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West Highland Gas Limited

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**Auditors' Report to West Highland Gas Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of West Highland Gas Limited for the period ended 30 June 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing 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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 Companies Act 1985 in respect of the period ended 30 June 2000, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Springfords

**Springfords
Chartered Accountants and
Registered Auditors**

27 April 2001

**Dundas House
Westfield Park
Eskbank
Edinburgh**

West Highland Gas Limited

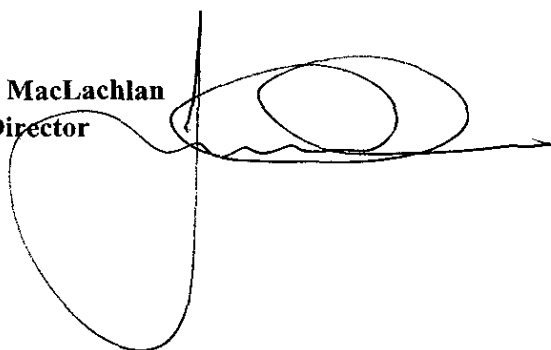
**Abbreviated Balance Sheet
as at 30 June 2000**

	Notes	2000 £	£
Fixed Assets			
Intangible assets	2		63,104
Tangible assets	2		33,708
			<u>96,812</u>
Current Assets			
Stocks		17,507	
Debtors		46,297	
Cash at bank and in hand		286	
		<u>64,090</u>	
Creditors: amounts falling due within one year	3	(151,569)	
Net Current Liabilities			<u>(87,479)</u>
Total Assets Less Current Liabilities			9,333
Creditors: amounts falling due after more than one year	4		(6,014)
Net Assets			<u>3,319</u>
Capital and Reserves			
Called up share capital	5		5,000
Profit and loss account			(1,681)
Shareholders' Funds			<u>3,319</u>

The abbreviated accounts are 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 27 April 2001 and signed on its behalf by

J MacLachlan
Director



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

West Highland Gas Limited

Notes to the Abbreviated Financial Statements for the period ended 30 June 2000

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	straight line over the life of the lease
Plant and machinery	-	25% straight line
Fixtures, fittings and equipment	-	25% straight line
Motor vehicles	-	25% straight line

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the period.

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

West Highland Gas Limited

**Notes to the Abbreviated Financial Statements
for the period ended 30 June 2000**

2. Fixed assets	Intangible assets £	Tangible fixed assets £	Total £
Cost			
Additions	65,000	41,571	106,571
Disposals	-	(3,000)	(3,000)
At 30 June 2000	<u>65,000</u>	<u>38,571</u>	<u>103,571</u>
Depreciation and Provision for diminution in value			
Charge for period	1,896	4,863	6,759
At 30 June 2000	<u>1,896</u>	<u>4,863</u>	<u>6,759</u>
Net book value			
At 30 June 2000	<u>63,104</u>	<u>33,708</u>	<u>96,812</u>
 3. Creditors: amounts falling due within one year			 2000 £
Include the following:			
Secured creditors			<u>61,996</u>
 4. Creditors: amounts falling due after more than one year			 2000 £
Include the following:			
Secured creditors			<u>6,014</u>

West Highland Gas Limited

Notes to the Abbreviated Financial Statements for the period ended 30 June 2000

5. Share capital	2000
	£
Authorised	
1,000 Ordinary shares of £1 each	1,000
4,000 Preference shares of £1 each	4,000
	<u>5,000</u>
Allotted, called up and fully paid	
1,000 Ordinary shares of £1 each	1,000
4,000 Preference shares of £1 each	4,000
	<u>5,000</u>