

CLYDEWAY INVESTMENTS LIMITED**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS****for the year ended
31 March 1997****Company Number 132009**

DIRECTORS

R.B. Clapham
M.A. Clapham

SECRETARIES

William Armour

REGISTERED OFFICE

153 Queen Street
Glasgow G1 3BP

AUDITORS

BDO Stoy Hayward
Ballantine House
168 West George Street
Glasgow G2 2PT

CLYDEWAY INVESTMENTS LIMITED**DIRECTORS' REPORT****for the year ended 31 March 1997**

FINANCIAL STATEMENTS

The directors present their report and the financial statements of the company for the year ended 31 March 1997.

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

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) 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 maintaining 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.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

Following the disposal of the company's investment property in June 1994, the company is effectively non-trading. The transactions for the year represent the completion of agreements entered into before the property sale.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £10,082.

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year, none of whom had a beneficial interest in the share capital, were as follows:

R.B. Clapham
M.A. Clapham

R.B. Clapham and M.A. Clapham have an interest at 1 April 1996 and 31 March 1997 as trustees in 50 "B" Ordinary shares of £1 each.

CLYDEWAY INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 March 1997

AUDITORS

BDO Stoy Hayward offer themselves for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Board on 2 March 1998.



R.B. CLAPHAM
Director

AUDITORS' REPORT**to the members of Clydeaway Investments Limited**

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

Respective responsibilities of directors and auditors

As described on page 2, 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.

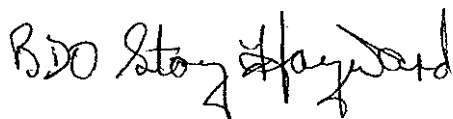
Basis of opinion

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 the company's affairs as at 31 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Chartered Accountants
Registered Auditors****2 March 1998**

CLYDEWAY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1997

	Notes	1997 £	1996 £
Turnover	2	18,468	12,479
Operating charges		<u>(15,490)</u>	<u>(241,519)</u>
Operating profit/(loss)	4	2,978	(229,040)
Other interest receivable and similar income	5	-	686
Interest payable and similar charges	5	<u>(60)</u>	<u>(120)</u>
Profit/(loss) on ordinary activities before taxation		2,918	(228,474)
Tax on profit/(loss) on ordinary activities	6	<u>(13,000)</u>	<u>-</u>
Loss for the year transferred from reserves	10	<u>(10,082)</u>	<u>(228,474)</u>

All trading arose from discontinued operations.

Recognised gains and losses

There are no recognised gains and losses other than the loss on ordinary activities after tax shown above.

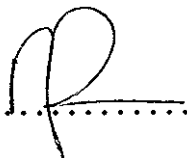
CLYDEWAY INVESTMENTS LIMITED

BALANCE SHEET

as at 31 March 1997

	Notes	1997 £	1996 £
CURRENT ASSETS			
Debtors	7	61,644	35,599
Cash at bank and in hand		<u>288</u>	<u>100,048</u>
		61,932	135,647
CREDITORS: amounts falling due within one year	8	<u>(67,810)</u>	<u>(131,443)</u>
Total assets less current liabilities		<u>(5,878)</u>	<u>4,204</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	<u>(5,978)</u>	<u>4,104</u>
Equity shareholders' funds		<u>(5,878)</u>	<u>4,204</u>

The financial statements on pages 5 to 9 were approved by the Board on 2 March 1998.

R.B. CLAPHAM... Director

CLYDEWAY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1997

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.

2. TURNOVER

Turnover represents the amount derived from rents and expenses recharged to tenants, stated net of value added tax. All turnover was generated within the United Kingdom.

3. STAFF COSTS

(a) Number of employees

The company had no employees during the year, other than the directors.

(b) Employment costs

The company incurred no staff costs during the year.

4. OPERATING PROFIT/(LOSS)
is stated after charging:

	1997 £	1996 £
Auditors' remuneration	<u>500</u>	<u>500</u>

5. INTEREST

	1997 £	1996 £
(a) Interest receivable		
From bank account	<u>-</u>	<u>686</u>
(b) Interest payable		
On loans and overdrafts repayable: within five years	<u>60</u>	<u>120</u>

CLYDEWAY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1997

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1997 £	1996 £
Based on the profit/(loss) for the year:		
Adjustments in respect of prior years:		
Corporation tax	<u>13,000</u>	<u>-</u>

7. DEBTORS

	1997 £	1996 £
Trade debtors	8,705	7,788
Other debtors	<u>52,939</u>	<u>27,811</u>
	<u>61,644</u>	<u>35,599</u>

8. CREDITORS: amounts falling due within one year

	1997 £	1996 £
Corporation tax	13,000	2,462
Other creditors	9,810	78,572
Accruals and deferred income	<u>45,000</u>	<u>50,409</u>
	<u>67,810</u>	<u>131,443</u>

9. SHARE CAPITAL

Authorised and allotted
share capital

	Authorised		Allotted, called up and fully paid	
	1997 Number	1996 Number	1997 £	1996 £
£1 "A" Ordinary	50	50	50	50
£1 "B" Ordinary	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10. RESERVES

	Profit and loss account £
1 April 1996	4,104
Loss for the year	(10,082)
31 March 1997	<u>(5,978)</u>

CLYDEWAY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1997

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Loss for the year	(10,082)	(228,474)
Opening shareholders' funds	<u>4,204</u>	<u>232,678</u>
	<u>(5,878)</u>	<u>4,204</u>

12. RELATED PARTY TRANSACTION

During the year, the company paid management and accounting fees of £26,200 to Credential Holdings Limited, a company in which R.B. Clapham and Mrs. M.A. Clapham are directors. At 31 March 1997, the company owed Credential Holdings Limited a total of £13,065.