
EBBGATE INVESTMENTS LIMITED
REPORT AND ACCOUNTS

31 DECEMBER 1997

COMPANY REGISTERED NUMBER. 2605705



EBBGATE INVESTMENTS LIMITED

DIRECTORS' REPORT

OWNERSHIP

The shares in the Company are beneficially owned by Barclays Bank PLC.

ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Company is to act as an investment holding company. In the opinion of the Directors, the state of the company's affairs is satisfactory and there has been no material change since the date of the balance sheet.

RESULTS AND DIVIDENDS

The profit, before dividends, of the Company for the year ended 31 December 1997 amounted to £699,770 (1996: £40,916). The Directors recommend the payment of a dividend of £725,000 (1996: nil) which (1996: profit of £40,916) has been set against reserves.

DIRECTORS

The present Directors of the Company with their dates of appointment if appropriate, are:

P F Hunter (12/3/97)
J R Pitts (12/3/97)
R M Rudge
N W Salisbury
T W Tindall

None of the Directors have any beneficial interest in the shares of the Company.

STATEMENT OF 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 and of the profit or loss of the Company for that period. In preparing those financial statements the Directors are required to

- select suitable accounting policies and 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;
- 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. 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.

EBBGATE INVESTMENTS LIMITED

DIRECTORS' REPORT (/Cont...)

AUDITORS

On 16 June 1992 an elective resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint Auditors annually. Price Waterhouse, the Company's Auditor, merged with Coopers & Lybrand on 1 July 1998 to form a new firm, PricewaterhouseCoopers. Price Waterhouse resigned as Auditor with effect from 15 September 1998 and PricewaterhouseCoopers was appointed in its place. PricewaterhouseCoopers has signified its willingness to continue in office."

By order of the Board



29 October 1998

J R Pitts
Director
54 Lombard Street
London EC3P 3AH

AUDITORS' REPORT TO THE MEMBERS OF EBBGATE INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

As described on page 1 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.

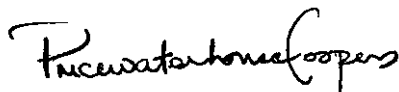
Basis of opinion

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 state of the Company's affairs as at 31 December 1997 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
Southwark Towers
32 London Bridge Street
London SE1 9SY

29 Oct 98

EBBGATE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997

	Note	1997 £	1996 £
Interest income from fixed asset investments		1,200	1,200
Other interest receivable from parent undertaking		12,945	103,009
		<hr/>	<hr/>
		14,145	104,209
Profit on sale of fixed asset investments		822,670	-
Interest payable to parent undertaking		(11,765)	(43,140)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	825,050	61,069
Taxation on profit on ordinary activities	4	(125,280)	(20,153)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		699,770	40,916
Dividends		(725,000)	-
		<hr/>	<hr/>
Retained (loss) / profit for the year		(25,230)	40,916

The Company had no recognised gains or losses this year or during the prior year other than those reflected in the above profit and loss account. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The movements on reserves for the year are shown in note 9.

The notes on pages 6 to 9 form an integral part of these financial statements.

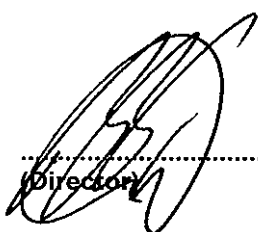
EBBGATE INVESTMENTS LIMITED

BALANCE SHEET AT 31 DECEMBER 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Investments	5	10,050	610,051
CURRENT ASSETS			
Debtors	6	929,038	179,020
CREDITORS: Amounts falling due within one year	7	(898,316)	(723,069)
NET CURRENT ASSETS		30,722	(544,049)
TOTAL ASSETS LESS CURRENT LIABILITIES		40,772	66,002
		40,772	66,002
CAPITAL AND RESERVES			
Called up share capital	8	25,052	25,052
Profit and loss account	9	15,720	40,950
		40,772	66,002

The notes on pages 6 to 9 form an integral part of these financial statements.

A Committee of the Board of Directors approved the financial statements on 29th October 1998



..... J R Pitts (Director), Ebbgate Investments Limited
(Director)

EBBGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1997

1. ACCOUNTING POLICIES

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

(a) **Investments**

Investments are stated at the lower of cost and the Directors' opinion of their net realisable value.

(b) **Group Accounts**

Group accounts have not been prepared as the Company is a wholly owned subsidiary of a company incorporated in Great Britain.

(c) **Cash Flow Statement**

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1 (FRS1), Cash Flow Statements. Accordingly, the Company, which is a wholly owned subsidiary, has elected to utilise the exemption provided in FRS1 and not produce a Cash Flow Statement.

