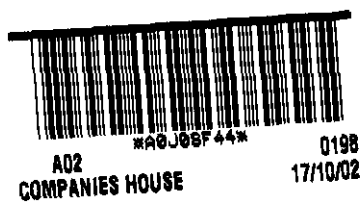


**HUMBERSIDE LAND LIMITED
AND ITS SUBSIDIARY
UNDERTAKING**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2002



HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

FINANCIAL STATEMENTS

For the year ended 31 March 2002

Company registration number:	1615
Registered office:	Conifer Lodge Tranby Lane Swanland East Yorkshire HU14 3NB
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 2002

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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 Conifer Lodge, Tranby Lane, Swanland, East Yorkshire on 26 September 2002 at 9.45 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 2002 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

Conifer Lodge
Tranby Lane
Swanland
East Yorkshire
HU14 3NB

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 2002.

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 £229,134 (2001: £98,748). The directors recommend dividends absorbing £10,000 (2001: £10,000) leaving £219,134 retained.

Directors

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

Mr J R Trout 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 2001 and 31 March 2002 were as follows:

	Number of shares	
	2002	2001
J R Trout (Chairman and Managing Director)	37,763	37,763
J G Watt	5,225	5,225

Directors' responsibilities for the financial statements

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 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
25 July 2002

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HUMBERSIDE LAND LIMITED

We have audited the financial statements of Humberside Land Limited and its subsidiary undertaking for the year ended 31 March 2002 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the directors' report 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.

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 6 investment properties have been included in the balance sheet at undepreciated 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 the company's affairs as at 31 March 2002 and of its profit 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

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

BRADFORD
25 July 2002

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 2002.

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
------------------	---------

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 2002

	Note	2002 £	2001 £
Turnover	1	289,579	104,371
Cost of sales		73,275	6,405
Gross profit		216,304	97,966
Other operating charges	2	(449,194)	(460,597)
Rental income from properties		782,307	774,363
Operating profit		549,417	411,732
Net interest	3	244,037	306,255
Profit on ordinary activities before taxation	1	305,380	105,477
Taxation	5	76,246	6,729
Profit for the financial year		229,134	98,748
Dividends	7	10,000	10,000
Transfer to reserves		219,134	88,748
Statement of retained profits			
At 1 April 2001		782,781	694,033
Transfer to reserves		219,134	88,748
At 31 March 2002		1,001,915	782,781

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 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	8	175,684	155,920
Current assets			
Stocks	10	4,887,422	4,941,152
Debtors	11	26,872	16,240
Cash at bank and in hand		242	15,051
		<u>4,914,536</u>	<u>4,972,443</u>
Creditors: amounts falling due within one year	12	<u>692,937</u>	<u>697,154</u>
Net current assets		<u>4,221,599</u>	<u>4,275,289</u>
Total assets less current liabilities		<u>4,397,283</u>	<u>4,431,209</u>
Creditors: amounts falling due after more than one year	13	<u>3,345,368</u>	<u>3,598,428</u>
		<u>1,051,915</u>	<u>832,781</u>
Capital and reserves - Equity			
Called up share capital	15	50,000	50,000
Profit and loss account	16	1,001,915	782,781
Shareholders' funds	17	<u>1,051,915</u>	<u>832,781</u>

The financial statements were approved by the Board of Directors on 25 July 2002.

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 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	8	21,715	1,951
Investment	9	79,186	79,186
		<u>100,901</u>	<u>81,137</u>
Current assets			
Stocks	10	4,887,422	4,941,152
Debtors	11	26,572	16,240
Cash at bank and in hand		242	84
		<u>4,914,236</u>	<u>4,957,476</u>
Creditors: amounts falling due within one year	12	<u>714,592</u>	<u>687,449</u>
Net current assets		<u>4,199,644</u>	<u>4,270,027</u>
Total assets less current liabilities		<u>4,300,545</u>	<u>4,351,164</u>
Creditors: amounts falling due after more than one year	13	<u>3,345,368</u>	<u>3,598,428</u>
		<u>955,177</u>	<u>752,736</u>
Capital and reserves - Equity			
Called up share capital	15	50,000	50,000
Profit and loss account	16	905,177	702,736
Shareholders' funds		<u>955,177</u>	<u>752,736</u>

The financial statements were approved by the Board of Directors on 25 July 2002.

J R Trout

John 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 2002

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.

