

Humberside Land Limited
Financial statements
For the year ended 31 March 2004

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 HU1 2AZ
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors St Johns Centre 110 Albion Street LEEDS LS2 8LA

Contents index

Notice of annual general meeting	4
Report of the directors	5 - 6
Report of the independent auditors	7 - 8
Principal accounting policies	9
Profit and loss account	10
Group balance sheet	11
Balance sheet	12
Notes to the financial statements	13 - 19

Notice of meeting

Notice is hereby given that the one hundred and thirty-sixth Annual General Meeting of Humberside Land Limited will be held on 23 September 2004 at 9.30am at the registered office for the following purposes:.

1. To receive and adopt the directors' report and financial statements for the for the year ended 31 March 2004.
2. To declare a dividend.
3. To reappoint the auditors, Grant Thornton UK LLP. On 1 July 2004, the Grant Thornton partnership converted to a limited liability partnership called Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors extended the appointment to Grant Thornton UK LLP with effect from 1 July 2004.
4. To transact any other business.

Registered office:

Conifer Lodge
Tranby Lane
Swanland
East Yorkshire
HU14 3NB

By order of the board



J R Trout
Chairman

1 July 2004

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 2004.

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:

	2004 £	2003 £
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 2004	At 1 April 2003
Mr J R Trout	37,763	37,763
Mr J G Watt	<u>5,225</u>	<u>5,225</u>

Mr J G Watt 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

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

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985. On 1 July 2004, the Grant Thornton partnership converted to a limited liability partnership called Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

ON BEHALF OF THE BOARD



J R Trout
Chairman

1 July 2004

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 2004 which comprise the 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 Directors' Report 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 company is not disclosed.

We read other information contained in the Directors' Report 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.

Qualified opinion arising from disagreement about accounting treatment

As disclosed in the accounting policies on page 6 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 the failure to account for investment properties as required by Statement of Standard Accounting Practice 19 referred to above, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2004 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

2 July 2004

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) 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

Investment properties

Investment properties are included at cost. Depreciation is not provided and consequently the financial statements do not comply with schedule 4(18) of the Companies Act 1985.

Stocks

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

Investments

Investments are stated at cost.

Profit and loss account

	Note	2004 £	2003 £
Group turnover	1	94,335	658,955
Cost of sales		803	322,934
Gross profit		93,532	336,021
Other operating charges	2	500,122	401,111
Other operating income	3	(796,154)	(755,485)
Operating profit	4	389,564	690,395
Interest receivable and similar income		2,027	646
Interest payable	7	(170,252)	(198,550)
Profit on ordinary activities before taxation		221,339	492,491
Tax on profit on ordinary activities	8	56,604	149,203
Profit on ordinary activities after taxation	9	164,735	343,288
Dividends	10	10,000	10,000
Retained profit for the financial year		154,735	333,288

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	2004 £	2003 £
Fixed assets			
Tangible assets	11	<u>165,878</u>	<u>170,796</u>
Current assets			
Stocks	13	4,968,468	4,641,891
Debtors	14	26,406	45,018
Cash at bank		—	128,449
		<u>4,994,874</u>	<u>4,815,358</u>
Creditors: amounts falling due within one year	15	<u>800,082</u>	<u>503,214</u>
Net current assets		<u>4,194,792</u>	<u>4,312,144</u>
Total assets less current liabilities		<u>4,360,670</u>	<u>4,482,940</u>
Creditors: amounts falling due after more than one year	16	<u>2,820,732</u>	<u>3,097,737</u>
		<u>1,539,938</u>	<u>1,385,203</u>
Capital and reserves			
Called-up equity share capital	19	50,000	50,000
Profit and loss account	20	1,489,938	1,335,203
Shareholders' funds	21	<u>1,539,938</u>	<u>1,385,203</u>

These financial statements were approved by the directors on 1 July 2004 and are signed on their behalf by:



Mr J R Trout

Balance sheet

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	11	11,909	16,827
Investments	12	79,186	79,186
		<u>91,095</u>	<u>96,013</u>
Current assets			
Stocks	13	4,968,468	4,641,891
Debtors	14	25,823	45,018
Cash at bank		—	75,672
		<u>4,994,291</u>	<u>4,762,581</u>
Creditors: amounts falling due within one year	15	854,861	489,082
Net current assets		<u>4,139,430</u>	<u>4,273,499</u>
Total assets less current liabilities		<u>4,230,525</u>	<u>4,369,512</u>
Creditors: amounts falling due after more than one year	16	2,820,732	3,097,737
		<u>1,409,793</u>	<u>1,271,775</u>
Capital and reserves			
Called-up equity share capital	19	50,000	50,000
Profit and loss account	20	1,359,793	1,221,775
Shareholders' funds		<u>1,409,793</u>	<u>1,271,775</u>

These financial statements were approved by the directors on 1 July 2004 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.

