

W E Yates Limited

Directors' report and financial statements

31 March 2003

Registered number 41892



W E Yates Limited

Notice of Meeting

Notice is hereby given that the 108th Annual General Meeting of the company will be held at the company's registered office, 98 Kirkstall Road, Leeds on 19 February 2004 at 10.15 am for the following purposes:

1. To receive and adopt the directors' report and financial statements for the year ended 31 March 2003.
2. To re-elect a director.
3. To re-appoint the auditors.
4. To fix the remuneration of the auditors.
5. To transact such other business as may properly be transacted at an ordinary general meeting.

By order of the Board



for and on behalf of
I.M. Secretaries Limited

Secretary

12 January 2004

Registered Office:

P O Box 506
98 Kirkstall Road
Leeds
LS3 1YN

1. Any member of the company entitled to attend and vote at the meeting may appoint one or more persons (whether members or not) as proxy to attend and vote in his or her stead. The instrument appointing a proxy must be lodged at the registered office of the company not later than 48 hours before the meeting.
2. There are no service contracts in respect of the directors' employment by the company or its subsidiary undertakings.

W E Yates Limited

Directors

I.M. Directors Limited
I.M. Secretaries Limited

Secretary

I.M. Secretaries Limited

Registered Office

P O Box 506
98 Kirkstall Road
Leeds
LS3 1YN

Auditors

Grant Thornton
Registered Auditors
Chartered Accountants
St Johns Centre
110 Albion Street
Leeds
LS2 8LA

W E Yates Limited

Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 March 2003.

Directors

The directors who served during the year were:

I.M. Directors Limited
I.M. Secretaries Limited

In accordance with the Articles of Association, I.M. Secretaries Limited retires and, being eligible, offers itself for re-election.

No contracts between the company and either of its directors existed at any time during the year ended 31 March 2003.

There are no directors' interests requiring disclosure under the Companies Act 1985.

Business review

The company does not trade.

On 21 September 2001 Hartley Investment Trust Limited withdrew financial support for the company's parent undertaking. The financial statements have therefore not been prepared on a going concern basis.

Dividends

Unpaid dividends on the cumulative preference shares in respect of the year amounted to £13,125 (2002 : £13,125).

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Grant Thornton as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



for and on behalf of
I.M. Secretaries Limited
Secretary

P O Box 506
98 Kirkstall Road
Leeds
LS3 1YN

12 January 2004

W E Yates Limited

Statement of directors' responsibilities for the financial statements

Company law in the United Kingdom 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 its profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Report of the independent auditors to the members of W E Yates Limited

We have audited the financial statements of W E Yates Limited for the year ended 31 March 2003 which comprise the profit and loss account, the balance sheet and notes 1 to 9. 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 auditor's 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 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 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 mis-statement, 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.

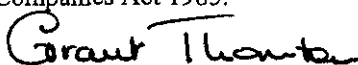
Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the statement that the accounts have not been prepared on the going concern basis. In view of the significance of this event we consider it necessary that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2003 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Registered Auditors
Chartered Accountants
Leeds



29 January 2004

W E Yates Limited

Profit and loss account *for the year ended 31 March 2003*

	Note	2003 £	2002 £
Loss for the financial year		-	-
Dividends accrued on non-equity shares	4	(13,125)	(13,125)
		<hr/>	<hr/>
Transfer from reserves	8	(13,125)	(13,125)
		<hr/>	<hr/>
Loss per ordinary share	5	(7.5p)	(7.5p)
		<hr/>	<hr/>

A statement of movements in reserves and in shareholders' funds is given in note 8.

There were no recognised gains or losses other than those reflected above (2002 : £nil).

