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Grant Thornton 

**HUMBERSIDE LAND LIMITED
AND ITS SUBSIDIARY
UNDERTAKING**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2001



Company no 1615

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

FINANCIAL STATEMENTS

For the year ended 31 March 2001

Company registration number: 1615

Registered office: Red Lion House
14/16 Wilson Street
Anlaby
Hull
HU10 7AN

Directors: J R Trout
J G Watt

Secretary: Mrs A G M Trout

Bankers: HSBC Bank plc

Solicitors: Stamp Jackson & Procter

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Eldon Lodge
Eldon Place
Bradford
BD1 3AP

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

FINANCIAL STATEMENTS

For the year ended 31 March 2001

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HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the one hundred and thirty-fourth Annual General Meeting of Humberside Land Limited will be held at Red Lion House, 14/16 Wilson Street, Anlaby, Hull on 27 September 2001 at 9.45am for the following purposes:

- 1 To receive and adopt the report of the directors and the financial statements for the year ended 31 March 2001 and the report of the auditors thereon.
- 2 To declare a dividend.
- 3 To reappoint the auditors and to authorise the directors to fix their remuneration.
- 4 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
Secretary

REGISTERED OFFICE

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

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2001.

Principal activities

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

Business review

There was a profit for the year after taxation amounting to £98,748 (2000: £161,747). The directors recommend dividends absorbing £10,000 leaving £88,748 retained.

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 2000 and 31 March 2001 were as follows:

	Number of shares	
	2001	2000
J R Trout (Chairman and Managing Director)	37,763	37,763
J G Watt	5,225	5,225

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 keeping 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.

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.

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

REPORT OF THE DIRECTORS

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
6 July 2001

**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 the directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 2001 and of the profit 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

6 July 2001

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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 2001.

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 rental 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 rates 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 2001

	Note	2001 £	2000 £
Turnover	1	104,371	87,744
Cost of sales		<u>6,405</u>	<u>5,545</u>
Gross profit		97,966	82,199
Other operating charges	2	(460,597)	(418,829)
Rental income from properties		<u>774,363</u>	<u>795,191</u>
Operating profit		411,732	458,561
Net interest	3	<u>306,255</u>	<u>296,668</u>
Profit on ordinary activities before taxation	1	105,477	161,893
Taxation	5	<u>6,729</u>	<u>146</u>
Profit for the financial year		98,748	161,747
Dividends	7	10,000	10,000
Transfer to reserves		<u>88,748</u>	<u>151,747</u>
Statement of retained profits			
At 1 April 2000		694,033	542,286
Transfer to reserves		<u>88,748</u>	<u>151,747</u>
At 31 March 2001		<u>782,781</u>	<u>694,033</u>

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

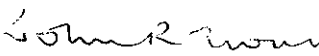
The accompanying accounting policies and notes form an integral part of these financial statements.

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	8	<u>155,920</u>	<u>157,799</u>
Current assets			
Stocks	10	4,941,152	4,932,991
Debtors	11	16,240	16,581
Cash at bank and in hand		15,051	6,375
		<u>4,972,443</u>	<u>4,955,947</u>
Creditors: amounts falling due within one year	12	<u>697,154</u>	<u>628,718</u>
Net current assets		<u>4,275,289</u>	<u>4,327,229</u>
Total assets less current liabilities		<u>4,431,209</u>	<u>4,485,028</u>
Creditors: amounts falling due after more than one year	13	<u>3,598,428</u>	<u>3,740,995</u>
		<u>832,781</u>	<u>744,033</u>
Capital and reserves - Equity			
Called up share capital	15	50,000	50,000
Profit and loss account		782,781	694,033
Shareholders' funds	16	<u>832,781</u>	<u>744,033</u>

The financial statements were approved by the Board of Directors on 6 July 2001.


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

BALANCE SHEET AT 31 MARCH 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	8	1,951	3,830
Investment	9	79,186	79,186
		<u>81,137</u>	<u>83,016</u>
Current assets			
Stocks	10	4,941,152	4,932,991
Debtors	11	16,240	31,193
Petty cash		84	50
		<u>4,957,476</u>	<u>4,964,234</u>
Creditors: amounts falling due within one year	12	<u>687,449</u>	<u>639,110</u>
Net current assets		<u>4,270,027</u>	<u>4,325,124</u>
Total assets less current liabilities		<u>4,351,164</u>	<u>4,408,140</u>
Creditors: amounts falling due after more than one year	13	<u>3,598,428</u>	<u>3,740,995</u>
		<u>752,736</u>	<u>667,145</u>
Capital and reserves - Equity			
Called up share capital	15	50,000	50,000
Profit and loss account		<u>702,736</u>	<u>617,145</u>
Shareholders' funds		<u>752,736</u>	<u>667,145</u>

The financial statements were approved by the Board of Directors on 6 July 2001.

J R Trout
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 2001

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are attributable to two activities, property dealing and the letting of property.

	2001	Turnover 2000	Profit before taxation 2001	2000
	£	£	£	£
Property dealing	72,000	58,750	87,320	149,127
Property investment	32,371	28,994	18,157	12,766
	<u>104,371</u>	<u>87,744</u>	<u>105,477</u>	<u>161,893</u>

The profit on ordinary activities is stated after:

	2001 £	2000 £
Profit on disposal of fixed assets	(5,000)	-
Auditors' remuneration	11,200	11,200
Depreciation	<u>2,283</u>	<u>3,437</u>

2 OTHER OPERATING EXPENSES

	2001 £	2000 £
Property expenses	166,186	115,192
Administration expenses	<u>294,411</u>	<u>303,637</u>
	<u>460,597</u>	<u>418,829</u>

3 NET INTEREST

	2001 £	2000 £
On bank loan and overdraft	<u>306,255</u>	<u>296,668</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	238,690	245,156
Social security costs	29,674	27,681
	<u>268,364</u>	<u>272,837</u>

The average number of employees of the group during the year was 5 (2000: 5).