	2004	Turnover	Profit before taxation	2003
	£	2003	2004	£
		£	£	
Property dealing	58,000	625,000	57,197	302,066
Investment property rents	36,335	33,955	20,638	20,605
	<u>94,335</u>	<u>658,955</u>	<u>77,835</u>	<u>322,671</u>

2 Other operating income and charges

	2004	2003
	£	£
Property expenses	225,958	135,920
Administrative expenses	274,164	265,191
Rental income	(796,154)	(755,485)
	<u>(296,032)</u>	<u>(354,374)</u>

3 Other operating income

	2004	2003
	£	£
Rental income	<u>796,154</u>	<u>755,485</u>

4 Operating profit

Operating profit is stated after charging:

	2004 £	2003 £
Depreciation of owned fixed assets	4,918	5,276
Auditors' remuneration:		
Audit fees	<u>10,700</u>	<u>10,000</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 (2003 - 4).

The aggregate payroll costs of the above were:

	2004 £	2003 £
Wages and salaries	216,500	213,750
Social security costs	26,235	23,889
	<u>242,735</u>	<u>237,639</u>

6 Directors

Remuneration in respect of directors was as follows:

	2004 £	2003 £
Emoluments receivable	<u>216,500</u>	<u>199,651</u>
Emoluments of highest paid director:		
	2004 £	2003 £
Total emoluments (excluding pension contributions):	<u>199,720</u>	<u>196,901</u>

7 Interest payable and similar charges

	2004 £	2003 £
Interest payable on bank borrowing	2,757	3,461
Other similar charges payable	<u>167,495</u>	<u>195,089</u>
	<u>170,252</u>	<u>198,550</u>

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2003 - 30%)	56,613	145,077
(Over)/under provision in prior year	(9)	4,126
Total current tax	<u>56,604</u>	<u>149,203</u>

(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% (2003 - 30%).

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>221,339</u>	<u>492,491</u>
Profit/(loss) on ordinary activities by rate of tax	66,402	147,747
Expenses not deductible for tax purposes	—	450
Capital allowances for period in excess of depreciation	622	(67)
Tax chargeable at lower rates	(10,411)	(3,053)
Adjustments to tax charge in respect of previous periods	(9)	4,126
Total current tax (note 8(a))	<u>56,604</u>	<u>149,203</u>

9 Profit attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £148,018 (2003 - £326,598).

10 Dividends

	2004 £	2003 £
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 2003 and 31 March 2004	<u>153,969</u>	<u>64,338</u>	<u>218,307</u>
Depreciation			
At 1 April 2003	—	47,511	47,511
Charge for the year	—	4,918	4,918
At 31 March 2004	<u>—</u>	<u>52,429</u>	<u>52,429</u>
Net book value			
At 31 March 2004	<u>153,969</u>	<u>11,909</u>	<u>165,878</u>
At 31 March 2003	<u>153,969</u>	<u>16,827</u>	<u>170,796</u>
Company		Fixtures & Fittings £	
Cost			
At 1 April 2003 and 31 March 2004			<u>64,338</u>
Depreciation			
At 1 April 2003			47,511
Charge for the year			4,918
At 31 March 2004			<u>52,429</u>
Net book value			
At 31 March 2004			<u>11,909</u>
At 31 March 2003			<u>16,827</u>

12 Investments

Company

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

	£
Cost	
At 1 April 2003 and 31 March 2004	<u>79,186</u>
Net book value	
At 31 March 2004	<u>79,186</u>
At 31 March 2003	<u>79,186</u>

13 Stocks

	2004	The group 2003	2004	The company 2003
	£	£	£	£
Properties	<u>4,968,468</u>	<u>4,641,891</u>	<u>4,968,468</u>	<u>4,641,891</u>

14 Debtors

	2004	The group 2003	2004	The company 2003
	£	£	£	£
Trade debtors	23,602	17,394	23,019	17,394
Amounts owed by undertakings in which the company has a participating interest	—	26,000	—	26,000
Other debtors	<u>2,804</u>	<u>1,624</u>	<u>2,804</u>	<u>1,624</u>
	<u>26,406</u>	<u>45,018</u>	<u>25,823</u>	<u>45,018</u>

15 Creditors: amounts falling due within one year

	2004	The group 2003	2004	The company 2003
	£	£	£	£
Bank loan	256,185	229,603	256,185	229,603
Bank overdraft	291,352	—	299,413	—
Amounts owed to group undertakings	—	—	61,000	—
Proposed dividends	2,500	2,500	2,500	2,500
Corporation tax	56,613	145,085	52,692	141,170
Other taxation and social security	46,237	47,425	42,032	43,308
Other creditors	65,811	36,916	60,455	31,516
Amounts owed to Humberside Investments Limited	45,000	—	45,000	—
Accruals and deferred income	<u>36,384</u>	<u>41,685</u>	<u>35,584</u>	<u>40,985</u>
	<u>800,082</u>	<u>503,214</u>	<u>854,861</u>	<u>489,082</u>

16 Creditors: amounts falling due after more than one year

	2004	The group 2003	2004	The company 2003
	£	£	£	£
Bank loan- due for repayment by instalments after 31 March 2005	<u>2,820,732</u>	<u>3,097,737</u>	<u>2,820,732</u>	<u>3,097,737</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.

