

CLYDEBANK MUNICIPAL BANK LIMITED

FINANCIAL STATEMENTS

5 APRIL 1999



Company Registration Number 11770

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CLYDEBANK MUNICIPAL BANK LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1999

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CLYDEBANK MUNICIPAL BANK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 5 APRIL 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 5 April 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was as a bank of deposit.

The company is connected with West Dunbartonshire Council, the members of which, under the Articles of Association of the company, are the sole shareholders in the company.

The funds of the company are substantially lent to West Dunbartonshire Council which guarantees to make good to depositors any principal and interest due should the company default on payment.

The total number of active depositors accounts at the year end was 1,826.

The transactions handled in the course of business were 16,705 an increase of 879 compared to the previous year.

The total at the credit of depositors at the end of the financial year was £515,760 being a net decrease of £25,703 compared to the balance at 5 April 1998.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.05 each	
	At 5 April 1999	At 6 April 1998
Clr. George Cairney	25	15
Clr. Anthony Devine	10	10
Clr. Patrick O'Neill	-	10
Provost Macdonald	10	10
Clr. James Doherty	10	10
Clr. James McElhill	10	10
Clr. Mary W. Campbell	10	10
Clr. John L. V. Syme	10	10
Clr. Andrew White	10	10
Clr. Daniel McCafferty	10	10
Clr. Patricia Rice	10	10
Clr. John McCutcheon	10	10

In addition to the above directors, Clr.D McDonald, Clr. J McDonald and Clr. M Collins were appointed on 30 June 1999 at which date Clr. G Cairney, Clr. P Rice and Clr. J Doherty resigned.

It is with regret that the directors also advise of the death of Clr. Patrick O'Neill on 15th May 1998.

CLYDEBANK MUNICIPAL BANK LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 5 APRIL 1999

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption.

The company employed a contractor to ensure that the company's computer equipment is year 2000 compliant. The costs of the contractor were met by West Dunbartonshire Council. Although it is not possible to guarantee that no Year 2000 problems will remain, the Board believes that it has achieved an acceptable state of readiness and has adequate resources to deal promptly with any significant issues which may arise.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 7, 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 financial statements; and

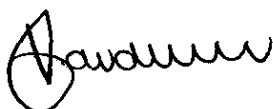
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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. The directors 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

A resolution to re-appoint Miller Colquhoun as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



Vincent Gardiner
Company Secretary

Approved by the directors on 4 February 2000

Miller Colquhoun

CHARTERED ACCOUNTANTS

□ 4 Dumbarton Road, Clydebank G81 1TU
Tel: 0141 941 3232 Fax: 0141 951 1116
E mail: clyde@millerc.co.uk

□ 2 Colquhoun Street, Helensburgh G84 8AJ
Tel: 01436 678222 Fax: 01436 671234
E mail: hel@millerc.co.uk

R M McGowan CA · W McKenna CA · G H Reid BAcc CA · G W Whitelaw CA

CLYDEBANK MUNICIPAL BANK LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 5 APRIL 1999

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the 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 company's state of affairs as at 5 April 1999 and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Miller Colquhoun

MILLER COLQUHOUN
Chartered Accountants
& Registered Auditors

4 February 2000



CLYDEBANK MUNICIPAL BANK LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 5 APRIL 1999**

	Note	£	1998 £
TURNOVER	2	32,301	34,284
Administrative expenses		(32,301)	(34,284)
OPERATING PROFIT	3	-	-
Tax on profit on ordinary activities		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		-	-
Balance brought forward		1,000	1,000
Balance carried forward		1,000	1,000

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 7 to 9 form part of these financial statements.

