

$A^2 + B$

CASTLELAND LIMITED
(Company Number: 69466)

DIRECTORS' REPORT AND ACCOUNTS

31 MAY 1998

Anderson Anderson & Brown
Chartered Accountants



CASTLELAND LIMITED
DIRECTORS' REPORT

A²+B

Directors: J G Barrack Jnr
R Ludwig
H J Tocher

Secretary: Mrs E A Barrack

Registered office: No 1 St Swithin Row, Aberdeen

The directors submit their report and the accounts of the company for the year ended 31 May 1998.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

During the financial year, the company has not traded and there has been no income or expenditure. Therefore, no change in the company's position has arisen.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year ended 31 May 1998 were as noted above, together with J G Barrack Snr who resigned on 31 May 1998.

According to the register maintained as required under the Companies Act 1985, no directors had any interest in the share capital of the company at 31 May 1998.

By order of the board



Director

CASTLELAND LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts 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 which enable them to ensure that the accounts 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.

CASTLELAND LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1998

$A^2 + B$

The company has not traded during the year, nor did it trade in the preceding year.

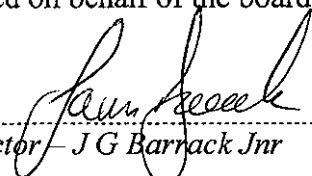
CASTLELAND LIMITED
BALANCE SHEET – 31 MAY 1998

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A + B

	Note	1998 £	1997 £
CREDITORS: <i>amounts falling due within one year</i>			
Amounts owed to group companies		28,373	28,373
TOTAL LIABILITIES		<u>£ (28,373)</u>	<u>£ (28,373)</u>
CAPITAL AND RESERVES			
Called up share capital	1	107	107
Profit and loss account		(28,480)	(28,480)
		<u>£ (28,373)</u>	<u>£ (28,373)</u>

The company was dormant throughout the financial year.

Signed on behalf of the board of directors


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Director – J G Barrack Jnr

18/1/99 Date

CASTLELAND LIMITED

NOTES ON THE ACCOUNTS – 31 MAY 1998

1. CALLED UP SHARE CAPITAL

1998 & 1997

Authorised:

Ordinary shares of £1 each

299,993

Non voting ordinary shares of £1 each

7

£ 300,000

Allotted and fully paid:

Ordinary shares of £1 each

100

Non voting ordinary shares of £1 each

7

£ 107

2. ULTIMATE HOLDING COMPANY

The ultimate holding company is Chess Holdings International Limited, a company registered in Scotland.