

HUMBERSIDE LAND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 1997

COMPANY NO: 1615



HUMBERSIDE LAND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

Company registration number:

1615

Registered office:

Red Lion House
14/16 Wilson Street
Anlaby
HULL
HU10 7AN

Directors:

J R Trout
A Keech
J G Watt

Secretary:

Mrs A G M Trout

Bankers:

Midland Bank plc

Solicitors:

Stamp Jackson & Procter

Auditors:

Grant Thornton
Registered auditors
Chartered accountants

HUMBERSIDE LAND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

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HUMBERSIDE LAND LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the One Hundred and Thirty-first Annual General Meeting of Humberside Land Limited will be held at Red Lion House, 14/16 Wilson Street, Anlaby, Hull on Thursday 25 September 1997 at 10 am for the following purposes:

- 1 To receive and adopt the report of the directors and the financial statements for the year ended 31 March 1997 and the report of the auditors thereon.
- 2 To declare a dividend.
- 3 To re-elect Mr J G Watt, who retires by rotation, as a director of the company.
- 4 To reappoint the auditors and to authorise the directors to fix their remuneration.
- 5 To transact any other business.

Every member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf. A proxy need not be a member of the company.

BY ORDER OF THE BOARD

A. G. M. Trout

A G M TROUT

Secretary

REGISTERED OFFICE

Red Lion House
14/16 Wilson Street
Anlaby
HULL
HU10 7AN

26 June 1997

HUMBERSIDE LAND LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1997.

Principal activities

The group is principally engaged in property dealing and in the letting of property.

Business review

There was a loss for the year after taxation amounting to £6,115 (1996: £182,854). The directors recommend dividends absorbing £10,000.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

Mr J G Watt retires by rotation and being eligible offers himself for re-election.

The interests of the directors and their families in the shares of the company as at 1 April 1996 and 31 March 1997, were as follows:

	Number of shares	
	31 March 1997	1 April 1996
J R Trout (Chairman and Managing Director)	35,791	35,542
A Keech	4,000	4,000
J G Watt	5,225	5,225

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business.

Directors' responsibilities for the financial statements

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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HUMBERSIDE LAND LIMITED

REPORT OF THE DIRECTORS

Investment properties

In the opinion of the directors the value of investment properties is in excess of the book value but the directors are unable to quantify the excess without a professional valuation. The directors do not consider that a professional valuation would serve any useful purpose.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



J R TROUT

Chairman
26 June 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF HUMBERSIDE LAND LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 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.

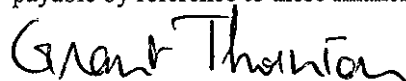
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from disagreement about accounting treatment

As disclosed on page 5 investment properties have been included in the consolidated balance sheet at cost rather than at their open market value at the balance sheet date as required by Statement of Standard Accounting Practice 19 and have not been depreciated. It is not practicable for us to quantify the effect of this treatment.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and, except for the matter referred to in the preceding paragraph, the group at 31 March 1997 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the above qualification is not material for the purposes of determining whether any distribution payable by reference to these financial statements is permitted under the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
BRADFORD**

26 June 1997

HUMBERSIDE LAND LIMITED AND SUBSIDIARY UNDERTAKING

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertaking (see note 9) drawn up to 31 March 1997.

Goodwill arising on consolidation is written off to reserves immediately on acquisition.

Turnover

Turnover is the total amount receivable by the group for properties sold and the gross rentals received on investment properties.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The periods generally applicable are:

Office equipment	5 years
Motor vehicles	4 years

Investment properties

The investment properties have been included at the value attributed to them on acquisition by the group. Depreciation is not provided and consequently the financial statements do not comply with Schedule 4(18) of the Companies Act 1985.

Investments

Investments are included at cost.

Stocks

Stocks are stated at the lower of cost and net realisable value.

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING**CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 1997**

	Note	1997 £	1996 £
Turnover	1	195,300	542,185
Cost of sales		<u>6,746</u>	<u>475,039</u>
Gross profit		188,554	67,146
Other operating charges	2	<u>(499,298)</u>	<u>(542,530)</u>
Rental income from properties		<u>798,857</u>	<u>804,049</u>
Operating profit		488,113	328,665
Net interest	3	<u>491,728</u>	<u>509,019</u>
Loss on ordinary activities before taxation	1	(3,615)	<u>(180,354)</u>
Taxation	5	<u>2,500</u>	<u>2,500</u>
Loss for the financial year		(6,115)	<u>(182,854)</u>
Dividends	7	<u>10,000</u>	<u>10,000</u>
Transfer from reserves		<u>(16,115)</u>	<u>(192,854)</u>
Statement of retained profits			
At 1 April 1996		367,333	560,187
Transfer from reserves		<u>(16,115)</u>	<u>(192,854)</u>
At 31 March 1997		<u>351,218</u>	<u>367,333</u>

There were no recognised gains or losses other than the loss for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

