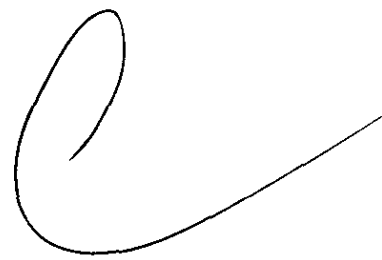


**GATESIDE MILLS PROPERTY COMPANY
LIMITED**

FINANCIAL STATEMENTS

FOR

30 NOVEMBER 1998



GATESIDE MILLS PROPERTY COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 1998

The directors present their annual report together with the unaudited accounts of the company for the year ended 30 November 1998. The company is dormant and has not traded during the year.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

Mr E.G Leburn
Mrs C.H Leburn

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the accounts of the parent company.

The interests of E.G. Leburn and Mrs C. Leburn in the issued share capital in the ultimate parent undertaking, The Gateside Mills Company Limited, are disclosed in the report of that company. Mrs C. Leburn has no interest in the issued share capital of the Gateside Mills Company Limited.

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 4, 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.

GATESIDE MILLS PROPERTY COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 1998

Registered office:
Old Bank House
Brown Street
Blairgowrie
Perthshire

Signed by order of the directors



EDEN GILMOUR LEBURN
Company Secretary

Approved by the directors on26/1/99.....

GATESIDE MILLS PROPERTY COMPANY LIMITED

BALANCE SHEET

30 NOVEMBER 1998

	Note	1998	1997
		£	£
CREDITORS: Amounts falling due within one year	2	(27,664)	(27,664)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(27,664)</u>	<u>(27,664)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4	100	100
Profit and loss account		<u>(27,764)</u>	<u>(27,764)</u>
DEFICIENCY		<u>(27,664)</u>	<u>(27,664)</u>

The company was dormant (within the meaning of section 250 of the Companies Act 1985) throughout the year ended 30 November 1998. These financial statements were approved by the directors on the 26/1/99, and are signed on their behalf by:


MR E.G. LEBURN

GATESIDE MILLS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1998

1. DORMANT STATUS

The company was dormant (within the meaning of section 250 of the Companies Act 1985) throughout the year ended 30 November 1998. The company has not traded during the year or during the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

2. CREDITORS: Amounts falling due within one year

	1998	1997
	£	£
Amounts owed to group undertakings	<u>27,664</u>	<u>27,664</u>

3. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

4. SHARE CAPITAL

Authorised share capital:

	1998	1997
	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	1998	1997
	£	£
Ordinary share capital	<u>100</u>	<u>100</u>

5. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is the Gateside Mills Company Limited which is registered in Scotland.