

Company Number 2270310

SCAGWAY LIMITED
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER 2003



SCAGWAY LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st December 2003.

Activities and Future Prospects

The company did not trade during the year and the directors do not anticipate that the company will trade in the foreseeable future. The directors do not recommend the payment of a dividend. (2002 - £nil)

Directors and Directors' Interests

The directors of the company who served during the year and the period to date were:

P.G. Dumond

D.J. Plucinsky

R. J. McCabe

M. W. Taylor

None of the directors have any beneficial interest in the shares of the company.

The beneficial interests of the directors in the shares of the holding company, Mid-States PLC, are disclosed in the annual Report and Accounts of that company.

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 then 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; and
- * prepare the financial statements on a going basis concern unless it is inappropriate to assume that the group 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.

By Order of the Board



A G Hunter
Company Secretary

27 April 2004

Masters House
107 Hammersmith Road
London W14 OQH

SCAGWAY LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2003

	Notes	2003 £	2002 £
CURRENT ASSETS			
Debtors: Amounts owed by ultimate holding company		<u>239,594</u>	<u>239,594</u>
NET ASSETS		<u>239,594</u>	<u>239,594</u>
CAPITAL AND RESERVES			
Share capital	4	450,100	450,100
Profit and loss account		<u>(210,506)</u>	<u>(210,506)</u>
SHAREHOLDER'S FUNDS		<u>239,594</u>	<u>239,594</u>

There were no recognised gains or losses during the year (2002 - £nil).

For the year ended 31st December 2003 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

Ensuring the company keeps accounting records which comply with section 221; and

Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.



P G Dumond
Director

Approved by the Board on 27 April 2004

The accompanying notes form an integral part of this balance sheet.

SCAGWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

1. ACCOUNTING POLICIES

The principal accounting policy, which has been applied consistently throughout the year and with the preceding year, is set out below.

Accounting Convention

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

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the year, consequently during the period ended 31st December 2003 the company made neither a profit nor a loss. The company had no employees during the year.

3. DIRECTORS' REMUNERATION

The directors received no remuneration in respect of their services to the company during the year (2002 - £nil). Directors' remuneration is borne by other group undertakings.

4. SHARE CAPITAL

AUTHORISED	2003	2002
500,000 ordinary shares of £1 each	<u>£500,000</u>	<u>£500,000</u>
ALLOTTED, CALLED-UP AND FULLY PAID		
450,100 ordinary shares of £1 each	<u>£450,100</u>	<u>£450,100</u>

5. ULTIMATE HOLDING COMPANY

The ultimate parent of the company is Mid-States PLC, a company registered in England and Wales, which heads the only group in which the company's results are consolidated and whose consolidated financial statements may be obtained from its Head Office at Masters House, 107 Hammersmith Road, London W14 OQH.