	2002	Turnover 2001	Profit before taxation 2002	2001
	£	£	£	£
Property dealing	255,000	72,000	286,536	87,320
Property investment rents	34,579	32,371	18,844	18,157
	<u>289,579</u>	<u>104,371</u>	<u>305,380</u>	<u>105,477</u>

The profit on ordinary activities is stated after:

	2002	2001
	£	£
Profit on disposal of fixed assets	-	(5,000)
Auditors' remuneration	10,000	11,200
Depreciation	<u>3,387</u>	<u>2,283</u>

2 OTHER OPERATING EXPENSES

	2002	2001
	£	£
Property expenses	178,764	166,186
Administration expenses	<u>270,430</u>	<u>294,411</u>
	<u>449,194</u>	<u>460,597</u>

3 NET INTEREST

	2002	2001
	£	£
On bank loan and overdraft	<u>244,037</u>	<u>306,255</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2002 £	2001 £
Wages and salaries	201,750	238,690
Social security costs	25,322	29,674
	<u>227,072</u>	<u>268,364</u>

The average number of employees of the group during the year was 4 (2001: 5).

Remuneration in respect of directors was as follows:

	2002 £	2001 £
Emoluments	<u>196,812</u>	<u>257,307</u>

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

	2002 £	2001 £
Emoluments	<u>194,062</u>	<u>248,557</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge represents:

	2002 £	2001 £
Corporation tax at 26% (2001: 20%)	76,246	6,875
Prior year adjustment:		
Corporation tax	-	(146)
	<u>76,246</u>	<u>6,729</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2001: 20%). The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before tax	305,380	105,477
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 20%)	91,614	21,095
Effect of:		
Marginal relief	(7,285)	-
ACT utilised	(6,572)	(4,132)
Tax losses	(1,486)	(3,631)
Capital allowances in excess of depreciation	-	(6,466)
Adjustments to tax charge in respect of prior periods	-	(146)
Other	(25)	9
Current tax charge for the period	<u>76,246</u>	<u>6,729</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 £212,441 (2001: £80,591) which is dealt with in the financial statements of the parent company.

7 DIVIDENDS

	2002 £	2001 £
Ordinary shares:		
- Interim dividend of 15p per share (2001: 15p)	7,500	7,500
- Proposed final dividend of 5p per share (2001: 5p)	2,500	2,500
	<u>10,000</u>	<u>10,000</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

8 TANGIBLE FIXED ASSETS

The group	Investment properties £	Office equipment £	Total £
Cost			
At 1 April 2001	153,969	40,799	194,768
Additions	-	23,324	23,324
Disposals	-	(173)	(173)
At 31 March 2002	153,969	63,950	217,919
Depreciation			
At 1 April 2001	-	38,848	38,848
Provided in the year	-	3,387	3,387
At 31 March 2002	-	42,235	42,235
Net book amount at 31 March 2002	153,969	21,715	175,684
Net book amount at 31 March 2001	153,969	1,951	155,920
The company		Office equipment £	
Cost			
At 1 April 2001		40,799	
Additions		23,324	
Disposals		(173)	
At 31 March 2002		63,950	
Depreciation			
At 1 April 2001		38,848	
Provided in the year		3,387	
Eliminated on disposal		-	
At 31 March 2002		42,235	
Net book amount at 31 March 2002		21,715	
Net book amount at 31 March 2001		1,951	

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

9 FIXED ASSET INVESTMENTS

				Shares in group undertakings £
The company				
Cost and net book amount				
At 1 April 2001 and 31 March 2002				<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	
		2002	2001
		£	£
Properties		<u>4,887,422</u>	<u>4,941,152</u>

11 DEBTORS

	The group		The company	
	2002	2001	2002	2001
	£	£	£	£
Other debtors	1,728	153	1,728	153
Trade debtors	25,144	16,087	24,844	16,087
	<u>26,872</u>	<u>16,240</u>	<u>26,572</u>	<u>16,240</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	2002	2001	2002	2001
	£	£	£	£
Bank overdraft	290,570	414,535	324,048	414,535
Bank loan	206,169	138,956	206,169	138,956
Social security and other taxes	43,362	51,561	39,491	47,659
Other creditors	31,298	37,198	26,198	32,098
Corporation tax	76,246	6,875	74,094	6,875
Proposed dividends	2,500	2,500	2,500	2,500
Accruals and deferred income	42,792	45,529	42,092	44,826
	<u>692,937</u>	<u>697,154</u>	<u>714,592</u>	<u>687,449</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	
	2002	2001
	£	£
Bank loan	<u>3,345,368</u>	<u>3,598,428</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.

