

Humberside Land Limited

Financial statements

For the year ended 31 March 2005

Grant Thornton 



Company No. 1615

Officers and professional advisers company information

Company registration number	1615
Registered office	Conifer Lodge Tranby Lane Swanland East Yorkshire HU14 3NB
Directors	Mr J R Trout Mr J G Watt
Secretary	Mrs A G M Trout
Bankers	HSBC Bank plc King William House Market Place Hull HU3 1RS
Solicitors	Stamp, Jackson & Procter 5 Parliament Street Hull HU3 1RS
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors St Johns Centre 110 Albion Street Leeds LS2 8LA

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Notice of meeting

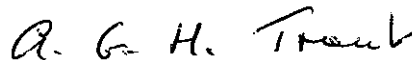
Notice is hereby given that the one hundred and thirty-seventh Annual General Meeting of Humberside Land Limited will be held on 22 September 2005 at 10 am at the registered office for the following purposes:

1. To receive and adopt the directors' report and financial statements for the year ended 31 March 2005.
2. To re-appoint Grant Thornton UK LLP as auditors and to authorise the directors to fix their remuneration.
3. To declare a dividend.
4. To transact any other business.

Registered office:

Conifer Lodge
Tranby Lane
Swanland
East Yorkshire
HU14 3NB

By order of the board



Mrs A G M Trout
Company secretary
11 July 2005

Notes:

- a. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the company.

Report of the directors

The directors present their report and the financial statements of the group for the year ended 31 March 2005.

Principal activities and business review

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

Results and dividends

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

The directors have recommended the following dividends:

	2005 £	2004 £
Proposed dividend on ordinary shares	2,500	2,500
Dividend paid on ordinary shares	7,500	7,500
	<u>10,000</u>	<u>10,000</u>

The directors and their interests

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 March 2005	At 1 April 2004
Mr J R Trout	37,763	37,763
Mr J G Watt	<u>5,225</u>	<u>5,225</u>

Mr J R Trout retires by rotation and being eligible offers himself for re-election.

Fixed assets

Investment Properties

In the opinion of the directors the value of the 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.

Directors' responsibilities

United Kingdom 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 group at the end of the year and of the group's profit or loss for the year then ended. 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 group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Mrs A G M Trout
Secretary
11 July 2005

Report of the independent auditors to the members of Humberside Land Limited

We have audited the financial statements of Humberside Land Limited for the year ended 31 March 2005 which comprise the accounting policies principal accounting policies, profit and loss account, group balance sheet and company balance sheet and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 group'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.

Report of the independent auditors to the members of Humberside Land Limited (continued)

Qualified opinion arising from disagreement about accounting treatment

As disclosed in the accounting policies on page 9, investment properties have been included in the 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. It is not possible to quantify the effect of this treatment.

Except for accounting treatment of investment properties in our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 March 2005 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 the company by reference to these financial statements is permitted under the Companies Act 1985.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LEEDS
18 July 2005

Accounting policies principal accounting policies

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a group cash flow cash flow statement in the financial statements on the grounds that the company is small.

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 20% per annum

Stocks

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

Investments

Investments are stated at cost.

Investment properties

Investment properties are included at cost. This treatment is not in accordance with the requirements of Statement of Standard Accounting Practice no 19 which requires investment properties to be included in the balance sheet at their open market value. Depreciation is not provided and consequently the financial statements do not comply with schedule 4(18) of the Companies Act 1985.

Profit and loss account

	Note	2005 £	2004 £
Group turnover	1	37,307	94,335
Cost of sales		—	803
Gross profit		37,307	93,532
Other operating charges	2	489,006	500,122
Other operating income	3	(889,507)	(796,154)
Operating profit	4	437,808	389,564
Interest receivable and similar income		2,375	2,027
Interest payable and similar charges	7	(205,280)	(170,252)
Profit on ordinary activities before taxation		234,903	221,339
Tax on profit on ordinary activities	8	61,387	56,604
Profit on ordinary activities after taxation	9	173,516	164,735
Dividends	10	10,000	10,000
Retained profit for the financial year	20	163,516	154,735

