

NORTH AYRSHIRE MUNICIPAL BANK LIMITED

ANNUAL REPORT of the Directors of North
Ayrshire Municipal Bank Limited for the year to
31st October, 1999

1. Annual Accounts 1998/1999

The Revenue Account shows a nil profit for the year in the same way as in previous years. The accumulated surplus as at 31st October, 1999 remains unaltered at £461.

The discount to North Ayrshire Council has decreased from £10,210 to £9,828 and that the sums on deposit with The North Ayrshire Municipal Bank Limited have increased from £1,885,841 to £2,094,592 and also that the number of depositors with the Bank had increased similarly in the last year from 2,089 depositors to 2,185 depositors.

2. Value of Current Assets

The current assets shown in the balance sheet as at 31st October, 1999 are realisable in the ordinary course of business at amounts not less than the total shown of £2,096,308 after making allowances for all the appropriate costs of realisation and financing.

3. Directors

During the course of the year to 31st October, 1999 the following Directors have served the Company:

- i. John Carson
- ii. Thomas Barr
- iii. Alan Munro
- iv. Stewart Dewar
- v. Samuel Gooding
- vi. Gordon Clarkson

4. Principal Activities of the Company

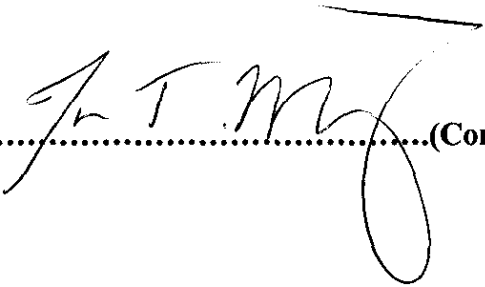
The principal activities of the Company continue to be banking and investment of surplus funds with North Ayrshire Council. There was no change in the nature of the Company's business during the year ended 31st October, 1999.



5. Directors' Interest

At the end of the financial year each Director of the Company held five of the Company's ordinary shares of £1 each on which 25p per share had been called up and paid. There had been no alterations in the shareholding of the company during the year to 31st October, 1999.

6. The Accounts are prepared in accordance with the special provisions of Section VII of the Companies Act relating to small business.


.....(Company Secretary)

North Ayrshire Municipal Bank Limited

Accounts for Year to 31st. October, 1999

These Accounts are delivered under the Protection of Depositors Act, 1963

Revenue Account for Year Ended 31st. October, 1999

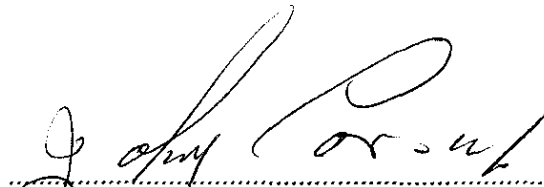
	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
<u>Income</u>		
Interest Received and Accrued	<u>106,627</u>	<u>109,653</u>
<u>Expenditure</u>		
Interest paid or payable -		
On deposits with the Company	74,719	77,706
Bank Overdraft Interest	198	31
	<u>74,917</u>	<u>77,737</u>
Income Tax	15,237	15,139
Remuneration of Secretary, Treasurer etc.	2,250	2,250
Audit Fee	1,306	1,431
Stationery, Advertising & Other Expenses	3,089	2,886
Discount to North Ayrshire Council	9,828	10,210
	<u>106,627</u>	<u>109,653</u>
<u>Surplus</u>		
For year to 31st. October	-	-
Add - Balance brought forward from previous year	461	461
Balance Carried Forward	<u>461</u>	<u>461</u>

North Ayrshire Municipal Bank Limited

Balance Sheet as at 31st. October, 1999

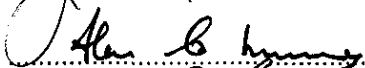
	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
<u>Share Capital</u>		
Nominal Capital - 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Issued Capital - 60 Ordinary Shares of £1 each 25p paid	15	16
<u>Reserves and Surplus</u>		
(a) Investment Appreciation Reserve	760	760
(b) Revenue Surplus as per Revenue Account	461	461
<u>Total equity</u>	<u>1,236</u>	<u>1,237</u>
<u>Represented by -</u>		
Amount on Temporary Loan to North Ayrshire Council (including accrued interest)	2,076,315	1,820,942
Cash in Hand and at Bank	19,993	66,136
	<u>2,096,308</u>	<u>1,887,078</u>
<u>Less -</u>		
Amounts due on Deposit Receipts	4,089	3,934
Amounts due on Deposit Accounts	2,090,503	1,881,427
	<u>2,094,592</u>	<u>1,885,361</u>
Creditors	480	480
	<u>2,095,072</u>	<u>1,885,841</u>
<u>Total Net Assets</u>	<u>1,236</u>	<u>1,237</u>