W E Yates Limited

Balance sheet 31 March 2003

	Note	2003 £	2002 £
Current liabilities			
Creditors: amounts falling due within one year	6	(48,754)	(35,629)
Net liabilities		<u>(48,754)</u>	<u>(35,629)</u>
Capital and reserves			
Called up share capital	7	350,000	350,000
Share premium account	8	10,307	10,307
Other reserves	8	538,272	538,272
Profit and loss account	8	(947,333)	(934,208)
Shareholders' funds	8	<u>(48,754)</u>	<u>(35,629)</u>
Analysis of shareholders' funds			
Equity		(223,754)	(210,629)
Non-equity		175,000	175,000
		<u>(48,754)</u>	<u>(35,629)</u>

The financial statements were approved by the Board of Directors on 12 January 2004 and signed on its behalf by:

A.M. Murray
for and on behalf of
I.M. Directors Limited
Director

W E Yates Limited

Notes (forming part of the financial statements)

1 Accounting policies

Accounting convention:

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

Basis of preparation of financial statements:

On 21 September 2001 Hartley Investment Trust Limited withdrew financial support for the company's parent undertaking. The financial statements have therefore not been prepared on a going concern basis.

Cash flow statement:

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

2 Staff numbers and costs

No person was employed by the company during the year.

3 Directors' remuneration

The directors do not receive any remuneration in respect of their services to this company.

4 Dividends

	2003 £	2002 £
7.5% cumulative preference shares	13,125	13,125

Preference dividends are in arrears by £39,375 (2002 : £26,250)

5 Loss per ordinary share

The loss per ordinary share is calculated on 175,000 ordinary shares currently in issue and on the following loss:

	2003 £	2002 £
Loss for the financial year	-	-
Preference dividends	(13,125)	(13,125)
	(13,125)	(13,125)

6 Creditors

	2003 £	2002 £
Amounts falling due within one year:		
Taxation	5,880	5,880
Other creditors	218	218
Proposed dividends	42,656	29,531
	48,754	35,629

W E Yates Limited

Notes (continued)

7 Share capital

	Authorised £	Allotted, called up and fully paid £
31 March 2002 and 2003:		
7.5% cumulative preference shares of £1 each (non-equity)	200,000	175,000
Ordinary shares of £1 each (equity)	200,000	175,000
Unspecified shares of £1 each	100,000	-
	<hr/> 500,000 <hr/>	<hr/> 350,000 <hr/>

Rights of non-equity interests are as follows:

- (a) they entitle holders, in priority to holders of all other classes of share, to a fixed cumulative preferential dividend at a rate of 7.5% per annum, payable half yearly on 1 July and 1 January.
- (b) on a return of capital on a winding up they will carry the right to repayment of capital, together with the greater of the 'Spens' formula or premium of 5p per share and a sum equal to any arrears of dividend accrued up to the date of commencement of the winding up; this right is in priority to the rights of all other shares in the capital of the company; and
- (c) they carry the right to attend and vote at a general meeting of the company only if, at the date of the notice convening the meeting, payment of the dividend to which they are entitled is six months or more in arrears, or if a resolution is to be considered at the meeting for the winding up of the company or for the reduction of its capital or for the sale of the company or for the alteration of borrowing powers.

The preference shares were de-listed from the London Stock Exchange on 1 September 1998.

8 Reserves and shareholders' funds

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Shareholders' funds £
1 April 2002	350,000	10,307	538,272	(934,208)	(35,629)
Loss for the year	-	-	-	(13,125)	(13,125)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2003	350,000	10,307	538,272	(947,333)	(48,754)
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W E Yates Limited

Notes *(continued)*

9 **Parent undertakings, ultimate parent company and transactions with related parties**

Hartley Investment Trust Limited, which is incorporated in Great Britain and registered in England and Wales, is the ultimate parent company of W E Yates Limited. It is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which W E Yates Limited is a member.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which W E Yates Limited is a member, is Normans Bay Limited, which is incorporated in Great Britain and registered in England and Wales.

Group accounts of Hartley Investment Trust Limited and Normans Bay Limited will be filed with the Registrar of Companies.

As a wholly owned subsidiary of Normans Bay Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Hartley Investment Trust Limited, on the grounds that group accounts are publicly available from Companies House.