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**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002
FOR
WEST HIGHLAND WAY PLC**



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WEST HIGHLAND WAY PLC

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FOR THE YEAR ENDED 31 DECEMBER 2002**

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WEST HIGHLAND WAY PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2002**

DIRECTORS: T B Hamilton
Mrs A R Burns

SECRETARY: Mrs A R Burns

REGISTERED OFFICE: Block 57, Unit 8
29 Montrose St
Hillington
Glasgow
G52 4LA

REGISTERED NUMBER: 160350 (Scotland)

AUDITORS: Sinclair Wood & Co.
Chartered Accountants
& Registered Auditors
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

BANKERS: The Royal Bank of Scotland plc
Glasgow City Branch
10 Gordon Street
Glasgow
G1 3PL

SOLICITORS: Biggart Baillie & Gifford
310 St Vincent Street
Glasgow
G2 5QR

WEST HIGHLAND WAY PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of recreational services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company did not trade in the year.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2002.

DIRECTORS

The directors during the year under review were:

T B Hamilton

Mrs A R Burns

Mrs S C M Hamilton

- resigned 15/1/2002

The beneficial interests of the directors holding office on 31 December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02
Ordinary £1 shares		
T B Hamilton	1	1
Mrs A R Burns	-	-

The company is owned by *Hamilton Private Equity Partners Limited*, a company under the ultimate control of T B Hamilton, a director of West Highland Way plc.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

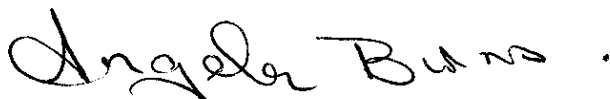
WEST HIGHLAND WAY PLC

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2002**

AUDITORS

The auditors, Sinclair Wood & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Angela Burns', followed by a small dot.

Mrs A R Burns - DIRECTOR

Dated: 28 July 2003

WEST HIGHLAND WAY PLC

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF WEST HIGHLAND WAY PLC

We have audited the financial statements of West Highland Way plc for the year ended 31 December 2002 on pages five to eleven. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sinclair Wood & Co.
Chartered Accountants
& Registered Auditors
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

Dated: 28 July 2003

WEST HIGHLAND WAY PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

		<u>2002</u>	<u>2001</u>
	Notes	£	£
TURNOVER		-	-
Administrative expenses		<u>354</u>	<u>963</u>
OPERATING LOSS	3	(354)	(963)
Director's loan write off	4	<u>40,853</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		40,499	(963)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		40,499	(963)
Deficit brought forward		<u>(52,894)</u>	<u>(51,931)</u>
DEFICIT CARRIED FORWARD		<u><u>£(12,395)</u></u>	<u><u>£(52,894)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

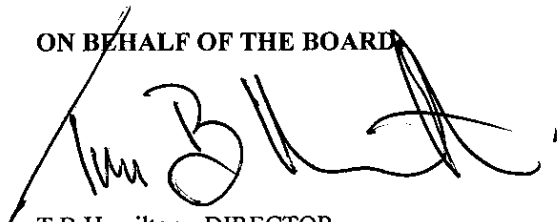
The notes form part of these financial statements

WEST HIGHLAND WAY PLC

**BALANCE SHEET
31 DECEMBER 2002**

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		1,124		1,405
CURRENT ASSETS:					
Cash at bank		4		4	
CREDITORS: Amounts falling due within one year	7	<u>1,021</u>		<u>41,801</u>	
NET CURRENT LIABILITIES:			<u>(1,017)</u>		<u>(41,797)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£107</u></u>		<u><u>£(40,392)</u></u>
CAPITAL AND RESERVES:					
Called up share capital	8		12,502		12,502
Profit and loss account			<u>(12,395)</u>		<u>(52,894)</u>
SHAREHOLDERS' FUNDS:	11		<u><u>£107</u></u>		<u><u>£(40,392)</u></u>

ON BEHALF OF THE BOARD



T B Hamilton - DIRECTOR

Approved by the Board on 28 July 2003

The notes form part of these financial statements

WEST HIGHLAND WAY PLC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002**

		<u>2002</u>	<u>2001</u>
	Notes	£	£
Net cash outflow from operating activities	1	-	(526)
		<u> </u>	<u> </u>
Decrease in cash in the period		-	£(526)
		<u> </u>	<u> </u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	2		
Decrease in cash in the period		-	(526)
		<u> </u>	<u> </u>
Change in net funds resulting from cash flows		-	(526)
		<u> </u>	<u> </u>
Movement in net funds in the period		-	(526)
Net funds at 1 January		4	530
		<u> </u>	<u> </u>
Net funds at 31 December		£4	£4
		<u> </u>	<u> </u>

