost or valuation	
At 1 November 2010	16,978,189
Revaluations	368,551
At 31 October 2011	17,346,740

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

3. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

The aggregate of the share capital and reserves as at 31 October 2011 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	*Aggregate of share capital and reserves* £	*Profit/(loss)* £
Highlands & Islands Investments Limited	16,305,051	591,121
Lovat Investments Limited (held by Highlands & Islands Investments Limited)	7,131,636	232,581

Participating interests

Lovat Highland Estates Limited has a 49% holding in SLITCO Limited. During the latest financial period to 31 October 2011, SLITCO Limited made a profit after tax of £166,559 (2010 - £124,634) and at the end of the period the aggregate of its capital and reserves was £1,256,038 (2010 - £1,147,330). Lovat Highland Estates Limited's attributable share of its net assets was £615,459 (2010 - £562,193) at that date.

4. Share capital

	2011 £	*2010* £
Allotted, called up and fully paid		
150,000 Ordinary shares of £1 each	150,000	150,000