

CRAIGMILL FARMING COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2003

COMPANY NO. 141109



DIRECTORS

J. DRYSDALE (Chairman)

C.R. CONNELL

C.C. CONNELL

SECRETARY

H.C. DAVIDSON, C.A.

AUDITORS

ALEXANDER SLOAN
Chartered Accountants

REGISTERED OFFICE

WOODEND,
CRAIGALLIAN,
MILNGAVIE,
GLASGOW
G62 8EN

DIRECTORS' REPORT

The Directors submit their Report and Financial Statements for the year ended 31st December 2003.

ACTIVITY

The Company's principal activity is that of farming.

DIVIDEND

The Directors propose that the Company declare a Final Dividend for the year to 31st December 2003 of 10 pence per share.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and their interests in the Share Capital of the Company, were as follows:-

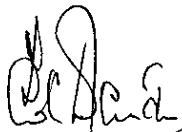
		31.12.03	31.12.02
J. DRYSDALE	Ord. Shares of £1 each	1,000	1,000
C.R. CONNELL	Ord. Shares of £1 each	29,500	29,500
C.C. CONNELL	Ord. Shares of £1 each	29,500	29,500

AUDITORS

A resolution to re-appoint Alexander Sloan, Chartered Accountants, as Auditors will be put to the Members at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

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

BY ORDER OF THE BOARD

H.C. DAVIDSON, C.A.
Secretary

Woodend,
Craigallan,
Milngavie,
GLASGOW G62 8EN

19th March 2004

YEAR ENDED 31st DECEMBER 2003**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 judgments and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- * 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.

The Directors confirm that the Financial Statements comply with the above requirements.

CRAIGMILL FARMING COMPANY LIMITED

We have audited the Financial Statements of Craigmill Farming Company Limited for the year ended 31st December 2003 on pages 5 to 8. 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 in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of the 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 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 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 31st December 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ALEXANDER SLOAN
Chartered Accountants
Registered Auditors

GLASGOW, 19th March 2004

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER 2003

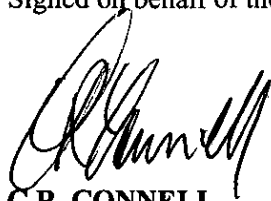
	Notes	2003 £	2002 £
Share of Profit in Partnership		11,332	708
		—	—
Gross Profit		11,332	708
Administrative Expenses		(1,555)	(1,759)
		—	—
		9,777	(1,051)
Interest Receivable		-	2
		—	—
Profit/(Loss) on Ordinary Activities before Taxation	2	9,777	(1,049)
Taxation	3	(1,800)	22
		—	—
Profit/(Loss) on ordinary activities after Taxation		7,977	(1,027)
Proposed Dividend	4	(6,000)	(2,400)
		—	—
Profit/(Loss) for the Year		<u>1,977</u>	<u>(3,427)</u>

BALANCE SHEET**AS AT 31st DECEMBER 2003**

	Notes	2003 £	2002 £
CURRENT ASSETS			
Investment in Partnership	5	74,515	67,264
Cash at Bank		177	50
		<hr/>	<hr/>
		74,692	67,314
CURRENT LIABILITIES			
Creditors - Amounts falling due within one year	6	(8,305)	(2,904)
		<hr/>	<hr/>
NET CURRENT ASSETS		<u>66,387</u>	<u>64,410</u>
CAPITAL AND RESERVES			
Called up Share Capital	7	60,000	60,000
Profit and Loss Account	8	6,387	4,410
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUNDS		<u>66,387</u>	<u>64,410</u>

These Accounts, which have been prepared in accordance with the special provisions within Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities, (effective June 2002), were approved by the Board of Directors on 19th March 2004.

Signed on behalf of the Board.



C.R. CONNELL
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003 £	2002 £
This is stated after charging:		
Director's Remuneration	1,000	1,000
Auditors' Remuneration	259	259
	<hr/>	<hr/>

3. TAXATION

The charge for the year comprises:-

Corporation Tax	1,800	-
Over provision in previous year	-	(22)
	<hr/>	<hr/>
	<u>1,800</u>	<u>(22)</u>

4. DIVIDEND

Proposed Final Dividend of 10p per share	<u>6,000</u>	<u>2,400</u>
--	---------------------	---------------------

5. INVESTMENT

The Company owns 51% of the farming partnership called Ladyston Farming Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31st DECEMBER 2003

6.	CREDITORS - Amounts falling due within one year	2003	2002
		£	£
	Corporation Tax	1,800	-
	Proposed Dividends	6,000	2,400
	Accruals	505	504
		<hr/>	<hr/>
		<u>8,305</u>	<u>2,904</u>

7. **CALLED UP SHARE CAPITAL****Authorised**

250,000 Ordinary Shares of £1 each

250,000**250,000****Allotted, Issued and Fully Paid**

60,000 Ordinary Shares of £1 each

60,000**60,000**8. **RESERVES****Profit & Loss
Account
£**

As at 1st January 2003

4,410

Profit for the year

1,977

As at 31st December 2003

6,387