CLYDEBANK MUNICIPAL BANK LIMITED

BALANCE SHEET AT 5 APRIL 1999

	Note	£	£	1998 £
CURRENT ASSETS				
Debtors	5	450,354		536,722
Cash at bank and in hand		84,103		36,557
		<u>534,457</u>		<u>573,279</u>
CREDITORS: Amounts falling due within one year	6	<u>(533,451)</u>		<u>(572,273)</u>
NET CURRENT ASSETS			1,006	1,006
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,006</u>	<u>1,006</u>
CAPITAL AND RESERVES				
Called-up equity share capital	8		6	6
Profit and loss account			1,000	1,000
SHAREHOLDERS' FUNDS	9		<u>1,006</u>	<u>1,006</u>

These financial statements were approved by the directors on the 4 February 2000 and are signed on their behalf by:



Clr. Mary Campbell



Clr. Anthony Devine

The notes on pages 7 to 9 form part of these financial statements.

CLYDEBANK MUNICIPAL BANK LIMITED**CASH FLOW STATEMENT****YEAR ENDED 5 APRIL 1999**

		1999 £	1998 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	10	47,546	(23,207)
INCREASE/(DECREASE) IN CASH	11	<u>47,546</u>	<u>(23,207)</u>

The notes on pages 7 to 9 form part of these financial statements.

CLYDEBANK MUNICIPAL BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1999

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

Turnover represents interest receivable on short term loans to West Dunbartonshire Council.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	£	1998 £
United Kingdom	<u>32,301</u>	<u>34,284</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	£	1998 £
Directors' emoluments	-	-
Auditors' remuneration		
- as auditors	<u>5,189</u>	<u>2,840</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

The bank's staff are employees of West Dunbartonshire Council and their remuneration is incorporated in the management services charge.

The directors received no fees or remuneration in respect of services rendered to the bank in the year (1998 £nil).

5. DEBTORS

	£	1998 £
Trade debtors	<u>450,354</u>	<u>536,722</u>

The above trade debtors represent temporary loans on notice to West Dunbartonshire Council which are secured on the rates and revenues of West Dunbartonshire Council.

CLYDEBANK MUNICIPAL BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1999

6. CREDITORS: Amounts falling due within one year

	£	1998 £
Trade creditors	515,760	541,463
Other creditors	653	828
Accruals and deferred income	17,038	29,982
	<u>533,451</u>	<u>572,273</u>

Trade creditors represent amounts due to depositors.

7. RELATED PARTY TRANSACTIONS

The company is under the control of the shareholder directors listed on page 1. The directors are all elected councillors of West Dunbartonshire Council, which provided management services of £17,114 (1998 £22,076) to the company. Loans invested with West Dunbartonshire Council at the end of the financial year amounted to £440,539 (1998 £520,539).

The turnover of £32,301 (1998 £34,284) is all derived from short term loans to West Dunbartonshire Council.

8. SHARE CAPITAL

Authorised share capital:

	£	1998 £
2,000 Ordinary shares of £0.05 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	£	1998 £
Ordinary share capital	<u>6</u>	<u>6</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£	1998 £
Opening shareholders' equity funds	<u>1,006</u>	<u>1,006</u>
Closing shareholders' equity funds	<u>1,006</u>	<u>1,006</u>

CLYDEBANK MUNICIPAL BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1999

10. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	£	1998 £
Decrease/(Increase) in debtors	86,368	(31,051)
(Decrease)/Increase in creditors	(38,822)	7,844
Net cash inflow/(outflow) from operating activities	<u>47,546</u>	<u>(23,207)</u>

11. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£	1998 £
Increase/(Decrease) in cash in the period	47,546	(23,207)
Net funds at 6 April 1998	36,557	59,764
Net funds at 5 April 1999	<u>84,103</u>	<u>36,557</u>

12. ANALYSIS OF CHANGES IN NET FUNDS

	At 6 Apr 1998 £	Cash flows £	At 5 Apr 1999 £
Net cash:			
Cash in hand and at bank	36,557	47,546	84,103
Net funds	<u>36,557</u>	<u>47,546</u>	<u>84,103</u>