(d) **Deferred Taxation**

Deferred taxation is provided at the estimated rate at which future taxation will become payable on all timing differences between the accounting and taxation treatment of income and expense, except where, in the opinion of the Directors, no liability to taxation is expected to arise in the foreseeable future.

2. DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments in respect of their services to the Company during the year. The Company made no loans to its Directors during the year.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration for the period was borne by a fellow subsidiary and was not recharged to the company.

The Company has no employees.

4. TAXATION

	1997 £	1996 £
Current taxation at 31.5%	125,280	16,539
Deferred taxation	-	3,614
	<hr/> 125,280 <hr/>	<hr/> 20,153 <hr/>

Current taxation has been provided on the basis of a UK corporation tax rate of 31.5% (1996: 33%).

EBBGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1997 (/Cont...)

5. FIXED ASSET INVESTMENTS

	Shares in Associated Undertakings £	Ordinary Shares £	Gilts £	Total £
Cost				
At 1 January 1997	6,303	600,000	9,999	616,302
Disposals	(1)	(600,000)	-	(600,001)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 Dec 1997	6,302	-	9,999	16,301
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions				
At 1 January 1997	6,251	-	-	6,251
Provisions made during year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 Dec 1997	6,251	-	-	6,251
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 31 Dec 1997	51	-	9,999	10,050
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 Dec 1996	52	600,000	9,999	610,051
	<hr/>	<hr/>	<hr/>	<hr/>

All of the above investments, apart from the gilts, are unlisted.

The market value of the gilts at 31 December 1997 was £9,265 (1996: £9,687).

During the year the Company sold call options allowing the acquisition of further shares in the ordinary share investments. These investments were also sold during the year. The Company also sold its investment in NFC Finance 1991 (S) Limited for book value

Details of associated undertakings are as follows:-

	Proportion of class held (%)	Proportion of total share capital with voting rights (%)	Activity
INSTITUTIONAL PROPERTY HOLDINGS PLC			
£1 Ordinary Shares	50	50	Property holding company
EBBGATE NURSING HOMES LIMITED			
£1 Ordinary Shares	50	50	Nursing home operation
TAYGATE SHOWHOMES LIMITED			
£0.01 'B' Ordinary Shares	100	50	Property
MORRIS SHOWHOMES LIMITED			
£0.01 'B' Ordinary Shares	50	40	Property
SEVERNBROOK HOMES LIMITED			
£1 'B' Ordinary Shares	50	50	Property
BARLEY SHOWHOMES LIMITED			
£0.01 'B' Ordinary Shares	100	50	Property

All the above companies are incorporated in Great Britain and registered in England.

EBBGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1997 (/Cont...)

6. DEBTORS

	1997	1996
	£	£
Amount due from parent undertaking	-	160,271
Amount due from fellow subsidiary undertaking	910,289	-
Called up share capital not paid	18,749	18,749
	<hr/>	<hr/>
	929,038	179,020
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Amount due to parent undertaking	725,000	706,530
Amount due to fellow subsidiary undertaking	31,497	-
Group relief payable	141,819	16,539
	<hr/>	<hr/>
	898,316	723,069
	<hr/>	<hr/>

8. CALLED UP SHARE CAPITAL

	1997	1996
	£	£
<u>Authorised</u>		
100,000 ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
<u>Allotted and Issued</u>		
53 ordinary shares of £1 each fully paid	53	53
24,999 ordinary shares of £1 each (25p paid)	24,999	24,999
	<hr/>	<hr/>
	25,052	25,052
	<hr/>	<hr/>

9. PROFIT AND LOSS ACCOUNT

	£
Balance at 1 January 1997	40,950
Retained loss for year	(25,230)
	<hr/>
Balance at 31 December 1997	15,720
	<hr/>

10. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Retained (loss) / profit for financial year	(25,230)	40,916
Opening shareholders' funds	66,002	25,086
	<hr/>	<hr/>
Closing shareholders' funds	40,772	66,002
	<hr/>	<hr/>

EBBGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1997 (/Cont...)

11. ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group accounts is Barclays PLC. Both companies are incorporated in Great Britain and registered in England and Wales. The statutory accounts of Barclays Bank PLC and Barclays PLC are available from the Secretary, 54 Lombard Street, London EC3P 3AH.

12. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the company participates in a variety of financial and administrative transactions with parent and fellow subsidiary companies. In accordance with the exemption offered by Financial Reporting Standard No. 8 - "Related Party Disclosures", such transactions are not disclosed as the consolidated financial statements of the group are publicly available.