

Lovat Highland Estates Limited

Abbreviated accounts

for the year ended 31 October 2009

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Independent auditors' report to Lovat Highland Estates 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 4, together with the financial statements of Lovat Highland Estates Limited for the year ended 31 October 2009 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Sections 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 and the company's members 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.

Ernst & Young LLP

Eunice McAdam (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Inverness

29 June 2010

Lovat Highland Estates Limited

**Abbreviated balance sheet
as at 31 October 2009**

	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible fixed assets	2		6,996,775		4,141,859
Fixed asset investments	3		14,825,442		12,336,588
			<u>21,822,217</u>		<u>16,478,447</u>
Current assets					
Debtors		63,438		151,987	
Cash at bank and in hand		93,445		96,093	
		<u>156,883</u>		<u>248,080</u>	
Creditors: amounts falling due within one year		<u>(8,415,331)</u>		<u>(5,279,227)</u>	
Net current liabilities			<u>(8,258,448)</u>		<u>(5,031,147)</u>
Total assets less current liabilities			<u>13,563,769</u>		<u>11,447,300</u>
Capital and Reserves					
Called up share capital	4		150,000		150,000
Revaluation reserve			8,667,178		6,610,556
Profit and loss account			4,746,591		4,686,744
Shareholders' funds			<u>13,563,769</u>		<u>11,447,300</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf on 28 June 2010

Iain D Shepherd

Director

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

**Notes to the abbreviated accounts
for the year ended 31 October 2009**

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 exempt from the requirement to prepare group accounts by virtue of section 398 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 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
Plant and equipment	-	33.3%	straight line

1.3 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.

1.4 Pensions

The company contributes to personal pension plans for one of the directors and a member of staff.

1.5 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.

1.6 Investments

Subsidiary companies 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.

Lovat Highland Estates Limited

**Notes to the abbreviated accounts
for the year ended 31 October 2009**

2. Tangible fixed assets

	£
Cost or valuation	
At 1 November 2008	4,166,402
Additions	2,914,282
Disposals	(49,756)
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At 31 October 2009	7,030,928
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Depreciation	
At 1 November 2008	24,543
Charge for the year	14,986
On disposals	(5,376)
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At 31 October 2009	34,153
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Net book value	
At 31 October 2009	6,996,775
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At 31 October 2008	4,141,859
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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 2008	12,336,588
Additions	438,230
Disposals	(6,000)
Revaluations	2,056,624
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At 31 October 2009	14,825,442
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Subsidiary undertakings

The following were subsidiary undertakings of the company:

<i>Name</i>	<i>Holding</i>
Highlands & Islands Investments Limited	100%
Lovat Investments Limited (held by Highlands & Islands Investments Limited)	100%

Lovat Highland Estates Limited

Notes to the abbreviated accounts for the year ended 31 October 2009

3. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 October 2009 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<i>Name</i>	<i>Aggregate of share capital and reserves £</i>	<i>Profit/(loss) £</i>
Highlands & Islands Investments Limited	14,017,919	18,354
Lovat Investments Limited (held by Highlands & Islands Investments Limited)	6,576,801	45,538
	<u> </u>	<u> </u>

Participating interests

Lovat Highland Estates Limited has a 49% holding in SLITCO Limited. During the latest financial period to 31 October 2009, SLITCO Limited made a loss after tax of £236,162 and at the end of the period the aggregate of its capital and reserves was £765,902. Lovat Highland Estates Limited's attributable share of its net assets was £375,295 at that date.

4. Share capital

	<i>2009 £</i>	<i>2008 £</i>
Authorised		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>