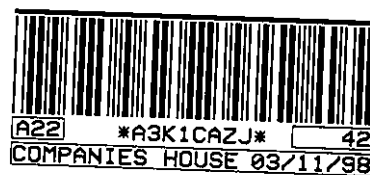

HILLAGES LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
30 NOVEMBER 1997**



HILLAGES LIMITED

AUDITORS' REPORT TO HILLAGES LIMITED

pursuant to section 247 B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 4 together with the financial statements of Hillages Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 November 1997.

Respective responsibilities of directors and auditors

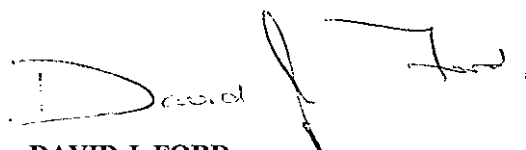
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and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

Basis of opinion

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) and 247 of the Companies Act 1985 and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



DAVID J. FORD

Registered Auditor
Chartered Accountants
Chartered Accountant
2 Old Hall Gardens
Brooke
Norwich
Norfolk
NR15 1JZ
23 September 1998

HILLAGES LIMITED

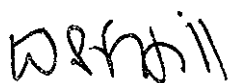
ABBREVIATED BALANCE SHEET As at 30 November 1997

	Note	£	1997 £
FIXED ASSETS			
Intangible fixed assets	2		-
Tangible fixed assets	3		105,711
			<u>105,711</u>
CURRENT ASSETS			
Stocks		157,754	
Debtors		105,729	
Cash in hand		18,433	
		<u>281,916</u>	
CREDITORS: amounts falling due within one year	4	<u>(138,742)</u>	
NET CURRENT ASSETS			<u>143,174</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 248,885</u>
CAPITAL AND RESERVES			
Called up share capital	5		234,500
Profit and loss account			<u>14,385</u>
SHAREHOLDERS' FUNDS			<u>£ 248,885</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 abbreviated accounts were approved by the board on 23 September 1998 and signed on its behalf

W.P.F. Hill



Director

The notes on pages 3 to 4 form part of these financial statements.

HILLAGES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 30 November 1997

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	NIL%	
Plant & machinery	-	25%	reducing balance
Computer equipment	-	33%	straight line

The company's freehold properties are maintained in good condition by repair and refurbishment, the costs of which are charged to the profit and loss account as incurred. The directors believe that this policy will maintain residual values close to cost and that depreciation on freehold property will not therefore be material.

1.4 Stocks

Stocks were valued by Orridge & Co, professional valuers, and are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less estimated cost on disposal.

2. INTANGIBLE ASSETS

	£
Cost	
Additions	25,000
At 30 November 1997	25,000
Amortisation	
Charge for year	25,000
At 30 November 1997	25,000
Net Book Value	
At 30 November 1997	£ -
At 30 November 1996	£ -

HILLAGES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 30 November 1997

3. TANGIBLE ASSETS

	£
Cost	
Additions	107,275
At 30 November 1997	107,275
Depreciation	
Charge for year	1,564
At 30 November 1997	1,564
Net Book Value	
At 30 November 1997	£ 105,711

4. CREDITORS

Creditors amounting to £28,814 are secured by the directors personal guarantees.

5. CALLED UP SHARE CAPITAL

	1997 £
Authorised	
250,000 'A' ordinary shares of £1 each	250,000
250,000 'B' ordinary shares of £1 each	250,000
250,000 'C' ordinary shares of £1 each	250,000
250,000 'D' ordinary shares of £1 each	250,000
	£ 1,000,000
Allotted, called up and fully paid	
97,000 'A' ordinary shares of £1 each	97,000
107,500 'B' ordinary shares of £1 each	107,500
30,000 'C' ordinary shares of £1 each	30,000
	£ 234,500

On 24 October 1996 2 'A' ordinary shares of £1 each were issued fully paid for cash to the subscribers on the formation of the company. A further 96,998 'A' ordinary shares of £1 each and 107,500 'B' shares of £1 were all issued fully paid for cash to provide working capital. Additional working capital was provided by a further issue of shares on 1 July 1997 being 30,000 'C' shares of £1 each, fully paid for cash. From the 'A' ordinary shares, 48,500 were reclassified as 'D' ordinary shares on 2 February 1998.