

Global Highland Management Services Limited

Report and Abbreviated Accounts

5 April 2005

 **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 2005 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

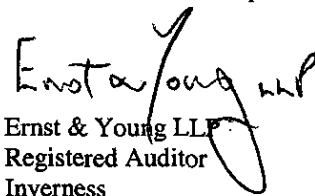
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and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

23/8 2005

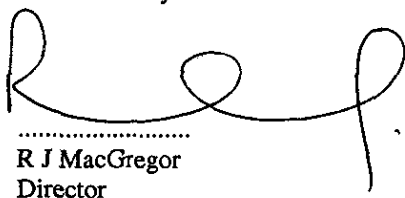
Abbreviated balance sheet

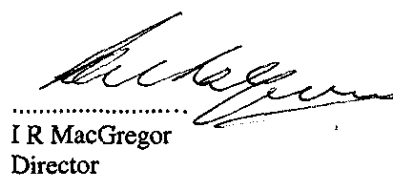
at 5 April 2005

	Notes	2005 £	2004 £
Fixed assets	2		
Tangible assets		29,133	17,382
Investments		-	-
		<u>29,133</u>	<u>17,382</u>
Current assets			
Debtors		1,724,417	790,675
Cash at bank and in hand		616,770	154,455
		<u>2,341,187</u>	<u>945,130</u>
Creditors: amounts falling due within one year		1,178,887	433,444
		<u>1,178,887</u>	<u>433,444</u>
Net current assets		1,162,300	511,686
		<u>1,162,300</u>	<u>511,686</u>
Total assets less current liabilities		1,191,433	529,068
		<u>1,191,433</u>	<u>529,068</u>
Government grants	3	3,864	13,527
		<u>1,187,569</u>	<u>515,541</u>
		<u>1,187,569</u>	<u>515,541</u>
Capital and reserves			
Called-up equity share capital	5	380,000	375,000
Share premium account		5,000	-
Other reserves		135,000	135,000
Profit and loss account		667,569	5,541
		<u>1,187,569</u>	<u>515,541</u>
Shareholders' funds		<u>1,187,569</u>	<u>515,541</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 23 August 2005 and are signed on their behalf by:


 R J MacGregor
 Director


 I R MacGregor
 Director

23 August 2005

Notes to the abbreviated accounts

at 5 April 2005

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:

Leasehold Property	
Computer Equipment	- year 1 - 50%; year 2 - 25%; year 3 - 25%
Office Equipment	- year 1 - 40%; year 2 - 25%; year 3 - 25%; year 4 - 10%
Motor Vehicles	- over 1 year straight line
Plant	- 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 2005

2. Fixed assets

	<i>Intangible Assets £</i>	<i>Tangible Assets £</i>	<i>Investments £</i>	<i>Total £</i>
<i>Cost</i>				
At 6 April 2004	–	73,767	40,000	113,767
Additions	7,881	45,740	42,000	95,621
Disposals	–	(4,589)	–	(4,589)
At 5 April 2005	<u>7,881</u>	<u>114,918</u>	<u>82,000</u>	<u>204,799</u>
<i>Depreciation and amounts written off</i>				
At 6 April 2004	–	56,385	40,000	96,385
Charge for year	7,881	33,989	42,000	83,870
On disposals	–	(4,589)	–	(4,589)
At 5 April 2005	<u>7,881</u>	<u>85,785</u>	<u>82,000</u>	<u>175,666</u>
<i>Net book value</i>				
At 5 April 2005	<u>–</u>	<u>29,133</u>	<u>–</u>	<u>29,133</u>
At 5 April 2004	<u>–</u>	<u>17,382</u>	<u>–</u>	<u>17,382</u>

The company acquired 100% of the issued share capital of Global Highland Training & Consultancy Limited on 8 November 2004. The entire trade, assets and liabilities of Global Highland Training & Consultancy Limited were hived up into Global Highland Management Services Limited at that date and Global Highland Training & Consultancy Limited is now dormant.

3. Government grants

	<i>2005 £</i>	<i>2004 £</i>
Received and receivable	38,650	38,650
Amortisation	(34,786)	(25,123)
	<u>3,864</u>	<u>13,527</u>

Notes to the abbreviated accounts

at 5 April 2005

4. Transactions with the directors

Included in 'other debtors' (note 9) are advances to a director, R J MacGregor. These advances are interest free and have no fixed repayment terms.

	2005 £	2004 £
Amount outstanding at 6 April	—	235
Monies repaid during year	—	(155)
Amount outstanding at 5 April	<u>—</u>	<u>80</u>

The maximum amount outstanding during the year was £nil (2004 - £235).

Included in 'other debtors' (note 9) are advances to a director, I R MacGregor. These advances are interest free and have no fixed repayment terms.

	2005 £	2004 £
Monies advanced by company during year	108	—
Amount outstanding at 5 April	<u>108</u>	<u>—</u>

The maximum amount outstanding during the year was £108 (2004 - £nil).

5. Share capital

	2005 £	Authorised 2004 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

	Allotted, called up and fully paid			
	No.	2005 £	No.	2004 £
Ordinary shares of £1 each	380,000	<u>380,000</u>	375,000	<u>375,000</u>

During the year, 5,000 £1 ordinary shares were issued at £2 each as consideration for R J MacGregor's shareholding in Global Highland Training & Consultancy Limited.