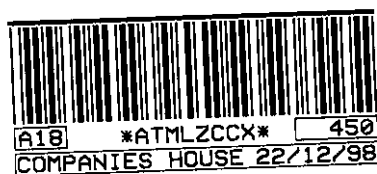


R. TAIT WALKER
CHARTERED ACCOUNTANTS



HIGHSTONE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
Company No. 2901216
For the Year Ended 28th February 1998



Adding Value to Business

HIGHSTONE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 28th FEBRUARY 1998

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HIGHSTONE LIMITED
ABBREVIATED BALANCE SHEET
28th FEBRUARY 1998

	Note	1998	1997
		£	£
FIXED ASSETS	2		
Tangible assets		459,571	674,900
CURRENT ASSETS			
Debtors		23	425
Cash at bank and in hand		3,540	6,822
		<u>3,563</u>	<u>7,247</u>
CREDITORS: Amounts falling due within one year	3	<u>(197,339)</u>	<u>(164,319)</u>
NET CURRENT LIABILITIES		(193,776)	(157,072)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>265,795</u>	<u>517,828</u>
CREDITORS: Amounts falling due after more than one year	4	<u>(222,627)</u>	<u>(508,337)</u>
		<u>43,168</u>	<u>9,491</u>

The balance sheet continues on the following page.
The notes on pages 3 to 5 form part of these financial statements.

HIGHSTONE LIMITED

ABBREVIATED BALANCE SHEET *(continued)*

28th FEBRUARY 1998

	Note	1998 £	1997 £
CAPITAL AND RESERVES			
Called-up equity share capital	5	100	100
Profit and loss account		43,068	9,391
SHAREHOLDERS' FUNDS		<u>43,168</u>	<u>9,491</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on18/12 1998.



J. BACON
DIRECTOR

The notes on pages 3 to 5 form part of these financial statements.

HIGHSTONE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28th FEBRUARY 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents rental incomes, stated net of valued added tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 15 % reducing balance

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

HIGHSTONE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28th FEBRUARY 1998

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1st March 1997	675,180
Additions	14,871
Disposals	(229,962)
At 28th February 1998	<u>460,089</u>
DEPRECIATION	
At 1st March 1997	280
Charge for year	238
At 28th February 1998	<u>518</u>
NET BOOK VALUE	
At 28th February 1998	<u>459,571</u>
At 28th February 1997	<u>674,900</u>

The net book value of land and buildings comprises:

	1998 £	1997 £
Freehold	253,588	468,679
Long Leasehold	204,633	204,633
	<u>458,221</u>	<u>673,312</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	<u>29,760</u>	<u>36,120</u>

HIGHSTONE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28th FEBRUARY 1998

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	<u>222,627</u>	<u>308,337</u>

5. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	<u>100</u>	<u>100</u>