14 BORROWINGS

Borrowings are repayable as follows:

	The Group		The Company	
	2002	2001	2002	2001
	£	£	£	£
Within one year:				
Bank loans and overdraft	496,739	553,491	530,217	553,491
After one and within two years:				
Bank loans	218,539	149,378	218,539	149,378
After two and within five years:				
Bank loans	651,056	518,778	651,056	518,778
After five years:				
Bank loans	2,475,773	2,930,272	2,475,773	2,930,272
	<u>3,842,107</u>	<u>4,151,919</u>	<u>3,875,585</u>	<u>4,151,919</u>

HUMBERSIDE LAND LIMITED AND ITS SUBSIDIARY UNDERTAKING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

15 SHARE CAPITAL

2002 and 2001
£

Authorised:

150,000 ordinary shares of £1 each

150,000

Allotted, called up and fully paid:

50,000 ordinary shares of £1 each

50,000

16 RESERVES

£

The Group

At 1 April 2001

782,781

Retained profit for the year

219,134

At 31 March 2002

1,001,915

The Company

At 1 April 2001

702,736

Retained profit for the year

202,441

At 31 March 2002

905,177

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

2002
£

2001
£

Profit for the financial year

229,134

98,748

Dividends

10,000

10,000

Net increase in shareholders' funds

219,134

88,748

Shareholders' funds at 1 April 2001

832,781

744,033

Shareholders' funds at 31 March 2002

1,051,915

832,781

18 CONTROLLING RELATED PARTY

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

HUMBERSIDE LAND LIMITED**TRADING ACCOUNT**

For the year ended 31 March 2002

	2002 £	2002 £	2001 £	2001 £
Sale of properties		255,000		72,000
Deduct:				
Selling expenses		(1,602)		(2,122)
		<u>253,398</u>		<u>69,878</u>
Stock at 1 April 2001	4,941,152		4,932,991	
Purchases	<u>17,943</u>		<u>12,444</u>	
	4,959,095		4,945,435	
Deduct: Stock at 31 March 2002	<u>4,887,422</u>		<u>4,941,152</u>	
		(71,673)		(4,283)
Gross profit		<u>181,725</u>		<u>65,595</u>
Rents receivable, less expenses per Schedule I		607,506		610,941
Administration expenses per Schedule II		<u>(502,696)</u>		<u>(589,216)</u>
Profit for the year		<u>286,535</u>		<u>87,320</u>

THIS PAGE DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

HUMBERSIDE LAND LIMITED

SCHEDULES TO TRADING ACCOUNT

For the year ended 31 March 2002

SCHEDULE I RENTS RECEIVABLE, LESS EXPENSES

	2002 £	2002 £	2001 £	2001 £
Rents receivable		782,307		774,363
Expenses:				
Agents' fees	18,594		18,581	
Agents' commission	17,286		15,516	
Repairs	88,811		81,069	
Insurance	6,060		4,796	
Rates	20,082		19,798	
Irrecoverable VAT	15,581		11,501	
Bad debts	8,387		12,161	
		<u>174,801</u>		<u>163,422</u>
Per trading account		<u>607,506</u>		<u>610,941</u>

HUMBERSIDE LAND LIMITED**SCHEDULES TO TRADING ACCOUNT**

For the year ended 31 March 2002

SCHEDULE II ADMINISTRATIVE EXPENSES

	2002 £	2002 £	2001 £	2001 £
Directors' fees		8,750		8,750
Directors' salaries		193,000		221,440
National insurance contributions		25,323		29,139
Bank interest and charges:				
Bank interest	18,789		19,629	
Bank charges	886		877	
Bank loan interest	225,248		286,626	
		244,923		307,132
Motor expenses:				
Petrol	-		2,776	
Servicing	-		1,367	
Insurance	-		771	
		-		4,914
Gas		193		206
Electricity		274		310
Cleaning		286		317
Rates		1,582		2,014
Insurance		669		1,222
Repairs		590		479
Travel		842		-
Telephone		891		505
Printing and stationery		1,737		467
Postage		408		432
Audit and accountancy		8,600		8,600
Legal charges		6,408		1,608
Computer maintenance and supplies		2,730		2,417
Subscriptions		1,401		1,903
Miscellaneous expenses		702		78
Depreciation:				
- Office equipment		3,387		2,283
- Profit on disposal of fixed asset		-		(5,000)
		502,696		589,216

THIS PAGE DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS