



BELL & COMPANY
CHARTERED ACCOUNTANTS

CAITHNESS POTATOES LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

Company Registration No. SC089102 (Scotland)



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Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants of Scotland

CAITHNESS POTATOES LIMITED

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CAITHNESS POTATOES LIMITED

INDEPENDENT AUDITORS' REPORT TO CAITHNESS POTATOES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Caithness Potatoes Limited for the year ended 30 June 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

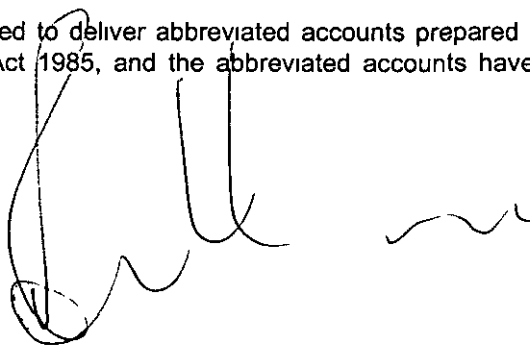
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and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

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 to be delivered are properly prepared.

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 have been properly prepared in accordance with those provisions.



Bell & Company

16 March 2007

Chartered Accountants
Registered Auditor

Moray House
39 St John Street
Perth
PH1 5HQ

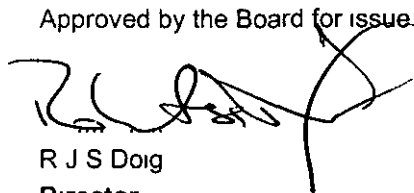
CAITHNESS POTATOES LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	2		1,963		1,748
Investments	2		2		2
			<u>1,965</u>		<u>1,750</u>
Current assets					
Stocks		6,132		8,125	
Debtors		415,620		777,098	
Cash at bank and in hand		662,936		372,000	
		<u>1,084,688</u>		<u>1,157,223</u>	
Creditors' amounts falling due within one year		<u>(32,175)</u>		<u>(173,046)</u>	
Net current assets			<u>1,052,513</u>		<u>984,177</u>
Total assets less current liabilities			<u><u>1,054,478</u></u>		<u><u>985,927</u></u>
Capital and reserves					
Called up share capital	3	100,000		100,000	
Profit and loss account		954,478		885,927	
Shareholders' funds			<u><u>1,054,478</u></u>		<u><u>985,927</u></u>

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

Approved by the Board for issue on 15/03/07


R J S Doig
Director

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006**

Deferred tax is measured on a non discounted basis

CAITHNESS POTATOES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2006

1 Accounting policies

(Continued)

1 9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1 10 Changes in presentation relating to dividends

In accordance with FRS 21 "Events after the balance sheet date", dividends are now shown in the notes to the financial statements.

CAITHNESS POTATOES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2006

2 Fixed assets

	Intangible assets £	Tangible assets £	Investments £	Total £
Cost				
At 1 July 2005	10,000	9,334	2	19,336
Additions		1,072		1,072
At 30 June 2006	10,000	10,406	2	20,408
Depreciation				
At 1 July 2005	10,000	7,586		17,586
Charge for the year		857		857
At 30 June 2006	10,000	8,443		18,443
Net book value				
At 30 June 2006		1,963	2	1,965
At 30 June 2005		1,748	2	1,750

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Caithness Potato Exports Limited	Scotland	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves 2006 £	Profit for the year 2006 £
Caithness Potato Exports Limited	Potato exporting	334,960	96,699

The principal activity of Caithness Potato Exports Limited is the export of the Caithness varieties of seed potatoes

CAITHNESS POTATOES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2006

3	Share capital	2006 £	2005 £
	Authorised		
	250,000 Ordinary shares of £1 each	250,000	250,000
	Allotted, called up and fully paid		
	100,000 Ordinary shares of £1 each	100,000	100,000

4 Transactions with directors

During the year the company was involved, in the normal course of trade, in the following transactions with companies in which directors have an interest

Caithness Potato Breeders Limited Royalties paid £175,619 (2005 £167,298) Management fee paid £10,000 (2005 £10,000) The directors Dr J Dunnett and I P Guindi are both directors and controlling shareholders of Caithness Potato Breeders Limited

J & E Smillie (Potato Merchants) Limited Purchase of potatoes £978,302 (2005 £1,185,901) Management fee paid £nil (2005 £10,000) The director G C Smillie is the sole director and shareholder of J & E Smillie (Potato Merchants) Limited

J & E Smillie (Montrose) Limited Purchase of potatoes £334,543 (2005 £358,331) Management of loadings paid £nil (2005 £38,220) Sale of potatoes £57,486 (2005 - £102,135) The director G C Smillie is the sole director and shareholder of J & E Smillie (Montrose) Limited

J & E Smillie (Growers) Limited: Management of loadings paid £44,088 (2005 £nil) Management fee paid £10,000 (2005 £nil) Royalties received £48,909 (2005 £51,528) Sale of minitubers £8,622 (2005 £9,452) Purchase of minitubers £8,484 (2005 £nil) The director G C Smillie is the sole director and shareholder of J & E Smillie (Growers) Limited