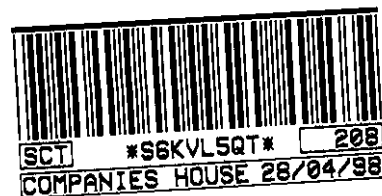


HIGHLAND CLEARANCE LTD
ABBREVIATED FINANCIAL STATEMENTS
31ST MARCH 1997

Stuart & Munro

STUART & MUNRO
Chartered Accountants

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HIGHLAND CLEARANCE LTD**ABBREVIATED BALANCE SHEET****31ST MARCH 1997**

	Note	1997	1996
		£	£
FIXED ASSETS	2		
Tangible assets		28,656	23,720
CURRENT ASSETS			
Stocks		60,000	50,000
Debtors		60,129	7,638
Cash at bank and in hand		1,971	-
		122,100	57,638
CREDITORS: Amounts falling due within one year		<u>(61,344)</u>	<u>(42,116)</u>
NET CURRENT ASSETS		60,756	15,522
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>89,412</u>	<u>39,242</u>
CAPITAL AND RESERVES			
Called-up equity share capital	3	2	2
Profit and loss account		89,410	39,240
SHAREHOLDERS' FUNDS		<u>89,412</u>	<u>39,242</u>

The directors are 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 directors acknowledge their responsibilities 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 by the directors on the 27th April 1998 and are signed on their behalf by:

MR J MACKENZIE



The notes on pages 2 to 3 form part of these financial statements.

HIGHLAND CLEARANCE LTD**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1997****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value 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 and equipment	-	10% straight line
Motor vehicles	-	25% on the reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1st April 1996	38,798
Additions	8,010
At 31st March 1997	<u>46,808</u>
DEPRECIATION	
At 1st April 1996	15,078
Charge for year	3,074
At 31st March 1997	<u>18,152</u>
NET BOOK VALUE	
At 31st March 1997	<u>28,656</u>
At 31st March 1996	<u>23,720</u>

3. SHARE CAPITAL**Authorised share capital:**

	1997 £	1996 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

HIGHLAND CLEARANCE LTD**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1997****3. SHARE CAPITAL** *(continued)*

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>2</u>	<u>2</u>