

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu



Company Registration No. 738607

**NORTH BRIDGE WAREHOUSING
COMPANY LIMITED**

Abbreviated Report and Financial Statements

30 November 1998

**Deloitte & Touche
10-12 East Parade
Leeds
LS1 2AJ**





REPORT AND FINANCIAL STATEMENTS 1998

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REPORT AND FINANCIAL STATEMENTS 1998

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I J Blakey
J S Blakey
P M Blakey

SECRETARY

M D Frankish

REGISTERED OFFICE

Fleet House
Woodhouse Street
Hedon Road
Hull
North Humberside
HU9 1RJ

AUDITORS

Deloitte & Touche
Chartered Accountants
10-12 East Parade
Leeds
LS1 2AJ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 November 1998.

ACTIVITIES

The principal activities of the group in the year under review was that of road hauliers and warehousing. In addition the group holds several investment properties from which it receives rent.

REVIEW OF DEVELOPMENTS

The directors consider the state of the company's affairs and the results for the year to be satisfactory.

DIVIDENDS AND TRANSFERS TO RESERVES

The result for the year is shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (1997: £Nil). The company's trading loss of £128,228 for the year has been deducted from reserves (1997: £122,083).

FUTURE PROSPECTS

The directors consider the company's future prospects to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year, together with their interests in the share capital of the company are as follows:

	Ordinary shares of £1 each	
	1998	1997
I J Blakey	-	-
J S Blakey	7,347	7,347
P M Blakey	2,653	2,653

POST BALANCE SHEET EVENT

On 22 January 1999 an investment property, 252 Northgate, Cottingham, owned by North Bridge Warehousing Company Limited, was sold. The sale proceeds of £32,000 are in line with the valuation of the property in these financial statements.

YEAR 2000

The company is current evaluating its products and computer based systems and also those of the suppliers with whom the company conducts its business. This review is not yet complete and the total cost of compliance has not yet been calculated. The current estimates indicate that this cost will not be material.

SINGLE EUROPEAN CURRENCY

A review will take place to identify where changes may be required in order for the systems to be able to meet the demands of a single European currency.



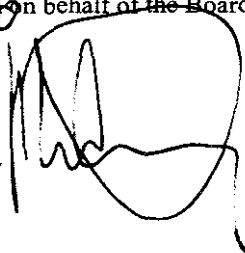
DIRECTORS' REPORT

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

J S Blakey
Director





AUDITORS' REPORT TO NORTH BRIDGE WAREHOUSING COMPANY LIMITED

Pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 5 to 16 together with the financial statements of North Bridge Warehousing Company Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 November 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A(3) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with that section and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 247, 247a and 249 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 in respect of the year ended 30 November 1998 and the abbreviated accounts on pages 5 to 16 have been properly prepared in accordance with those provisions.

Deloitte & Touche

Chartered Accountants
and Registered Auditors

29 September 1999



ABBREVIATED PROFIT AND LOSS ACCOUNT
Year ended 30 November 1998

	Note	1998 £	1997 £
Gross profit		62,581	101,366
Administrative expenses		(190,809)	(223,449)
OPERATING LOSS: continuing operations	3	(128,228)	(122,083)
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		<u>(128,228)</u>	<u>(122,083)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1998 £	1997 £
Loss attributable to members of the company	(128,228)	(122,083)
Unrealised deficit on revaluation of investment properties	(8,000)	-
Total recognised gains and (losses) related to the year	<u>(136,228)</u>	<u>(122,083)</u>



NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 30 November 1998

	1998 £	1997 £
REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(128,228)	(122,083)
Realisation of commercial vehicle revaluation gains of previous years	<u>12,725</u>	<u>-</u>
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(115,503)</u>	<u>(122,083)</u>
Historical cost loss for the year after taxation	<u>(115,503)</u>	<u>(122,083)</u>


**BALANCE SHEET
30 November 1998**

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible assets	5		811,500		1,237,200
Investments	6		<u>252,946</u>		<u>252,946</u>
			1,064,446		1,490,146
CURRENT ASSETS					
Debtors	7	11,920		14,683	
Cash at bank and in hand		<u>374,984</u>		<u>474</u>	
		386,904		15,157	
CREDITORS: amounts falling due within one year	8	<u>(831,312)</u>		<u>(1,398,115)</u>	
NET CURRENT LIABILITIES			<u>(444,408)</u>		<u>(1,382,958)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			620,038		107,188
CREDITORS: amounts falling due after more than one year	9		(718,091)		-
ACCRUALS AND DEFERRED INCOME	11		-		(69,013)
			<u>(98,053)</u>		<u>38,175</u>
CAPITAL AND RESERVES					
Called up share capital	12		10,000		10,000
Merger reserve	13		37,553		37,553
Revaluation reserve	13		348,779		369,504
Profit and loss account	13		<u>(494,385)</u>		<u>(378,882)</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>(98,053)</u>		<u>38,175</u>

These accounts have been prepared in accordance with the special provisions relating to medium sized companies under Section 246A of the Companies Act 1985 with respect to the delivery of individual accounts.

