COMPANY REGISTRATION NUMBER SC178447

CAPABLE PROJECTS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR

31ST AUGUST 2000



MARTIN AITKEN & CO.
Chartered Accountants & Registered Auditors
1 Royal Terrace
Glasgow
G3 7NT

MARTIN AITKEN —&CO— CHARTERED ACCOUNTANTS CHARTERED TAX ADVISERS

CAPABLE PROJECTS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2000

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CAPABLE PROJECTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr J G Stevenson - Director Mrs J H Stevenson - Director
Company secretary	Mrs J H Stevenson
Registered office	Crosshill Road Bishopbriggs Glasgow G64 2QE
Auditors	Martin Aitken & Co. Chartered Accountants & Registered Auditors 1 Royal Terrace Glasgow G3 7NT
Bankers	The Royal Bank of Scotland plc Gleneden Court Kirkintilloch Road Lenzie G66 4LW
Solicitors	MacRoberts Solicitors 152 Bath Street Glasgow G2 4TB

CAPABLE PROJECTS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 10, together with the financial statements of the company for the year ended 31st August 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 10 are properly prepared in accordance with those provisions.

Martin Aitken & Co.

1 Royal Terrace
Glasgow
G3 7NT

MARTIN AITKEN & CO.
Chartered Accountants
& Registered Auditors

4 Jan 2001

CAPABLE PROJECTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST AUGUST 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st August 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was a non trading holding company. The company was incorporated on 2nd September 1997.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 August 2000	At 1 September 1999
Mr J G Stevenson	117,844	117,844
Mrs J H Stevenson	1	1

INTRODUCTION OF EURO

The advent of stage 3 of the Economic and Monetary Union will necessitate significant expenditure by many business entities to adapt their operations and information systems to accommodate the single currency, the Euro. The company is aware of the issues arising from the introduction of the Euro, and considers that that in the short term no significant costs will be incurred by the company in this connection.

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 8, 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.

CAPABLE PROJECTS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST AUGUST 2000

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

AUDITORS

A resolution to re-appoint Martin Aitken & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Crosshill Road
Bishopbriggs
Glasgow
G64 2QE

Signed on behalf of the directors

Mr J G Stevenson
Director

Approved by the directors on 17 Jan 2001

CAPABLE PROJECTS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST AUGUST 2000

	Note	2000 £	1999 £
Administrative expenses		-	-
OPERATING PROFIT	2	-	-
Tax on profit on ordinary activities		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		-	-

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

CAPABLE PROJECTS LIMITED

ABBREVIATED BALANCE SHEET

31ST AUGUST 2000

	Note	2000		1999	
		£	£	£	£
FIXED ASSETS					
Investments	4		368,334		368,334
CURRENT ASSETS					
Debtors	5	100		100	
CREDITORS: Amounts falling due within one year	6	(250,589)		(250,589)	
NET CURRENT LIABILITIES			(250,489)		(250,489)
TOTAL ASSETS LESS CURRENT LIABILITIES			117,845		117,845
CAPITAL AND RESERVES					
Called-up equity share capital	8		117,845		117,845
SHAREHOLDERS' FUNDS	9		117,845		117,845

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 17 Jan 2001, and are signed on their behalf by:

.....
Mr J G Stevenson

CAPABLE PROJECTS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST AUGUST 2000

	2000		1999	
	£	£	£	£
NET CASH INFLOW FROM *OPERATING ACTIVITIES*		-		589
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Acquisition of Investments in group undertakings	-		(118,334)	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		-		(118,334)
CASH OUTFLOW BEFORE FINANCING		-		(117,745)
FINANCING				
Issue of equity share capital	-		117,745	
NET CASH INFLOW FROM FINANCING		-		117,745
INCREASE IN CASH		-		-

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000	1999
	£	£
Increase in creditors	-	589
Net cash inflow from operating activities	-	589

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000	1999
	£	£
Increase in cash in the period	-	-

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 1999	Cash flows	At 31 Aug 2000
	£	£	£
Net cash:			
Net funds	-	-	-

CAPABLE PROJECTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2000

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of preparing financial statements.
The accounts have been prepared on the going concern basis. This is dependant upon the continued support of the other group company, Commutaports Limited. The other group company has indicated that this support will be forthcoming. On the basis of this the director has decided that it is appropriate to prepare the accounts on a going concern basis.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2000 £	1999 £
Directors' emoluments	-	-

3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

4. INVESTMENTS

	Commutaports Limited £
COST	
At 1st September 1999 and 31st August 2000	368,334
NET BOOK VALUE	
At 31st August 2000	368,334
At 31st August 1999	368,334

CAPABLE PROJECTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2000

4. INVESTMENTS *(continued)*

The aggregate capital and reserves and profit or loss for the financial year for the subsidiary is as follows:

	2000 £	1999 £
Capital & Reserves	880,507	536,033
Profit	344,474	300,544

5. DEBTORS

	2000 £	1999 £
Other debtors	100	100

All debtors are repayable within one year of the balance sheet date.

6. CREDITORS: Amounts falling due within one year

	2000 £	£	1999 £	£
Other creditors including:				
Loan - intercompany group		250,589		250,589

The Inter-company loan is interest free and repayable on demand, however there is no agreed fixed term for repayment.

7. CONTINGENCIES

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31st August 2000 (1999 £Nil).

8. SHARE CAPITAL

Authorised share capital:

	2000 £	1999 £
1,000,000 Ordinary shares of £1.00 each	1,000,000	1,000,000

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital brought forward	117,845	100
Issue of ordinary shares	-	117,745
	117,845	117,845

CAPABLE PROJECTS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2000

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
New equity share capital subscribed	-	117,745
Net addition to funds	-	117,745
Opening shareholders' equity funds	117,845	100
Closing shareholders' equity funds	117,845	117,845

10. PENSIONS

The company has not operated, or contributed to any pension scheme on behalf of its employees.

11. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31st August 2000.