CONSOLIDATED BALANCE SHEET AT 31 MARCH 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	8	<u>187,296</u>	<u>196,228</u>
Current assets			
Stocks	10	4,792,619	4,795,016
Debtors	11	18,991	521,224
Cash at bank and in hand		27	33
		<u>4,811,637</u>	<u>5,316,273</u>
Creditors: amounts falling due within one year	12	<u>1,064,383</u>	<u>1,295,168</u>
Net current assets		<u>3,747,254</u>	<u>4,021,105</u>
Total assets less current liabilities		<u>3,934,550</u>	<u>4,217,333</u>
Creditors: amounts falling due after more than one year	13	<u>3,533,332</u>	<u>3,800,000</u>
		<u>401,218</u>	<u>417,333</u>
Capital and reserves - Equity			
Called up share capital	15	50,000	50,000
Profit and loss account		351,218	367,333
Shareholders' funds	16	<u>401,218</u>	<u>417,333</u>

The financial statements were approved by the Board of Directors on 26 June 1997.

John R Trout

JR TROUT - DIRECTOR

The accompanying accounting policies and notes form an integral part of these financial statements.

HUMBERSIDE LAND LIMITED**BALANCE SHEET AT 31 MARCH 1997**

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	8	33,327	42,259
Investment	9	79,186	79,186
		<u>112,513</u>	<u>121,445</u>
Current assets			
Stocks	10	4,792,619	4,795,016
Debtors	11	58,976	544,702
Cash at bank and in hand		27	33
		<u>4,851,622</u>	<u>5,339,751</u>
Creditors: amounts falling due within one year	12	<u>1,064,132</u>	<u>1,270,447</u>
Net current assets		<u>3,787,490</u>	<u>4,069,304</u>
Total assets less current liabilities		3,900,003	4,190,749
Creditors: amounts falling due after more than one year	13	<u>3,533,332</u>	<u>3,800,000</u>
		<u>366,671</u>	<u>390,749</u>
Capital and reserves - Equity			
Called up share capital	15	50,000	50,000
Profit and loss account		316,671	340,749
Shareholders' funds		<u>366,671</u>	<u>390,749</u>

The financial statements were approved by the Board of Directors on 26 June 1997.



J R TROUT - DIRECTOR

The accompanying accounting policies and notes form an integral part of these financial statements.

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and loss on ordinary activities before taxation are attributable to two activities, property dealing and the letting of property.

	1997 £	Turnover 1996 £	Profit (loss) before taxation	
			1997 £	1996 £
Property dealing	171,300	528,608	(11,578)	(112,460)
Property investment	24,000	13,577	7,963	(67,894)
	<u>195,300</u>	<u>542,185</u>	<u>(3,615)</u>	<u>(180,354)</u>

The loss on ordinary activities is stated after:

	1997 £	1996 £
Auditors' remuneration	7,500	9,000
Depreciation	<u>15,072</u>	<u>12,889</u>

2 OTHER OPERATING CHARGES

	1997 £	1996 £
Property expenses	190,817	243,264
Administration expenses	308,481	299,266
	<u>499,298</u>	<u>542,530</u>

3 NET INTEREST

	1997 £	1996 £
On bank loan and overdraft	<u>491,728</u>	<u>509,019</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1997 £	1996 £
Wages and salaries	241,458	236,008
Social security	25,151	23,450
	<u>266,609</u>	<u>259,458</u>

The average number of employees of the group during the year was 7 (1996: 7).

Remuneration in respect of directors was as follows:

Emoluments	<u>255,749</u>	<u>223,940</u>
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The emoluments set out above include remuneration in respect of the highest paid director as follows:

	1997 £	1996 £
Emoluments	<u>244,249</u>	<u>237,131</u>

5 TAX ON LOSS ON ORDINARY ACTIVITIES

The taxation charge represents:

	1997 £	1996 £
Irrecoverable advance corporation tax	<u>2,500</u>	<u>2,500</u>

Unrelieved interest of £374,000 (1996: £367,000) remains available to offset against future taxable trading profits.

6 LOSS FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a loss of £14,078 (1996: £114,960) which is dealt with in the financial statements of the parent company.

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

7 DIVIDENDS

	1997 £	1996 £
Ordinary shares		
- interim dividend of 15p per share (1996: 15p)	7,500	7,500
- proposed final dividend of 5p per share (1996: 5p)	2,500	2,500
	<u>10,000</u>	<u>10,000</u>

8 TANGIBLE FIXED ASSETS

The group	Investment properties £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 April 1996	153,969	38,091	52,615	244,675
Additions	-	6,140	-	6,140
	<u>153,969</u>	<u>44,231</u>	<u>52,615</u>	<u>250,815</u>
Disposals	-	8,707	-	8,707
At 31 March 1997	<u>153,969</u>	<u>35,524</u>	<u>52,615</u>	<u>242,108</u>
Depreciation				
At 1 April 1996	-	36,389	12,058	48,447
Provided in the year	-	1,918	13,154	15,072
	<u>-</u>	<u>38,307</u>	<u>25,212</u>	<u>63,519</u>
Disposals	-	8,707	-	8,707
At 31 March 1997	<u>-</u>	<u>29,600</u>	<u>25,212</u>	<u>54,812</u>
Net book amount at 31 March 1997	<u>153,969</u>	<u>5,924</u>	<u>27,403</u>	<u>187,296</u>
Net book amount at 31 March 1996	<u>153,969</u>	<u>1,702</u>	<u>40,557</u>	<u>196,228</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

