

Company Registration No. 4116213

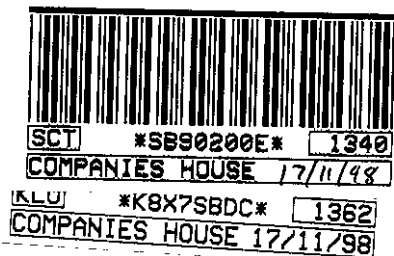
ARMA DEVELOPMENTS LIMITED

Report and Financial Statements

30 April 1998

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

Dr



ARMA DEVELOPMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 1998

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ARMA DEVELOPMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D W Aspin
C McAlpine

SECRETARY

C G Lintott

REGISTERED OFFICE

Bank of Scotland plc
Apex House
9 Haddington Place
Edinburgh EH7 4AL

BANKERS

Clydesdale Bank plc
30 Lombard Street
London EC3V 9BB

The Royal Bank of Scotland plc
98 Buchanan Street
Glasgow G1 3BA

SOLICITORS

McGrigor Donald
Pacific House
70 Wellington Street
Glasgow G2 65B

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

ARMA DEVELOPMENTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be property management and development.

The loss for the year after taxation amounted to £39,244 (16 months ended 30 April 1997 - loss £5,690)

RESULTS AND REVIEW OF THE BUSINESS

In July 1989 the company purchased a site at Castlebank Street, Glasgow with a view to developing the property. Work on the concept plan and negotiations with the local authority continue with a view to obtaining a satisfactory planning consent.

FUTURE PROSPECTS

The company will continue to seek development opportunities for its property for the foreseeable future.

DIRECTORS

The present directors are shown on page 1. There were no changes in the directors during the year.

C McAlpine's interest in the shares of the parent company, Clyde Maritime Properties Limited, are disclosed in the financial statements of that company and D W Aspin's interest in Munroe K Limited, a shareholder of Clyde Maritime Properties Limited, are disclosed in the financial statements of that company.

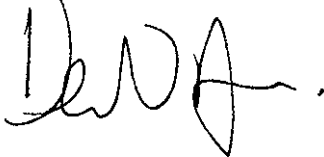
AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

D W Aspin
Director

12 November 1998



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 as at the end of the year and of the profit and loss 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 a going concern basis unless it is inappropriate to presume that the company will continue its 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.

AUDITORS' REPORT TO THE MEMBERS OF ARMA DEVELOPMENTS LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 affairs of the company at 30 April 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

12/11/1998

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

ARMA DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 30 April 1998

	Note	Year ended 30 April 1998 £	16 months to 30 April 1997 £
TURNOVER	2	109,105	152,271
Cost of sales		(24,000)	(31,695)
GROSS PROFIT		<u>85,105</u>	<u>120,576</u>
Administration expenses		<u>(125,832)</u>	<u>(128,614)</u>
OPERATING LOSS	3	(40,727)	(8,038)
Interest receivable	4	1,483	2,348
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(39,244)</u>	<u>(5,690)</u>
Tax on loss on ordinary activities	6	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u>(39,244)</u>	<u>(5,690)</u>

All figures related to continuing operations.

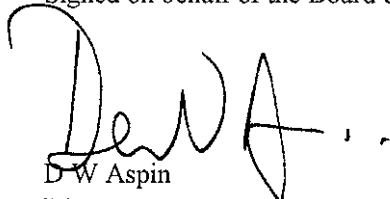
The company has no recognised gains or losses other than the loss shown above.


ARMA DEVELOPMENTS LIMITED

BALANCE SHEET
30 April 1998

	Note	1998 £	1997 £
CURRENT ASSETS			
Development property		500,000	500,000
Debtors	7	2,851	14,158
Cash at bank and in hand		21,431	56,728
		<hr/>	<hr/>
		524,282	570,886
CREDITORS: amounts falling due within one year			
	8	(1,620,336)	(1,882,694)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(1,096,054)	(1,311,808)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	255,004	6
Profit and loss account	10	(1,351,058)	(1,311,814)
		<hr/>	<hr/>
Equity shareholders' funds	11	(1,096,054)	(1,311,808)
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 12 November 1998.
Signed on behalf of the Board of Directors


D W Aspin
Director


C McAlpine
Director

ARMA DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 1998

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Development property

The development property is included in the balance sheet at the lower of cost and net realisable value. Cost includes interest on borrowings and other direct costs specifically attributable to the development, as well as an appropriate proportion of related general overheads incurred. Profits on sales are recognised only when title passes or a separately identifiable phase of the development has been completed and the overall profitability of the development can be reasonably foreseen.

2. TURNOVER

Turnover represents rental income from a leasehold property. All income was derived in the U.K.

3. OPERATING LOSS

	Year ended 30 April 1998 £	16 months ended 30 April 1997 £
This is stated after charging:		
Audit fee	-	500

4. INTEREST RECEIVABLE

	Year ended 30 April 1998 £	16 months ended 30 April 1997 £
Bank interest	1,483	2,348

ARMA DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 1998

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There were no employees during the period, apart from the directors.
There were no directors' emoluments in the current year or prior period.

6. TAXATION

Tax losses arising in the period are available to be carried forward and set against future taxable profits.

7. DEBTORS

	1998 £	1997 £
Trade debtors	1,550	13,104
Income tax recoverable	668	421
Amount due from parent undertaking	633	633
	<u>2,851</u>	<u>14,158</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Amounts owed to shareholders	1,618,017	1,871,620
Other creditors	1,319	10,074
Accruals	1,000	1,000
	<u>1,620,336</u>	<u>1,882,694</u>

9. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised:		
261,000 ordinary shares of £1 each	261,000	1,000
Allotted, called up and fully paid:		
255,004 ordinary shares of £1 each	255,004	6

254,988 ordinary shares of £1 each were issued at par during the year.

ARMA DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

Period ended 30 April 1998

10. PROFIT AND LOSS ACCOUNT

	£
At 1 May 1997	(1,311,814)
Loss for the period	<u>(39,244)</u>
At 30 April 1998	<u>(1,351,058)</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Loss attributable to members of the company	(39,244)	(5,690)
Share capital issued	254,998	-
Opening shareholders' funds	<u>(1,311,808)</u>	<u>(1,306,118)</u>
Closing shareholders' funds	<u>(1,096,054)</u>	<u>(1,311,808)</u>

12. ULTIMATE PARENT COMPANY

The ultimate parent company is Clyde Maritime Properties Limited, a company incorporated in Great Britain. Copies of the accounts of Clyde Maritime Properties Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.