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

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

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

Group balance sheet

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	11	<u>161,745</u>	<u>165,878</u>
Current assets			
Stocks	13	<u>4,989,666</u>	<u>4,968,468</u>
Debtors	14	<u>28,531</u>	<u>26,406</u>
		<u>5,018,197</u>	<u>4,994,874</u>
Creditors: amounts falling due within one year	15	<u>460,676</u>	<u>800,082</u>
Net current assets		<u>4,557,521</u>	<u>4,194,792</u>
Total assets less current liabilities		<u>4,719,266</u>	<u>4,360,670</u>
Creditors: amounts falling due after more than one year	16	<u>3,015,812</u>	<u>2,820,732</u>
		<u>1,703,454</u>	<u>1,539,938</u>
Capital and reserves			
Called-up equity share capital	19	<u>50,000</u>	<u>50,000</u>
Profit and loss account	20	<u>1,653,454</u>	<u>1,489,938</u>
Shareholders' funds	21	<u>1,703,454</u>	<u>1,539,938</u>

These financial statements were approved by the directors on 11 July 2005 and are signed on their behalf by:



Mr J R Trout

Balance sheet

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	11	7,776	11,909
Investments	12	79,186	79,186
		<u>86,962</u>	<u>91,095</u>
Current assets			
Stocks	13	4,989,666	4,968,468
Debtors	14	28,531	25,823
		<u>5,018,197</u>	<u>4,994,291</u>
Creditors: amounts falling due within one year	15	530,844	854,861
Net current assets		<u>4,487,353</u>	<u>4,139,430</u>
Total assets less current liabilities		<u>4,574,315</u>	<u>4,230,525</u>
Creditors: amounts falling due after more than one year	16	3,015,812	2,820,732
		<u>1,558,503</u>	<u>1,409,793</u>
Capital and reserves			
Called-up equity share capital	19	50,000	50,000
Profit and loss account	20	1,508,503	1,359,793
Shareholders' funds		<u>1,558,503</u>	<u>1,409,793</u>

These financial statements were approved by the directors on 11 July 2005 and are signed on their behalf by:



Mr J R Trout

Notes to the financial statements

1 Turnover

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

	2005	Turnover	Profit before taxation	2004
	£	2004	2005	£
		£	£	
Property dealing	-	58,000	-	57,197
Investment property rents	37,307	36,335	18,279	20,638
	<u>37,307</u>	<u>94,335</u>	<u>18,279</u>	<u>77,835</u>

2 Other operating income and charges

	2005	2004
	£	£
Property expenses	221,584	218,558
Administrative expenses	267,422	281,564
Other operating income	(889,507)	(796,154)
	<u>(400,501)</u>	<u>(296,032)</u>

3 Other operating income

	2005	2004
	£	£
Rent receivable	<u>889,507</u>	<u>796,154</u>

4 Operating profit

Operating profit is stated after charging:

	2005	2004
	£	£
Depreciation of owned fixed assets	4,738	4,918
Auditors' remuneration:		
Audit fees	<u>10,700</u>	<u>10,700</u>

5 Particulars of employees directors and employees

The average number of persons employed by the group during the financial year, including the directors, amounted to 4 (2004 - 4).

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	216,500	216,500
Social security costs	26,252	26,235
	<u>242,752</u>	<u>242,735</u>

6 Directors

Remuneration in respect of directors was as follows:

	2005 £	2004 £
Emoluments receivable	<u>216,500</u>	<u>216,500</u>

Emoluments of highest paid director:

	2005 £	2004 £
Total emoluments (excluding pension contributions)	<u>199,720</u>	<u>199,720</u>

7 Interest payable and similar charges

	2005 £	2004 £
Interest payable on bank overdraft	2,204	2,757
Interest payable on bank loan	203,076	167,495
	<u>205,280</u>	<u>170,252</u>

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	61,421	56,613
(Over) provision in prior year	(34)	(9)
Total current tax	<u>61,387</u>	<u>56,604</u>

8 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>234,903</u>	<u>221,339</u>
Profit on ordinary activities by rate of tax	70,470	66,402
Expenses not deductible for tax purposes	7	—
Capital allowances for period in excess of depreciation	684	622
Tax chargeable at lower rates	(9,740)	(10,411)
Adjustments to tax charge in respect of previous periods	(34)	(9)
Total current tax (note 8(a))	<u>61,387</u>	<u>56,604</u>

9 Profit attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £158,710 (2004 - £148,018).

10 Dividends

	2005 £	2004 £
Equity dividends:		
Proposed dividend on ordinary shares	2,500	2,500
Dividend paid on ordinary shares	7,500	7,500
	<u>10,000</u>	<u>10,000</u>

