

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

Company Registration No. SC089102 (Scotland)



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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

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 2006

		20	006	20	05
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		1,963		1,748
Investments	2		2		2
			1,965		1,750
Current assets					
Stocks		6,132		8,125	
Debtors		415,620		777,098	
Cash at bank and in hand		662,936		372,000	
		1,084,688		1,157,223	
Creditors: amounts falling due within					
one year		(32,175)		(173,046)	
Net current assets			1,052,513		984,177
Total assets less current liabilities			1,054,478		985,927
Capital and reserves					
Called up share capital	3		100,000		100,000
Profit and loss account			954,478		885,927
Shareholders' funds			1,054,478		985,927

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 15/03/57

R J S Doig Director

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1 2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

13 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

14 Potato export rights

Intangible assets are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives as follows.

Potato export rights 20% per annum of cost

1 5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment

33% per annum of net book value

16 Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

17 Stock

Stock is valued at the lower of cost and net realisable value

18 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the asset has been revalued to selling price. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured on a non discounted basis

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

1 Accounting policies

(Continued)

19 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

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

2	Fixed assets				
		Intangible assets	Tangıble assets	Investments	Totai
		£	£	£	£
	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	Shares held	Shares held	
	incorporation	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

		Capital and	Profit for the
		reserves	year
		2006	2006
	Principal activity	£	£
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

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