



Accountants and business advisors

LORNE PROPERTIES LIMITED

COMPANY NUMBER: SC197898

ANNUAL REPORT

YEAR ENDED 5 APRIL 2004



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LORNE PROPERTIES LIMITED

COMPANY INFORMATION

Directors	J R M Macqueen A Pringle S T D Brown
Secretary	Anderson Strathern
Company Number	SC197898
Registered Office	1 Rutland Court Edinburgh Midlothian EH3 8EY
Auditors	PKF Cedar House 105 Carrow Road Norwich Norfolk NR1 1HP

LORNE PROPERTIES LIMITED

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LORNE PROPERTIES LIMITED
DIRECTORS' REPORT
YEAR ENDED 5 APRIL 2004

The directors submit their report and the financial statements for the year ended 5 April 2004.

Principal activity

The company did not trade in the year.

The principal purpose of the company during the year was to hold investments as trustee for the Anderson Strathern Trustee Company Limited. Any transactions in respect of rental income and associated costs of the properties are transactions of the Trust and not of the company.

Directors

The directors who served during the year were:

J R M Macqueen
A Pringle
S T D Brown

The directors did not hold any shares in the company during the year.

Basis of preparation

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


A Pringle
Director

1/2/05

LORNE PROPERTIES LIMITED
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 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.

The directors are responsible for ensuring that the directors' report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LORNE PROPERTIES LIMITED**

We have audited the financial statements of Lorne Properties Limited for the year ended 5 April 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Directors' Report 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 Directors' Report 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 judgments 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 5 April 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Norwich, UK

2/2/05


PKF

Registered Auditors

LORNE PROPERTIES LIMITED
BALANCE SHEET
5 APRIL 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible	2	17,754,183	16,730,050
CURRENT ASSETS			
Debtors	3	642,910	190,474
Cash at bank and in hand		57,467	42,147
		<u>700,377</u>	<u>232,621</u>
CREDITORS: amounts falling due within one year	4	(6,938,028)	(132,664)
NET CURRENT (LIABILITIES)/ASSETS		<u>(6,237,651)</u>	<u>99,957</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,516,532</u>	<u>16,830,007</u>
CREDITORS: amounts falling due after more than one year	5	(11,516,530)	(16,830,005)
NET ASSETS		<u><u>2</u></u>	<u><u>2</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	<u>2</u>	<u>2</u>
		<u><u>2</u></u>	<u><u>2</u></u>

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

The financial statements were approved by the board on 1/2/05

Signed on behalf of the board of directors


A Pringle Director

LORNE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2004

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements have been prepared on the going concern basis. The balance sheet has net current liabilities of £6,237,651 and is dependent on the support of Mr J Farmer and Mrs S A Swycher to enable it to continue to satisfy its ongoing working capital requirements. These individuals have agreed to support the company to enable the company to continue trading. Having considered this support and the financial and trading position of the company and projections of future trading and working capital requirements, the directors consider that the going concern basis of preparation of the financial statements is appropriate.

(b) Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

2 TANGIBLE FIXED ASSETS

	Investment properties £
Valuation	
At 6 April 2003	16,730,050
Additions	1,024,133
At 5 April 2004	17,754,183
Depreciation	
At 6 April 2003 and 5 April 2004	-
Net book amount	
At 5 April 2004	17,754,183
At 5 April 2003	16,730,050

Investment properties have been valued at cost as the directors are of the opinion that this approximates to open market value as at 5 April 2004.

LORNE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2004

3 DEBTORS

	2004	2003
	£	£
Other debtors	<u>642,910</u>	<u>190,474</u>

4 CREDITORS:

Amounts falling due within one year

	2004	2003
	£	£
Bank overdraft	203,822	132,664
Other creditors	<u>6,734,206</u>	<u>-</u>
	<u>6,938,028</u>	<u>132,664</u>

The bank overdraft is secured.

5 CREDITORS:

Amounts falling due after more than one year

	2004	2003
	£	£
Bank loan	11,516,530	11,235,280
Other creditors	<u>-</u>	<u>5,594,725</u>
	<u>11,516,530</u>	<u>16,830,005</u>

The bank loan is secured.

6 SHARE CAPITAL

	Authorised	Allotted, called up and fully paid	
	£	No	£
At 6 April 2003 and 5 April 2004			
Ordinary shares of £1 each	<u>1,000</u>	<u>2</u>	<u>2</u>

7 TRANSACTIONS WITH RELATED PARTIES

The company's tangible fixed assets are held on behalf of The Sir Thomas Farmer 1999 Discretionary Trust. At the balance sheet date these amounted to £17,754,183 (2003 - £16,730,050)

The company's balance sheet includes creditor loans of £6,734,206 (2003 - £1,046,476) from J Farmer and SA Swycher, children of the settlor, and debtor balances of £642,910 (2003 - £190,474) which are due from The Sir Thomas Farmer 1999 Discretionary Trust.

LORNE PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2004

8 CONTROLLING PARTIES

The company is controlled by The Sir Thomas Farmer 1999 Discretionary Trust.

The Sir Thomas Farmer 1999 Discretionary Trust is ultimately controlled by Sir Thomas Farmer CBE KCSG.