

Clydeway Investments Limited
Report and Financial Statements
Year ended 31 March 2002



Clydeaway Investments Limited

COMPANY INFORMATION

DIRECTORS

RB Clapham

MA Clapham

E Gourlay

D Porter

SECRETARY

Secretar Securities Limited

REGISTERED OFFICE

249 West George Street

Glasgow

G2 4RB

REGISTERED NUMBER

SC132009

AUDITORS

BDO Stoy Hayward

Ballantine House

168 West George Street

Glasgow

G2 2PT

REPORT OF THE DIRECTORS
for the year ended 31 March 2002

The directors present their report together with the audited financial statements for the year ended 31 March 2002.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31 March 2002 are set out on page 5.

The director does not recommend the payment of a dividend and the profit has been transferred to reserves.

PRINCIPAL ACTIVITY

The principal activity of the company is the purchase, development and sale of properties.

The company intends to continue with its existing activities. The company intends to sell the remaining properties included in stocks.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were:

RB Clapham

MA Clapham

E Gourlay (appointed 9 April 2001)

No director had any beneficial interest in the share capital of the company.

RB Clapham and MA Clapham are also directors of Credential Holdings Limited in which company's financial statements their interests in the share capital of group undertakings are shown.

D. Porter was appointed a director of the company on 14 February 2003.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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.

REPORT OF THE DIRECTORS
for the year ended 31 March 2002

AUDITORS

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The financial statements were approved by the Board on 3 March 2003.



RB Clapham
Director

**REPORT OF THE INDEPENDENT AUDITORS
to the shareholders of Clydebank Investments Limited**

We have audited the financial statements of Clydebank Investments Limited for the year ended 31 March 2002 on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

This report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purposes of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward
Chartered Accountants
and Registered Auditors
Glasgow

3 March 2003

Clydeway Investments Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2002

	Notes	2002 £	2001 £
Turnover	2	531,000	-
Cost of sales		(370,588)	-
Gross profit		160,412	-
Administrative expenses		(54,575)	(285)
Operating profit/(loss)	3	105,837	(285)
Interest receivable		3,658	-
Interest payable	4	(88,396)	(47,427)
Profit/(loss) on ordinary activities before taxation		21,099	(47,712)
Taxation	5	(5,957)	-
Profit/(loss) for the year transferred to reserves	10	15,142	(47,712)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements in shareholders' funds apart from the profit/(loss) for the year.

The notes on pages 7 to 10 form part of these financial statements.

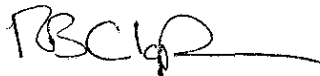
Clydeaway Investments Limited

BALANCE SHEET

As at 31 March 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Stocks	6	1,064,066	1,013,520
Debtors	7	964,141	166,917
Cash at bank and in hand		-	1,831
		<u>2,028,207</u>	<u>1,182,268</u>
CREDITORS: amounts falling due within one year	8	(2,046,962)	(1,216,165)
NET CURRENT ASSETS/(LIABILITIES)		<u>(18,755)</u>	<u>(33,897)</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	(18,855)	(33,997)
Equity shareholders' funds		<u>(18,755)</u>	<u>(33,897)</u>

The financial statements were approved by the Board on 3 March 2003.



RB Clapham
Director

The notes on pages 7 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the amount of property sales during the year, stated net of value added tax.

Stocks

Property under development is stated at the lower of cost and net realisable value. Cost represents the purchase price of property plus direct costs of development.

Deferred taxation

Deferred tax is provided on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable. Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

2. TURNOVER

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

This is stated after charging:-	2002 £	2001 £
Auditors' remuneration	1,000	-
	<u> </u>	<u> </u>

4. INTEREST PAYABLE

	2002 £	2001 £
Bank loan and overdraft interest	88,396	-
Group interest payable	-	47,427
	<u> </u>	<u> </u>
	88,396	47,427
	<u> </u>	<u> </u>

Clydeaway Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

5. TAXATION

	2002 £	2001 £
<i>Current tax</i>		
UK corporation tax on profits for the year	-	-
Group relief	5,957	-
	<u>5,957</u>	<u>-</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<u>5,957</u>	<u>-</u>

The tax assessed for the period is lower (2001 – higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Profit/(loss) on ordinary activities before tax	21,099	(47,712)
Profit/(loss) on ordinary activities multiplied by the standard rate of UK corporation tax of 30%	6,330	(14,314)
Expenses not deductible for tax purposes	-	-
Unutilised losses for the year	-	14,314
Group loss relief	(5,957)	-
Losses brought forward utilised	(373)	-
Current tax charge for the year	<u>-</u>	<u>-</u>
Adjustments in respect of current tax over-provided	-	-
	<u>-</u>	<u>-</u>

6. STOCKS

	2002 £	2001 £
Property under development	1,064,066	1,013,520

Clydeaway Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

7. DEBTORS

	2002 £	2001 £
Trade debtors	5,000	-
Amounts owed by group undertakings	912,218	145,055
Other debtors	46,923	-
Prepayments and accrued income	-	21,862
	<u>964,141</u>	<u>166,917</u>

Included in other debtors is an amount of £20,500 which falls due in more than one year.

8. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	11,652	-
Bank loan (see note)	795,043	-
Trade creditors	140,103	-
Amounts owed to group undertakings	1,068,264	1,188,165
Other creditors	1,750	28,000
Accruals & deferred income	30,150	-
	<u>2,046,962</u>	<u>1,216,165</u>

The bank loan is secured over the company's property under development.

9. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised:		
50 "A" ordinary shares of £1 each	50	50
50 "B" ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
50 "A" ordinary shares of £1 each	50	50
50 "B" ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

10. PROFIT AND LOSS ACCOUNT

	£
1 April 2001	(33,997)
Retained profit for the year	15,142
	<hr/>
At 31 March 2002	(18,855)
	<hr/>

11. RELATED PARTY TRANSACTIONS

At 31 March 2002, the company had the undernoted balances outstanding with related parties:

	2002 £	2001 £
Amounts due from group undertakings	912,218	145,055
	<hr/>	<hr/>
Amounts owed to group undertakings	(1,068,264)	(1,188,165)
	<hr/>	<hr/>

The company has taken advantage of the exemptions not to disclose group transactions as conferred by paragraph 3 (c) of Financial Reporting Standard No. 8.

12. ULTIMATE PARENT COMPANY

The directors regard Credential Holdings Limited, a company registered in Scotland, as the company's ultimate parent company.

Credential Holdings Limited, which is controlled by R B Clapham, is the parent undertaking of the largest and smallest group of which the company is a member, and for which group accounts are drawn up. Copies of Credential Holdings Limited accounts may be obtained from the Registrar of Companies.