209293

Report of the Directors and

Financial Statements

for the Year Ended 31 July 2003

for

The Caithness Partnership Ltd

SCT 827FLYFE 0393
COMPANIES HOUSE 11/09/04

Contents of the Financial Statements for the Year Ended 31 July 2003

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Profit and Loss Account	8

The Caithness Partnership Ltd

Company Information for the Year Ended 31 July 2003

DIRECTORS:	Mr George Bruce Mrs Patricia A Buchanan Mr George C Dunnett Mr James H Fry Mr John H Green Mr Hugh Logan Mr Derrick H Milnes Mr William G Mowat Mr Alastair I Macdonald Mr Peter Welsh Mr Thomas C Jackson
SECRETARY:	Mr Brian M Whitelaw
REGISTERED OFFICE:	50A High Street Wick Caithness KW1 4BS
REGISTERED NUMBER:	SC 209293
AUDITORS:	Victor T Fraser & Co Market Place Wick Caithness KW1 4LP
BANKERS:	The Royal Bank of Scotland plc 1 Bridge Street Wick Caithness KW1 4BU

The Caithness Partnership Ltd

Report of the Directors for the Year Ended 31 July 2003

The directors present their report with the financial statements of the company for the year ended 31 July 2003.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of agent in the promotion of commerce, art, science, education, religion, charity or any profession, and the social, political and sporting activity in the county of Caithness.

DIRECTORS
The directors during the year under review were:

Mr George Bruce	
Mrs Patricia A Buchanan	
Mr George C Dunnett	
Mr James H Fry	
Mr John H Green	
Dr Terry Keatinge	- resigned 21.7.03
Mr Hugh Logan	
Mr Derrick H Milnes	
Mr William G Mowat	
Mr James W Oag	- resigned 1.5.03
Mr John S Rosie	- resigned 1.5.03
Mr Alastair I Macdonald	
Mr Peter Welsh	
Mr Thomas C Jackson	
Mr John C Watson	- resigned 12.11.02

STATEMENT OF DIRECTORS' RESPONSIBILITIES
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS
The auditors, Victor T Fraser & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:

George Bruce
.....
Mr George Bruce - Director

Date: 10th September 2004

Report of the Independent Auditors to the Members of The Caithness Partnership Ltd

We have audited the financial statements of The Caithness Partnership Ltd for the year ended 31 July 2003 on pages four to seven. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 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
As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

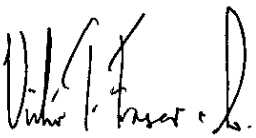
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Victor T Fraser & Co
Market Place
Wick
Caithness
KW1 4LP

Date: 10th September 2004

The Caithness Partnership Ltd

Profit and Loss Account
for the Year Ended 31 July 2003

	Notes	2003 £	2002 £
TURNOVER		53,790	56,050
Administrative expenses		49,466	57,327
OPERATING PROFIT/(LOSS)	2	4,324	(1,277)
Interest receivable and similar income		162	62
		4,486	(1,215)
Interest payable and similar charges		-	4
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,486	(1,219)
Tax on profit/(loss) on ordinary activities	3	(51)	(293)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		4,537	(926)
RETAINED PROFIT/(DEFICIT) FOR THE YEAR		4,537	(926)

The notes form part of these financial statements

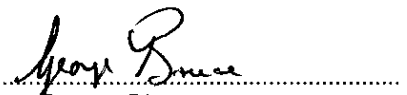
The Caithness Partnership Ltd

Balance Sheet
31 July 2003

	Notes	2003 £	2003 £	2002 £	2002 £
FIXED ASSETS					
Tangible assets	4		676		1,976
CURRENT ASSETS					
Cash at bank and in hand		23,116		574	
CREDITORS					
Amounts falling due within one year	5	18,775		2,070	
NET CURRENT ASSETS/(LIABILITIES)			4,341		(1,496)
TOTAL ASSETS LESS CURRENT LIABILITIES			5,017		480
RESERVES					
Profit and loss account	6		5,017		480
			5,017		480

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



Mr George Bruce - Director

Approved by the Board on 10th September 2004

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover
Turnover comprises income from revenue grants, donations and consultancy fees on an accruals basis.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office furniture and equipment	- 33% on cost

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. OPERATING PROFIT/(LOSS)

The operating profit (2002 - operating loss) is stated after charging:

	2003 £	2002 £
Depreciation - owned assets	1,300	1,300
Auditors remuneration	900	900
Directors' emoluments and other benefits etc	-	-

3. TAXATION

Analysis of the tax credit
The tax credit on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
Prior year adjustment	(51)	(293)
Tax on profit/(loss) on ordinary activities	(51)	(293)

continued...

4. TANGIBLE FIXED ASSETS

	Office furniture and equipment £	Artworks £	Totals £
COST			
At 1 August 2002 and 31 July 2003	3,899	676	4,575
DEPRECIATION			
At 1 August 2002	2,599	-	2,599
Charge for year	1,300	-	1,300
At 31 July 2003	3,899	-	3,899
NET BOOK VALUE			
At 31 July 2003	-	676	676
At 31 July 2002	1,300	676	1,976

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts	-	820
Other creditors	18,775	1,250
	18,775	2,070

6. RESERVES

	Profit and loss account £
At 1 August 2002	480
Retained profit for the year	4,537
At 31 July 2003	5,017

The Caithness Partnership Ltd

Profit and Loss Account
for the Year Ended 31 July 2003

	2003		2002	
	£	£	£	£
Turnover				
Revenue grants	47,605		51,500	
Donations	500		1,050	
Consultancy fees	5,685		3,500	
		53,790		56,050
Other income				
Deposit account interest		162		62
		53,952		56,112
Expenditure				
Insurance	662		368	
Wages	9,982		13,961	
Social security	581		1,087	
Consultancy fees	30,000		30,000	
Telephone and internet	1,681		2,066	
Post and stationery	538		1,069	
Advertising	-		197	
Travelling	1,436		3,163	
Repairs and renewals	-		85	
Subscriptions	294		312	
Sundry expenses	393		399	
Legal fees	-		554	
Auditors remuneration	900		900	
Auditors' remuneration for non audit work	359		526	
Depreciation of tangible fixed assets	1,300		1,300	
Lease of photocopier	1,340		1,340	
		49,466		57,327
		4,486		(1,215)
Finance costs				
Bank interest		-		4
NET PROFIT/(LOSS)		4,486		(1,219)