11 Tangible fixed assets

Group	Freehold Property £	Fixtures & Fittings £	Total £
Cost			
At 1 April 2004	153,969	64,338	218,307
Additions	—	604	604
At 31 March 2005	<u>153,969</u>	<u>64,942</u>	<u>218,911</u>
Depreciation			
At 1 April 2004	—	52,428	52,428
Charge for the year	—	4,738	4,738
At 31 March 2005	<u>—</u>	<u>57,166</u>	<u>57,166</u>
Net book value			
At 31 March 2005	<u>153,969</u>	<u>7,776</u>	<u>161,745</u>
At 31 March 2004	<u>153,969</u>	<u>11,910</u>	<u>165,879</u>
Company		Fixtures & Fittings £	
Cost			
At 1 April 2004			64,338
Additions			604
At 31 March 2005			<u>64,942</u>
Depreciation			
At 1 April 2004			52,428
Charge for the year			4,738
At 31 March 2005			<u>57,166</u>
Net book value			
At 31 March 2005			<u>7,776</u>
At 31 March 2004			<u>11,910</u>

12 Investments

Company

The company owns 100% of the ordinary share capital of Humberside Property Developments Limited a commercial property company registered in England and Wales.

£

Cost

At 1 April 2004 and 31 March 2005

79,186

Net book value

At 31 March 2005

79,186

At 31 March 2004

79,186

13 Stocks

	2005	The group	2005	The company
	£	2004	£	2004
		£		£
Properties	<u>4,989,666</u>	<u>4,968,468</u>	<u>4,989,666</u>	<u>4,968,468</u>

14 Debtors

	2005	The group	2005	The company
	£	2004	£	2004
		£		£
Trade debtors	<u>25,806</u>	23,602	<u>25,806</u>	23,019
Other debtors	<u>2,725</u>	2,804	<u>2,725</u>	2,804
	<u>28,531</u>	<u>26,406</u>	<u>28,531</u>	<u>25,823</u>

15 Creditors: amounts falling due within one year

	2005	The group	2005	The company
	£	2004	£	2004
		£		£
Bank loan	<u>229,105</u>	256,185	<u>229,105</u>	256,185
Bank overdraft	<u>42,983</u>	291,379	<u>56,412</u>	299,440
Amounts owed to group undertakings	—	—	<u>65,000</u>	61,000
Proposed dividends	<u>2,500</u>	2,500	<u>2,500</u>	2,500
Corporation tax	<u>61,421</u>	56,586	<u>57,948</u>	52,665
Other taxation and social security	<u>57,063</u>	46,237	<u>52,875</u>	42,032
Other creditors	<u>30,816</u>	65,811	<u>30,816</u>	60,455
Amounts owed to Humberside Investments Limited	—	45,000	—	45,000
Accruals and deferred income	<u>36,788</u>	36,384	<u>36,188</u>	35,584
	<u>460,676</u>	<u>800,082</u>	<u>530,844</u>	<u>854,861</u>

16 Creditors: amounts falling due after more than one year

	The group		The company	
	2005	2004	2005	2004
	£	£	£	£
Bank loan-due for repayment by instalments after 31 March 2006	<u>3,015,812</u>	<u>2,820,732</u>	<u>3,015,812</u>	<u>2,820,732</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 £100,028. The interest rate on the loan varies over the term of the agreement, negotiated at commercial rates at regular intervals.

17 Creditors - bank loan

Creditors include a bank loan which is due for repayment as follows:

	The group		The company	
	2005	2004	2005	2004
	£	£	£	£
Amounts repayable:				
In one year or less or on demand	229,105	257,108	229,105	257,108
In more than one year but not more than two years	241,179	270,657	241,179	270,657
In more than two years but not more than five years	802,512	900,600	802,512	900,600
In more than five years	1,972,121	1,648,522	1,972,121	1,648,522
	<u>3,244,917</u>	<u>3,076,887</u>	<u>3,244,917</u>	<u>3,076,887</u>

18 Related party transactions

The company was under the control of Mr J R Trout throughout the current and previous year.

19 Share capital

Authorised share capital:

	2005	2004
	£	£
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

20 Reserves

Group	Profit and loss account £
At 1 April 2004	1,489,938
Retained profit for the year	163,516
At 31 March 2005	<u>1,653,454</u>

Company	Profit and loss account £
At 1 April 2004	1,359,793
Retained profit for the year	148,710
At 31 March 2005	<u>1,508,503</u>

21 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	173,516	164,735
Dividends	(10,000)	(10,000)
	<u>163,516</u>	<u>154,735</u>
Opening shareholders' equity funds	1,539,938	1,385,203
Closing shareholders' equity funds	<u>1,703,454</u>	<u>1,539,938</u>