17 Creditors - bank loan

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

	The group		The company	
	2004	2003	2004	2003
	£	£	£	£
Amounts repayable:				
In one year or less or on demand	256,185	229,603	256,185	229,603
In more than one year but not more than two years	270,657	242,690	270,657	242,690
In more than two years but not more than five years	900,600	814,270	900,600	814,270
In more than five years	1,649,445	2,040,777	1,649,445	2,040,777
	<u>3,076,887</u>	<u>3,327,340</u>	<u>3,076,887</u>	<u>3,327,340</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:

	2004	2003
	£	£
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

Allotted, called up and fully paid:

	2004		2003	
	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 2003	1,335,203
Retained profit for the year	154,735
At 31 March 2004	<u>1,489,938</u>

20 Reserves (continued)

Company	Profit and loss account £
At 1 April 2003	1,221,775
Retained profit for the year	138,018
At 31 March 2004	<u>1,359,793</u>

21 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	164,735	343,288
Dividends	<u>(10,000)</u>	<u>(10,000)</u>
	154,735	333,288
Opening shareholders' equity funds	<u>1,385,203</u>	<u>1,051,915</u>
Closing shareholders' equity funds	<u>1,539,938</u>	<u>1,385,203</u>

Management information

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 7 to 8.**

Humberside Land Limited
Consolidated trading account
For the year ended 31 March 2004

	Humberside Land Limited 2004 £	Humberside Property Develop- ments Limited 2004 £	Total 2004 £	Humberside Land Limited 2003 £	Humberside Property Develop- ments Limited 2003 £	Total 2003 £
Sales	58,000	36,335	94,335	625,000	33,955	658,955
Cost of sales	(803)	-	(803)	(322,934)	-	(322,934)
Gross profit	57,197	36,335	93,532	302,066	33,955	336,021
Rents receivable	796,154	-	796,154	755,485	-	755,485
Property expenses	(221,669)	(4,289)	(225,958)	(135,920)	(2,978)	(138,898)
Administrative expenses	(262,336)	(11,828)	(274,164)	(251,195)	(11,018)	(262,213)
Operating profit	369,346	20,218	389,564	670,436	19,959	690,395
Interest:						
On bank loan	(167,495)	-	(167,495)	(195,089)	-	(195,089)
On overdraft	(2,757)	-	(2,757)	(3,461)	-	(3,461)
Interest receivable	1,607	420	2,027	-	646	646
Trading profit	200,701	20,638	221,339	471,886	20,605	492,491

Humberside Land Limited
Trading Account

For the year ended 31 March 2004

	2004 £	2004 £	2003 £	2003 £
Sale of properties		58,000		625,000
Deduct:				
Selling expenses		(478)		(13,315)
		<u>57,522</u>		<u>611,685</u>
Stock at 1 April 2003	4,641,891		4,887,422	
Purchases	<u>326,902</u>		<u>64,088</u>	
	4,968,793		4,951,510	
Deduct: Stock at 31 March 2004	<u>4,968,468</u>		<u>4,641,891</u>	
		(325)		(309,619)
Gross profit		<u>57,197</u>		<u>302,066</u>
Rents receivable, less expenses per Schedule I		574,485		619,565
Administrative expenses per Schedule II		<u>(262,336)</u>		<u>(251,195)</u>
Operating profit		369,346		670,436
Interest receivable		1,607		
Interest payable:				
On bank loan		(167,495)		(195,089)
On bank overdraft		<u>(2,757)</u>		<u>(3,461)</u>
Trading profit		<u>200,701</u>		<u>471,886</u>

Humberside Land Limited
Schedules to Trading Account

For the year ended 31 March 2004

SCHEDULE I RENTS RECEIVABLE, LESS EXPENSES

	2004 £	2004 £	2003 £	2003 £
Rents receivable		796,154		755,485
Expenses:				
Agents' fees	18,166		19,035	
Agents' commission	18,465		17,771	
Repairs	147,386		59,233	
Insurance	8,985		7,053	
Rates	9,132		15,224	
Irrecoverable VAT	16,345		7,582	
Bad debts	3,190		10,022	
		<u>221,669</u>		<u>135,920</u>
Per trading account		<u>574,485</u>		<u>619,565</u>

Humberside Land Limited
Schedules to Trading Account

For the year ended 31 March 2004

SCHEDULE II ADMINISTRATIVE EXPENSES

	2004 £	2003 £
Directors' fees	8,750	8,750
Directors' salaries	198,750	196,000
National insurance contributions	25,674	23,372
Bank charges	445	819
Insurance	986	954
Repairs	41	336
Telephone	641	146
Printing and stationery	861	265
Postage	328	348
Audit and accountancy	9,200	8,600
Legal charges	7,195	2,002
Computer maintenance and supplies	3,435	3,199
Subscriptions	1,044	1,111
Miscellaneous expenses	68	17
Depreciation:		
- Office equipment	4,918	5,276
	<u>262,336</u>	<u>251,195</u>