

# **Global Highland Management Services Limited**

## **Report and Abbreviated Accounts**

5 April 2004

 **ERNST & YOUNG**



## **Independent auditors' report**

**to Global Highland Management Services Limited pursuant to section 247B of the Companies Act**

**1985**

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 5 April 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B 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**

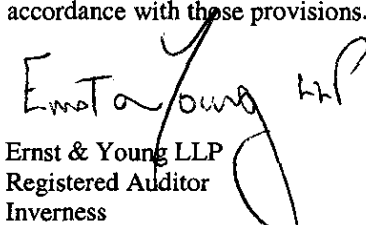
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (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 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) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



Ernst & Young LLP  
Registered Auditor  
Inverness

8/12 2004

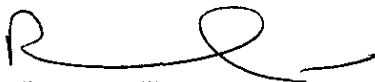
## Abbreviated balance sheet

at 5 April 2004

|                                                       | Notes | 2004<br>£      | 2003<br>£        |
|-------------------------------------------------------|-------|----------------|------------------|
| <b>Fixed assets</b>                                   | 2     |                |                  |
| Tangible assets                                       |       | 17,382         | 48,258           |
| Investments                                           |       | -              | -                |
|                                                       |       | <u>17,382</u>  | <u>48,258</u>    |
| <b>Current assets</b>                                 |       |                |                  |
| Debtors                                               |       | 790,675        | 936,886          |
| Cash at bank and in hand                              |       | 154,455        | 539,288          |
|                                                       |       | <u>945,130</u> | <u>1,476,174</u> |
| <b>Creditors: amounts falling due within one year</b> |       | <u>433,444</u> | <u>508,154</u>   |
| <b>Net current assets</b>                             |       | 511,686        | 968,020          |
| <b>Total assets less current liabilities</b>          |       | <u>529,068</u> | <u>1,016,278</u> |
| <b>Government grants</b>                              | 3     | 13,527         | 23,190           |
|                                                       |       | <u>515,541</u> | <u>993,088</u>   |
| <b>Capital and reserves</b>                           |       |                |                  |
| Called-up equity share capital                        | 5     | 375,000        | 510,000          |
| Other reserves                                        |       | 135,000        | -                |
| Profit and loss account                               |       | <u>5,541</u>   | <u>483,088</u>   |
| <b>Shareholders' funds</b>                            |       | <u>515,541</u> | <u>993,088</u>   |

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

These abbreviated accounts were approved by the directors on 7/12/2004 and are signed on their behalf by:

  
 .....  
 R J MacGregor  
 Director

  
 .....  
 I R MacGregor  
 Director

7/12/2004

## Notes to the abbreviated accounts

at 5 April 2004

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### *Fixed assets*

All fixed assets are initially recorded at cost.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

|                        |                                                          |
|------------------------|----------------------------------------------------------|
| Computer Equipment     | - year 1 - 40%; year 2 - 25%; year 3 - 25%; year 4 - 10% |
| Office Equipment       | - year 1 - 40%; year 2 - 25%; year 3 - 25%; year 4 - 10% |
| Motor Vehicles         | - over 1 year straight line                              |
| Leasehold Improvements | - year 1 - 40%; year 2 - 25%; year 3 - 25%; year 4 - 10% |

#### *Government grants*

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

#### *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at a rate at which it is estimated that the tax will be payable.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Operating lease agreements*

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### *Pension costs*

The company makes contributions to personal pension plans for certain employees of the company. These contributions are charged in the profit and loss account as they become payable in accordance with the rules of the schemes.

# Notes to the abbreviated accounts

at 5 April 2004

## 2. Fixed assets

|                                             | <i>Tangible<br/>Assets</i><br>£ | <i>Investments</i><br>£ | <i>Total</i><br>£ |
|---------------------------------------------|---------------------------------|-------------------------|-------------------|
| <i>Cost</i>                                 |                                 |                         |                   |
| At 6 April 2003                             | 222,533                         | –                       | 222,533           |
| Additions                                   | 5,245                           | 40,000                  | 45,245            |
| Disposals                                   | (154,011)                       | –                       | (154,011)         |
| At 5 April 2004                             | <u>73,767</u>                   | <u>40,000</u>           | <u>113,767</u>    |
| <i>Depreciation and amounts written off</i> |                                 |                         |                   |
| At 6 April 2003                             | 174,275                         | –                       | 174,275           |
| Charge for year                             | 36,121                          | 40,000                  | 76,121            |
| On disposals                                | (154,011)                       | –                       | (154,011)         |
| At 5 April 2004                             | <u>56,385</u>                   | <u>40,000</u>           | <u>96,385</u>     |
| <i>Net book value</i>                       |                                 |                         |                   |
| At 5 April 2004                             | <u>17,382</u>                   | <u>–</u>                | <u>17,382</u>     |
| At 5 April 2003                             | <u>48,258</u>                   | <u>–</u>                | <u>48,258</u>     |

## 3. Government grants

|                         | <i>2004</i><br>£ | <i>2003</i><br>£ |
|-------------------------|------------------|------------------|
| Received and receivable | 38,650           | 38,650           |
| Amortisation            | (25,123)         | (15,460)         |
|                         | <u>13,527</u>    | <u>23,190</u>    |

## Notes to the abbreviated accounts

at 5 April 2004

### 4. Transactions with the directors

Included in 'prepayments and accrued income' (note 11) are advances to a director, P C Swanson. These advances are interest free and have no fixed repayment terms.

|                                        | 2004<br>£ | 2003<br>£ |
|----------------------------------------|-----------|-----------|
| Amount outstanding at 6 April          | —         | 578       |
| Monies advanced by company during year | —         | 30,000    |
| Monies repaid during year              | —         | (30,578)  |
| Amount outstanding at 5 April          | <u>—</u>  | <u>—</u>  |

The maximum amount outstanding during the year was £30,000 (2003 - £30,000).

Included in 'prepayments and accrued income' (note 11) are advances to a director, R J MacGregor. These advances are interest free and have no fixed repayment terms.

|                                        | 2004<br>£ | 2003<br>£  |
|----------------------------------------|-----------|------------|
| Amount outstanding at 6 April          | 235       | —          |
| Monies advanced by company during year | —         | 235        |
| Monies repaid during year              | (155)     | —          |
| Amount outstanding at 5 April          | <u>80</u> | <u>235</u> |

The maximum amount outstanding during the year was £235 (2003 - £235).

### 5. Share capital

|                            | 2004<br>£        | Authorised<br>2003<br>£ |
|----------------------------|------------------|-------------------------|
| Ordinary shares of £1 each | <u>1,000,000</u> | <u>1,000,000</u>        |

|                            | <i>Allotted, called up and fully paid</i> |                |
|----------------------------|-------------------------------------------|----------------|
|                            | 2004                                      | 2003           |
|                            | No.                                       | No.            |
|                            | £                                         | £              |
| Ordinary shares of £1 each | 375,000                                   | 510,000        |
|                            | <u>375,000</u>                            | <u>510,000</u> |

During the year the company bought back and cancelled 135,000 £1 ordinary shares. The consideration was £532,000 and the purchase was made to acquire shares from a resigning director.

At the same time, 120,000 ordinary shares of £1 each, with an aggregate nominal value of £120,000, were issued fully paid at part to part fund the buy-back.

### 6. Post balance sheet events

On 5 November 2004 Global Highland Management Services Limited purchased the entire share capital of Global Highland Training & Consultancy Limited for a consideration of 10,000 £1 ordinary shares in Global Highland Management Services Limited. R J MacGregor and I R MacGregor are both directors of Global Highland Training & Consultancy Limited.