8 TANGIBLE FIXED ASSETS (CONTINUED)

The company	Office equipment £	Motor vehicles £	Total £
Cost			
At 1 April 1996	38,091	52,615	90,706
Additions	6,140	-	6,140
	<u>44,231</u>	<u>52,615</u>	<u>96,846</u>
Disposals	8,707	-	8,707
At 31 March 1997	<u>35,524</u>	<u>52,615</u>	<u>88,139</u>
Depreciation			
At 1 April 1996	36,389	12,058	48,447
Provided in the year	1,918	13,154	15,072
	<u>38,307</u>	<u>25,212</u>	<u>63,519</u>
Disposals	8,707	-	8,707
At 31 March 1997	<u>29,600</u>	<u>25,212</u>	<u>54,812</u>
Net book amount at 31 March 1997	<u>5,924</u>	<u>27,403</u>	<u>33,327</u>
Net book amount at 31 March 1996	<u>1,702</u>	<u>40,557</u>	<u>42,259</u>

9 FIXED ASSET INVESTMENT

The company	Shares in group undertakings £			
Cost and net book amount				
At 1 April 1996 and 31 March 1997				<u>79,186</u>
Subsidiary undertaking	Country of registration	Class of share capital held	Proportion held by parent company	Nature of business
Humberside Property Developments Limited	England	Ordinary	100%	Letting of commercial property

10 STOCKS

	The group and the company	
	1997 £	1996 £
Properties	<u>4,792,619</u>	<u>4,795,016</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

11 DEBTORS

	1997	The group 1996	1997	The company 1996
	£	£	£	£
Trade debtors	18,991	14,915	18,991	14,915
Amounts owed by group undertaking	-	-	39,985	23,635
Other debtors	-	506,309	-	506,152
	<u>18,991</u>	<u>521,224</u>	<u>58,976</u>	<u>544,702</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	The group 1996	1997	The company 1996
	£	£	£	£
Bank overdraft	767,865	737,211	767,714	747,208
Bank loan	266,667	200,000	266,667	200,000
Amounts owed to group undertaking	-	-	-	1,132
Amounts owed to related undertaking	-	180,000	-	180,000
Advance corporation tax	625	625	625	625
Social security and other taxes	22,301	100,042	22,301	96,047
Other creditors	-	60,148	-	40,485
Proposed dividends	2,500	2,500	2,500	2,500
Accruals and deferred income	4,425	14,642	4,325	2,450
	<u>1,064,383</u>	<u>1,295,168</u>	<u>1,064,132</u>	<u>1,270,447</u>

The bank overdraft is secured by a fixed charge by Midland Bank plc over certain properties and by a cross guarantee given by the subsidiary undertaking.

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The group and the company	
	1997	1996
	£	£
Bank loan	<u>3,533,332</u>	<u>3,800,000</u>

The bank loan is secured by a fixed charge by Midland Bank plc over certain properties and by a cross guarantee given by the subsidiary undertaking.

The loan is repayable by quarterly instalments of £66,667. The interest rate on the loan varies over the term of the agreement, negotiated at commercial rates at regular intervals.

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

14 BORROWINGS

Borrowings are repayable as follows:

	1997	The group 1996	1997	The company 1996
	£	£	£	£
Within one year				
Bank loans and overdraft	1,034,532	937,211	1,034,381	947,208
After one and within two years				
Bank loans	266,667	266,667	266,667	266,667
After two and within five years				
Bank loans	800,000	800,000	800,000	800,000
After five years				
Bank loans	2,466,665	2,733,333	2,466,665	2,733,333
	<u>4,567,864</u>	<u>4,737,211</u>	<u>4,567,713</u>	<u>4,747,208</u>

15 SHARE CAPITAL

	1997 and 1996 £
Authorised 150,000 ordinary shares of £1 each	<u>150,000</u>
Allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Loss for the financial year	(6,115)	(182,854)
Dividends	10,000	10,000
Net decrease in shareholders' funds	(16,115)	(192,854)
Shareholders' funds at 1 April 1996	417,333	610,187
Shareholders' funds at 31 March 1997	<u>401,218</u>	<u>417,333</u>

17 TRANSACTION WITH RELATED PARTY

During the year the company repaid, in full, a loan of £180,000 to Humberside Investments Limited, a company controlled by Mr J R Trout.

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

18 CONTROLLING RELATED PARTY

Mr J R Trout controls the company by virtue of shareholding.