KIRKTON FARMS LIMITED

Report and Accounts

31 January 2002



Registered No. 172249

DIRECTORS
Hon. K I M Fraser
Mrs J K Fraser
Mr S S MacDonald

SECRETARY
I D Shepherd

BANKERS
Bank of Scotland
High Street
Beauly

SOLICITORS
Torquil MacLeod & Co
5 Longman Road
Inverness
IV1 1RY

REGISTERED OFFICE
Lovat Estates Office
Beauly
Inverness-shire
IV4 7DA

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 January 2002.

PRINCIPAL ACTIVITY

The company's principal activity during the year was arable and livestock farming.

DIRECTORS AND THEIR INTERESTS

The directors at 31 January 2002 and their interests in the share capital of the company were as follows:

	At 31 January 2002 Ordinary shares	*At 1 February 2001 Ordinary shares*
Hon. K I M Fraser	939,999	939,999
Mrs J K Fraser	1	1
Mr S S MacDonald	-	-

SPECIAL PROVISIONS RELATING TO SMALL COMPANIES

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

Iain D Shepherd

Secretary

11 April 2002

PROFIT AND LOSS ACCOUNT
for the year ended 31 January 2002

	Notes	2002 £	2001 £
Turnover	2	225,552	193,020
Cost of sales		(147,399)	(134,856)
Gross profit		78,153	58,164
Administrative expenses		(73,631)	(84,473)
Other operating income		12,066	17,500
OPERATING PROFIT/(LOSS)	3	16,588	(8,809)
(Loss)/gain on sale of fixed assets		-	(146)
Interest payable		(25,599)	(27,805)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,011)	(36,760)
Tax on loss on ordinary activities		-	-
LOSS RETAINED FOR THE FINANCIAL YEAR	10	£(9,011)	£(36,760)

BALANCE SHEET
at 31 January 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	4	1,033,314	1,040,441
Investments	5	134	134
		1,033,448	1,040,575
CURRENT ASSETS			
Stocks		137,377	124,317
Debtors	6	29,390	38,460
Cash at bank and in hand		63	43
		166,830	162,820
CREDITORS: amounts falling due within one year	7	356,812	352,031
NET CURRENT LIABILITIES		(189,982)	(189,211)
TOTAL NET CURRENT LIABILITIES		843,466	851,364
ACCRUALS AND DEFERRED INCOME	8	38,979	37,866
		£804,487	£813,498
CAPITAL AND RESERVES			
Called up share capital	9	940,000	940,000
Profit and loss account	10	(135,513)	(126,502)

The Directors confirm that for the year ending 31 January 2002 the company was entitled to the exemption under subsection (1) of section 249(A); that no notice requiring an audit had been deposited under subsection (2) of section 249(B) in relation to the accounts for the financial year; and acknowledge their responsibility for (a) ensuring that the company keeps accounting records which comply with section 221; and (b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts so far as applicable to the company.

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

) Director

10 April 2002

EQUITY SHAREHOLDERS' FUNDS		£804,487	£813,498

NOTES TO THE ACCOUNTS
at 31 January 2002

1. ACCOUNTING POLICIES

Accounting convention
The accounts are prepared under the historical cost convention.

Depreciation
Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Buildings	-	over fifty years
Permanent improvements	-	over ten years
Plant, equipment and furnishings (new)	-	over six years
Plant and equipment (used)	-	over six years
Computer equipment (used)	-	over three years
Cattle quota		over six years

Leasing and hire purchase commitments
Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.
The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

2. TURNOVER

Turnover, which is stated net of valued added tax, represents amounts invoiced to third parties and arose from continuing activities. All turnover arose in the United Kingdom.

3. OPERATING LOSS

This is stated after charging:

	2002	*2001*
	£	£
Depreciation of owned fixed assets	17,981	27,068
Directors' remuneration	11,407	12,403

4. TANGIBLE FIXED ASSETS

	Heritable property £	*Permanent improve-ments* £	*Plant equipment and furnishings* £	*Computers* £	*Cattle quota* £	*Forestry* £	*Total* £
Cost:							
At 1 February 2001	980,913	28,176	111,026	3,253	11,792	5,535	1,140,695
Additions	3,840	4,200	-	-	1,940	874	10,854
At 31 January 2002	984,753	32,376	111,026	3,253	13,732	6,409	1,151,549
Depreciation:							
At 1 February 2001	2,632	5,978	83,533	3,253	4,858	-	100,254
Charge for year	1,476	3,238	10,978	-	2,289	-	17,981
At 31 January 2002	4,108	9,216	94,511	3,253	7,147	-	118,235
Net book value:							
At 31 January 2002	£980,645	£23,160	£16,515	£ -	£6,585	£6,409	£1,033,314
At 31 January 2001	£978,281	£22,198	£27,493	£ -	£6,934	£5,535	£1,040,441

5. INVESTMENTS

	Unlisted £	*Total* £
At 1 February 2001	134	134
At 31 January 2002	£134	£134

The market value of the above investments is £134.

NOTES TO THE ACCOUNTS
at 31 January 2002

6. DEBTORS

	2002 £	2001 £
Trade debtors	23,530	29,920
Other debtors	5,373	8,540
Prepayments	487	-
	£29,390	£38,460

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank overdraft	330,036	315,469
Trade creditors	4,275	6,484
Other creditors and accruals	19,724	27,301
Director's loan	2,777	2,777
	£356,812	£352,031

'Other creditors' include £529 (2001 - £596) in respect of taxation and social security.

The bank overdraft is secured.

8. ACCRUALS AND DEFERRED INCOME

	2002 £	2001 £
Opening balance	37,866	36,588
Grant receivable for the year	1,940	2,066
Released in year	(827)	(788)
	£38,979	£37,866

9. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2002 No.	2001 No.	2002	2001
Ordinary shares of £1 each	1,000,000	1,000,000	£940,000	£940,000

NOTES TO THE ACCOUNTS
at 31 January 2002

10. RESERVES

	Share capital £	*Profit and loss account* £	*Total* £
At 1 February 2001	940,000	(126,502)	813,498
Retained loss for the year	-	(9,011)	(9,011)
At 31 January 2002	£940,000	£(135,513)	£804,487

11. RELATED PARTIES

Included in other creditors and accruals (note 7) is an amount of £2,777 (2001 - £2,777) owing to the Hon K I M Fraser, director.

During the year the company purchased, at arm's length, supplies and management services amounting to £8,000 (2001 - £8,000) from Conon Brae Farms. The company also received grazing income of £5,000 (2001 - £5,000) from Conon Brae Farms during the year. Mr S MacDonald, a director of the company, is also a partner of Conon Brae Farms.

Included in other creditors and accruals (note 7) is an amount of £Nil (2001 - £5,000) owing to Conon Brae Farms. Included in trade debtors (note 6) is an amount of £Nil (2001 - £4,200) owing by Conon Brae Farms.