The notes form part of these financial statements

WEST HIGHLAND WAY PLC

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002**

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating loss	(354)	(963)
Depreciation charges	281	351
Decrease in debtors	-	837
Increase/(Decrease) in creditors	73	(751)
	<u> </u>	<u> </u>
Net cash outflow from operating activities	-	(526)
	<u> </u>	<u> </u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/02 £	Cash flow £	At 31/12/02 £
Net cash:			
Cash at bank	4	-	4
	<u> </u>	<u> </u>	<u> </u>
	4	-	4
	<u> </u>	<u> </u>	<u> </u>
 Total	 4	 -	 4
	<u> </u>	<u> </u>	<u> </u>
Analysed in Balance Sheet			
 Cash at bank	 4		 4
	<u> </u>		<u> </u>
	4		4
	<u> </u>		<u> </u>

The notes form part of these financial statements

WEST HIGHLAND WAY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 20% on a reducing balance basis

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2002 nor for the year ended 31 December 2001.

The average monthly number of employees during the year was as follows:

	2002	2001
Part-time	<u>2</u>	<u>3</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	<u>281</u>	<u>351</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. EXCEPTIONAL ITEMS

The exceptional item comprises of amounts written off the company's loan from director T B Hamilton.

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2002 nor for the year ended 31 December 2001.

WEST HIGHLAND WAY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings
	<u>£</u>
COST:	
At 1 January 2002	
and 31 December 2002	<u>3,916</u>
DEPRECIATION:	
At 1 January 2002	2,511
Charge for year	<u>281</u>
At 31 December 2002	<u>2,792</u>
NET BOOK VALUE:	
At 31 December 2002	<u>1,124</u>
At 31 December 2001	<u>1,405</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002	2001
	<u>£</u>	<u>£</u>
Directors' loan account	-	40,853
Loan - Ramshackle plc	556	483
Loan - Harris Healthcare Limited	<u>465</u>	<u>465</u>
	<u>1,021</u>	<u>41,801</u>

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
			<u>£</u>	<u>£</u>
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted and issued:				
Number:	Class:	Nominal value:	2002	2001
			<u>£</u>	<u>£</u>
50,002	Ordinary	£1	<u>12,502</u>	<u>12,502</u>

WEST HIGHLAND WAY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

8. CALLED UP SHARE CAPITAL - continued

50,000 ordinary shares of £1 each are issued and partly paid @ £0.25 each.

2 ordinary shares of £1 each are issued and fully paid.

	Ordinary Shares
2 ordinary shares of £1 each fully paid	2
50,000 partially paid @ £0.25 each	12,500
	<hr/>
Total share capital issued and partly paid	12,502
	<hr/>

9. ULTIMATE PARENT COMPANY

The ultimate parent company of West Highland Way plc is Hamilton Private Equity Partners Limited, a company registered in Scotland.

10. RELATED PARTY DISCLOSURES

Throughout the year ended 31 December 2002 the company was under the ultimate control of director T B Hamilton. During the year ended 31 December 2002 the company had £15 of expenses (2001 : £483) incurred on its behalf by Ramshackle plc, under the ultimate control of T B Hamilton.

At 31 December 2002 the company owed £556 (2001 : £483) to Ramshackle plc, under the control of T B Hamilton and owed £465 (2001 :£465) to Harris Healthcare Limited, also under the control of T B Hamilton.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit/(Loss) for the financial year	40,499	(963)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	40,499	(963)
Opening shareholders' funds	(40,392)	(39,429)
	<hr/>	<hr/>
Closing shareholders' funds	107	(40,392)
	<hr/>	<hr/>
Equity interests	107	(40,392)
	<hr/>	<hr/>

WEST HIGHLAND WAY PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	2002		2001	
	£	£	£	£
Income		-		-
Expenditure:				
Sundry expenses	72		15	
Advertising	-		596	
		72		611
		(72)		(611)
Finance costs:				
Bank charges		1		1
		(73)		(612)
Depreciation:				
Fixtures and fittings		281		351
		(354)		(963)
Exceptional items:				
Director's loan write off		40,853		-
NET PROFIT/(LOSS)		£40,499		£(963)

This page does not form part of the statutory financial statements