

**PORTWAYS LIMITED**

**DIRECTORS REPORT**

The Directors submit their Report together with the Accounts for the year ended 31 December 1998.

The Company is a wholly owned subsidiary of British Vita PLC.

The Company has been dormant throughout the year.

**DIRECTORS**

1. The Directors of the Company at 31 December 1998 were:

K R Bhatt  
A R Teague

2. Under the Company's Articles of Association the Directors do not retire by rotation at the Annual General Meeting.
3. The interests of Mr K R Bhatt in the shares of the holding company are shown in the Consolidated Accounts of that company. The interests of Mr A R Teague in the shares of the holding company are as follows:-

	1998		1997	
	<u>Shares</u>	<u>Options</u>	<u>Shares</u>	<u>Options</u>
Ordinary Shares	85,375	25,349	59,394	60,889

4. No Directors were interested at any time of the year in the share capital of the company.
5. In accordance with Section 252 of the Companies Act 1985 the company has not appointed auditors.

25 February 1999

By Order of the Board

Middleton  
Manchester, M24 2DB



A handwritten signature in black ink.

A R Teague  
Director/Secretary

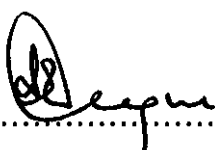
PORTWAYS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1998

<u>1997</u>		<u>1998</u>
(£)		(£)
	<u>CURRENT ASSETS</u>	
352,415	Amount due from parent company	352,415
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	<u>CAPITAL AND RESERVES</u>	
31,566	Called up share capital (See Note 1)	31,566
320,849	Reserves	320,849
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352,415		352,415
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These accounts have been modified in accordance with the Companies Act 1985.

The Company was dormant within the meaning of Section 252 of the Companies Act 1985 throughout the financial year ending with the date of this Balance Sheet.

.......... Director

25 February 1999

Notes

1. The authorised capital of the company is £35,000 divided into 40,000 Ordinary Shares of 25p each and 25,000 Deferred Shares of £1 each. Issued capital consists of 21,566 Deferred Shares and 40,000 Ordinary Shares.
2. The ultimate holding Company is British Vita PLC, a company incorporated in England.