Remuneration in respect of directors was as follows:

	2001 £	2000 £
Emoluments	<u>257,307</u>	<u>256,415</u>

The emoluments set out above include remuneration in respect of the highest paid director as follows:

	2001 £	2000 £
Emoluments	<u>248,557</u>	<u>247,665</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge represents:

	2001 £	2000 £
Corporation tax at 20% (2000: 20%)	6,875	146
Prior year adjustment:		
Corporation tax	<u>(146)</u>	<u>-</u>
	<u>6,729</u>	<u>146</u>

6 PROFIT 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 profit for the year includes a profit of £80,591 (2000: £148,981) 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 2001

7 DIVIDENDS

	2001 £	2000 £
Ordinary shares:		
- Interim dividend of 15p per share (2000: 15p)	7,500	7,500
- Proposed final dividend of 5p per share (2000: 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 2000	153,969	40,395	52,615	246,979
Additions	-	404	-	404
Disposals	-	-	(52,615)	(52,615)
At 31 March 2001	<u>153,969</u>	<u>40,799</u>	<u>-</u>	<u>194,768</u>
Depreciation				
At 1 April 2000	-	36,565	52,615	89,180
Provided in the year	-	2,283	-	2,283
Eliminated on disposals	-	-	(52,615)	(52,615)
At 31 March 2001	<u>-</u>	<u>38,848</u>	<u>-</u>	<u>38,848</u>
Net book amount at 31 March 2001	<u>153,969</u>	<u>1,951</u>	<u>-</u>	<u>155,920</u>
Net book amount at 31 March 2000	<u>153,969</u>	<u>3,830</u>	<u>-</u>	<u>157,799</u>
The company		Office equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2000		40,395	52,615	93,010
Additions		404	-	404
Disposals		-	(52,615)	(52,615)
At 31 March 2001		<u>40,799</u>	<u>-</u>	<u>40,799</u>
Depreciation				
At 1 April 2000		36,565	52,615	89,180
Provided in the year		2,283	-	2,283
Eliminated on disposal		-	(52,615)	(52,615)
At 31 March 2001		<u>38,848</u>	<u>-</u>	<u>38,848</u>
Net book amount at 31 March 2001		<u>1,951</u>	<u>-</u>	<u>1,951</u>
Net book amount at 31 March 2000		<u>3,830</u>	<u>-</u>	<u>3,830</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

9 FIXED ASSET INVESTMENTS

				Shares in group undertakings £
The company				
Cost and net book amount				
At 1 April 2000 and 31 March 2001				<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 and Wales	Ordinary	100%	Letting of commercial property

10 STOCKS

		The group and the company	
		2001	2000
		£	£
Properties		<u>4,941,152</u>	<u>4,932,991</u>

11 DEBTORS

	The group		The company	
	2001	2000	2001	2000
	£	£	£	£
Other debtors	153	-	153	-
Trade debtors	16,087	16,581	16,087	16,193
Amounts owed by other group undertakings	-	-	-	15,000
	<u>16,240</u>	<u>16,581</u>	<u>16,240</u>	<u>31,193</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	2001	2000	2001	2000
	£	£	£	£
Bank overdraft	414,535	354,196	414,535	354,196
Bank loan	138,956	129,010	138,956	129,010
Amounts owed to related undertaking	-	-	-	15,000
Social security and other taxes	51,561	43,681	47,659	39,773
Other creditors	37,198	44,947	32,098	44,947
Corporation tax	6,875	146	6,875	146
Proposed dividends	2,500	2,500	2,500	2,500
Accruals and deferred income	45,529	54,238	44,826	53,538
	<u>697,154</u>	<u>628,718</u>	<u>687,449</u>	<u>639,110</u>

The bank overdraft is secured by a fixed charge by HSBC 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	
	2001	2000
	£	£
Bank loan	<u>3,598,428</u>	<u>3,740,995</u>

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

The loan is repayable by quarterly instalments of £104,815. 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 2001

14 BORROWINGS

Borrowings are repayable as follows:

	2001 £	2000 £
Within one year:		
Bank loans and overdraft	553,491	483,206
After one and within two years:		
Bank loans	149,378	138,685
After two and within five years:		
Bank loans	518,778	481,643
After five years:		
Bank loans	<u>2,930,272</u>	<u>3,120,667</u>
	<u>4,151,919</u>	<u>4,224,201</u>

15 SHARE CAPITAL

	2001 and 2000 £
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

	2001 £	2000 £
Profit for the financial year	98,748	161,747
Dividends	<u>10,000</u>	<u>10,000</u>
Net increase in shareholders' funds	88,748	151,747
Shareholders' funds at 1 April 2000	<u>744,033</u>	<u>592,286</u>
Shareholders' funds at 31 March 2001	<u>832,781</u>	<u>744,033</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

17 TRANSACTION WITH RELATED PARTY

During the year Mr J R Trout purchased a motor car from Humberside Land Limited for £5,000.

18 CONTROLLING RELATED PARTY

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