(Signed)



Chairman

(Signed)



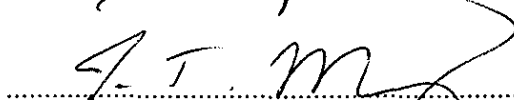
Director

(Signed)



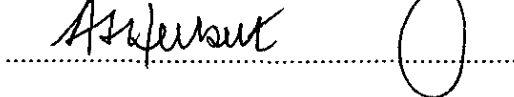
Director

(Signed)



Secretary

(Signed)



Treasurer

North Ayrshire Municipal Bank Limited

Cash Flow Statement for Year ended 31st. October, 1999

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
<u>Source of Funds</u>		
Increase / (Decrease) in amount due to depositors	209,231	(37,072)
<u>Application of Funds</u>		
Change in Share Capital	(1)	-
	<u>209,230</u>	<u>(37,072)</u>
<u>Movement in net liquid funds</u>		
Increase in temporary loans	255,373	10,273
Increase / (Decrease) in Cash & Bank balances	(46,143)	(47,345)
	<u>209,230</u>	<u>(37,072)</u>

North Ayrshire Municipal Bank Limited

Notes to Accounts for Year ended 31st. October, 1999

- (1) The amount shown in the Balance Sheet as a Temporary Loan to North Ayrshire Council is a loan repayable on demand.
- (2) Money received on deposit receipt for an indeterminate period is treated as repayable on demand.
- (3) The following details are relevant to the foregoing accounts -

	<u>1999</u>	<u>1998</u>
(a) Lodgements (excluding interest credited to depositors)	£ 3,309,875	£ 3,514,831
<i>Withdrawals (excluding interest on Deposit Receipts uplifted)</i>	3,138,108	3,629,609
	<u>171,767</u>	<u>£(114,778)</u>

These figures cover Deposit Accounts and Deposit Receipts -

(b) Deposit Accounts opened during period	<u>222</u>	<u>217</u>
(c) Deposit Accounts closed during period	<u>126</u>	<u>151</u>
(d) Number of Deposit Accounts at end of period	<u>2,185</u>	<u>2,089</u>
(e) (i) Gross sums due to Depositors at end of period (Balances on Deposit Accounts and amounts of Deposit Receipts including accrued interest)	£ 2,094,756	£ 1,885,420
(ii) Less sums due by Depositors at end of period	164	59
	<u>£ 2,094,592</u>	<u>£ 1,885,361</u>

- (4) Analysis of gross sums due to Depositors (note 3(e) above) -

Repayable on Demand	£ 1,365,313	£ 1,287,042
Requiring 6 Months notice of withdrawal	230,468	194,129
Requiring 12 Months notice of withdrawal	498,975	404,249
	<u>£ 2,094,756</u>	<u>£ 1,885,420</u>
Less - Due by depositors	164	59
	<u>£ 2,094,592</u>	<u>£ 1,885,361</u>

Notes to accounts for Year ended 31st. October, 1999 (continued)

(5) Analysis of number of Deposit Accounts (D/A), and Deposit Receipts (D/R) -

- (i) Repayable on Demand
- (ii) Requiring 6 Months notice of Withdrawal
- (iii) Requiring 12 Months notice of Withdrawal
- (iv) Overdrawn accounts

at 31/10/99			at 31/10/98		
D/A	D/R	Total	D/A	D/R	Total
2,062	9	2,071	1,972	9	1,981
59	0	59	50	0	50
58	0	58	61	0	61
6	0	6	6	0	6
2,185	9	2,194	2,089	9	2,098

(6) Total amount of deposits in each of the specified classes made by persons, the deposits of each of whom exceed 5% of the total amount of deposits in that class and the number of such persons concerned in each class -

Repayable -

- (i) On demand
- (ii) In more than 6 Months
- (iii) In more than 12 Months

at 31/10/99		at 31/10/98	
Deposits over		Deposits over	
5%	No.	5%	No.
£ -	0	£ -	0
£ 55,716	3	£ 70,723	5
£ 189,759	3	£ 140,717	4

(7) In accordance with previous practice, no provision has been made in the Accounts for the Audit Fee, or other emoluments for the year ended 31st. October, 1999.

(8) No remuneration was paid to the Directors during the year under review.

NORTH AYRSHIRE MUNICIPAL BANK LIMITED

AUDITORS' REPORT

We have audited the financial statements for the year to 31 October 1999 which have been prepared under the historical cost convention.

Respective responsibilities of the directors and auditors

The company's directors are responsible for the preparation of 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 mis-statement, 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 full financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 October 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

W. & B. L.

WYLIE & BISSET
Registered Auditors

135 Wellington Street
Glasgow

Date : 11 April 2000