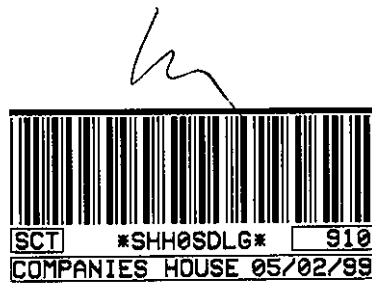


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# CLYDEBANK MUNICIPAL BANK LIMITED

## FINANCIAL STATEMENTS

5 APRIL 1998

Company Registration Number 11770

# CLYDEBANK MUNICIPAL BANK LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 5 APRIL 1998

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 5 April 1998.

### PRINCIPAL ACTIVITY 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 deposit accounts at the year end was 747.

The transactions handled in the course of business were 15,826, an increase of 180 compared to the previous year.

The total at the credit of depositors at the end of the financial year was £541,463 being a net increase of £5,208 compared to the balance at 5 April 1997.

### 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 1998	At 6 April 1997 or later date of appointment
Clr. George Cairney	15	10
Clr. Anthony Devine	10	10
Clr. Patrick O'Neill	10	15
Clr. Alistair 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 (Appointed 3 September 1997)	10	10

It is with regret that the directors 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 1998

### 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 is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. In particular a contractor is currently employed to ensure that the company will be Year 2000 compliant.

Although it is not possible to guarantee that no Year 2000 problems will remain, the Board believes that it will achieve 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.

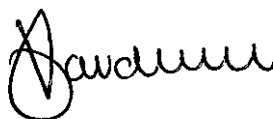
In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the 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 3 February 1999

# Miller Colquhoun

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CHARTERED ACCOUNTANTS

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Tel: 0141 941 3232 Fax: 0141 951 1116  
E mail: clyde@millerc.co.uk

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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 1998

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 1998 and of its result for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985.



MILLER COLQUHOUN  
Chartered Accountants  
& Registered Auditors

3 February 1999



**CLYDEBANK MUNICIPAL BANK LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 5 APRIL 1998**

	<b>Note</b>	<b>1998 £</b>	<b>1997 £</b>
<b>TURNOVER</b>	<b>2</b>	34,284	32,901
Administrative expenses		34,284	32,901
<b>OPERATING PROFIT</b>	<b>3</b>	-	-
Tax on profit on ordinary activities		-	-
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		-	-
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.

# CLYDEBANK MUNICIPAL BANK LIMITED

BALANCE SHEET AT 5 APRIL 1998

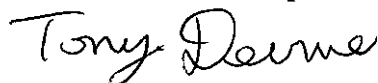
	Note	1998 £	£	1997 £
<b>CURRENT ASSETS</b>				
Debtors	5	536,722		505,671
Cash at bank and in hand		36,557		59,764
		<u>573,279</u>		<u>565,435</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>(572,273)</u>		<u>(564,429)</u>
<b>NET CURRENT ASSETS</b>			1,006	1,006
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,006</u>	<u>1,006</u>
 <b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	8		6	6
Profit and loss account			<u>1,000</u>	<u>1,000</u>
<b>SHAREHOLDERS' FUNDS</b>	9		<u>1,006</u>	<u>1,006</u>

These financial statements were approved by the directors on the 3 February 1999 and are signed on their behalf by:

Clr. George Cairney



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 1998**

		1998 £	£	1997 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	10		(23,207)	4,072
(DECREASE)/INCREASE IN CASH	11		<u>(23,207)</u>	<u>4,072</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 1998

### 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 £	1997 £
United Kingdom	<u>34,284</u>	<u>32,901</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging:

	1998 £	1997 £
Directors' emoluments	-	-
Auditors' remuneration - as auditors	<u>2,840</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 (1997 £nil).

### 5. DEBTORS

	1998 £	1997 £
Trade debtors	<u>536,722</u>	<u>505,671</u>

The above trade debtors represent temporary loans on notice to West Dunbartonshire Council together with accrued interest to date, 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 1998

### 6. CREDITORS: Amounts falling due within one year

	1998 £	1997 £
Trade creditors	541,463	536,255
Other creditors	828	836
Accruals and deferred income	29,982	27,338
	<u>572,273</u>	<u>564,429</u>

Trade creditors represent amounts due to depositors.

### 7. RELATED PARTY DISCLOSURES

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 £22,076 (1997 £24,316) to the company. Loans invested with West Dunbartonshire Council at the end of the financial year amounted to £520,539 (1997 £492,540).

The turnover of £34,284 (1997 £32,901) is all derived from short term loans to West Dunbartonshire Council.

### 8. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
2,000 Ordinary shares of £0.05 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
	1998 £	1997 £
Ordinary share capital	<u>6</u>	<u>6</u>

### 9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Opening shareholders' equity funds	1,006	1,006
Closing shareholders' equity funds	<u>1,006</u>	<u>1,006</u>

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

	1998 £	1997 £
(Increase)/Decrease in debtors	(31,051)	89,205
Increase/(Decrease) in creditors	7,844	(85,133)
Net cash (outflow)/inflow from operating activities	<u>(23,207)</u>	<u>4,072</u>

# CLYDEBANK MUNICIPAL BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1998

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

	1998 £	1997 £
(Decrease)/Increase in cash in the period	(23,207)	4,072
Net funds at 6 April 1997	59,764	55,692
Net funds at 5 April 1998	<u>36,557</u>	<u>59,764</u>

### 12. ANALYSIS OF CHANGES IN NET FUNDS

	At 6 Apr 1997 £	Cash flows £	At 5 Apr 1998 £
Net cash:			
Cash in hand and at bank	59,764	(23,207)	36,557
Net funds	<u>59,764</u>	<u>(23,207)</u>	<u>36,557</u>