The abbreviated financial statements were approved by the Board of Directors on **28th September 1999**

Signed on behalf of the Board of Directors

J S Blakey

Director

CASH FLOW STATEMENT
Year ended 30 November 1998

	Note	1998 £	1997 £
Net cash (outflow)/inflow from operating activities	1	(97,084)	8,409
Taxation			
Corporation tax paid (including advance corporation tax)		-	-
Capital expenditure			
Payments to acquire tangible fixed assets		(4,100)	-
Receipts from sales of tangible fixed assets		420,000	-
Net cash inflow from capital expenditure		415,900	-
Net cash inflow before financing	3	318,816	8,409
Financing			
Loan repayments in year		149,670	22,463
Net cash outflow from financing		149,670	22,463
Increase in cash	2	468,486	30,872


NOTES TO THE CASH FLOW STATEMENT
Year ended 30 November 1998
1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £	1997 £
Operating loss	(128,228)	(122,083)
Depreciation charges	1,800	1,800
Profit on sale of tangible fixed assets	(20,000)	-
Decrease/(increase) in debtors	2,763	(791)
Increase in creditors	115,594	130,892
Release of deferred Government grants	(69,013)	(1,409)
Net cash (outflow)/inflow from operating activities	(97,084)	8,409

2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1998 £
Increase in cash for the year	468,486
Cash outflow from decrease in debt and hire purchase contracts	(149,670)
Change in net debt	318,816
Net debt at 1 December 1997	(697,633)
Net debt at 30 November 1998	(378,817)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1 December 1997 £	Cash flows £	At 30 November 1998 £
Cash at bank and in hand	474	374,510	374,984
Overdraft	(93,976)	93,976	-
	(93,502)	468,486	374,984
Debt due within one year	(604,131)	568,421	(35,710)
Debt due after one year	-	(718,091)	(718,091)
	(604,131)	(149,670)	(753,801)
Total	(697,633)	318,816	(378,817)

**NOTES TO THE ABBREVIATED ACCOUNTS****Year ended 30 November 1998****1. ACCOUNTING POLICIES**

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention modified for the revaluation of freehold property, freehold investment property and commercial vehicles and trailers.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% straight line
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There is no depreciation on freehold land.

Investment properties

In accordance with Statement of Standard Accounting Practice 19 (SSAP 19), investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Grants

Income grants received are credited to revenue by reducing the cost to which they relate. Government grants on capital expenditure are credited to a deferred account and are released to revenue over the expected useful lives of the relevant assets by equal amounts.


NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 1998
2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1998 £	1997 £
Directors' emoluments		
Fees	89,000	103,000
	<u> </u>	<u> </u>
	No	No
Average number of persons employed (including directors)		
Administration	2	2
	<u> </u>	<u> </u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	115,415	128,059
Social security costs	11,542	12,908
	<u>126,957</u>	<u>140,967</u>

3. OPERATING LOSS

	1998 £	1997 £
Operating loss is after charging/(crediting):		
Depreciation and amortisation		
Owned assets	1,800	1,800
Profit on disposal of fixed assets	(88,668)	-
Rentals under operating leases		
Auditors' remuneration	5,000	5,000
	<u> </u>	<u> </u>

The profit on disposal of fixed assets includes an amount of £68,668 in respect of the write back of a grant received for the construction of a property disposed of during the year.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
United Kingdom corporation tax at 21% based on the result for the year	-	-
	<u> </u>	<u> </u>

There is no liability to corporation tax due to the availability of trading losses brought forward.


NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 1998
5. TANGIBLE FIXED ASSETS

	Freehold property £	Freehold investment properties £	Total £
Revaluation			
At 1 December 1997	310,300	935,000	1,245,300
Additions	4,100	-	4,100
Revaluation	-	(8,000)	(8,000)
Disposals	-	(420,000)	(420,000)
At 30 November 1998	<u>314,400</u>	<u>507,000</u>	<u>821,400</u>
Accumulated depreciation			
At 1 December 1997	8,100	-	8,100
Charge for the year	1,800	-	1,800
At 30 November 1998	<u>9,900</u>	<u>-</u>	<u>9,900</u>
Net book value			
At 30 November 1998	<u>304,500</u>	<u>507,000</u>	<u>811,500</u>
At 30 November 1997	<u>302,200</u>	<u>935,000</u>	<u>1,237,200</u>

The freehold property and freehold investment properties were revalued as at 13 March 1998 by Dickinson Davy & Markham, Chartered Surveyors, Hull, on the basis of open market valuation for existing use and that revaluation was incorporated into the accounts during the period ended 30 November 1998. The directors confirm that the properties have not changed significantly in value between the date of the last valuation and the year end.

The value of land not depreciated was £214,000.

Comparable amounts determined according to historical cost convention.

	£	£	£
Cost	229,441	271,041	500,482
Accumulated depreciation	<u>30,926</u>	<u>8,007</u>	<u>38,933</u>
Net book value			
At 30 November 1998	<u>198,515</u>	<u>263,034</u>	<u>461,549</u>
At 30 November 1997	<u>196,215</u>	<u>670,309</u>	<u>866,524</u>


NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 1998
6. INVESTMENTS HELD AS FIXED ASSETS

	1998 £	1997 £
Shares in subsidiary undertakings at cost	252,946	252,946

Subsidiary companies	Activity	Proportion owned	
		Direct holding	Indirect holding
I J Blakey Haulage Co Limited	Road Hauliers	100%	
Waste Paper Collections (Yorkshire) Limited	Skip hire	100%	
North Bridge Transport Limited	Dormant non-trading		100%
Humber Bridge Transport (Hull) Limited	Dormant non-trading		100%
Harlequin Fabrics Limited	Dormant non-trading		76%
Richardson (Hull) Transport Co Limited	Dormant non-trading		100%

All the subsidiary companies are incorporated in Great Britain and registered in England and Wales.

7. DEBTORS

	1998 £	1997 £
Trade debtors	3,840	9,603
Other debtors	8,080	5,080
	<u>11,920</u>	<u>14,683</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loans and overdrafts	35,710	698,107
Trade creditors	3,191	4,311
Amounts owed to group undertakings	759,065	674,455
Other taxes and social security	393	375
Other creditors	19,138	-
Accruals and deferred income	13,815	20,867
	<u>831,312</u>	<u>1,398,115</u>

Details of security in respect of bank loans and overdrafts is set out in note 9.


NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 1998
9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998 £	1997 £
Bank loans	718,091	-
The bank loans are repayable by instalments as follows:		
In one year (see note 12)	35,710	-
Between one and two years	23,358	-
Between two and five years	102,044	-
After five years	592,689	-
	753,801	-
Less: Included within creditors due within one year	(35,710)	-
	718,091	-

The bank borrowings are secured by legal charges over the company's freehold and investment properties and by a debenture incorporating fixed and floating charges over all the group undertakings and over all the group assets.

The bank loan bears interest at 2.5% over the Libor rate.

10. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts not provided in the accounts are as follows:

	Not provided 1998 £	Not Provided 1997 £
Taxation on valuation surplus	73,244	110,851

There were no amounts provided in the company.

11. ACCRUALS AND DEFERRED INCOME

	1998 £	1997 £
Urban Development Grant		
Balance 1 December 1997	69,013	70,422
Released to profit and loss account	69,013	1,409
At 30 November 1998	-	69,013


NOTES TO THE ABBREVIATED ACCOUNTS
Year ended 30 November 1998
12. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Called up, allotted and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

13. STATEMENT OF MOVEMENT ON RESERVES

	Issued share capital £	Merger reserve £	Revaluation reserve £	Profit and loss account £
At 1 December 1997	10,000	37,553	369,504	(378,882)
Retained loss for the year	-	-	-	(128,228)
Transfer of realised profits	-	-	(12,725)	12,725
Revaluation adjustment	-	-	(8,000)	-
At 30 November 1998	10,000	37,553	348,779	(494,385)

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Loss for the financial year	(128,228)	(122,083)
Net movement in shareholders funds	(128,228)	(122,083)
Other recognised gains and losses for the year	(8,000)	-
Opening shareholders' funds	38,175	160,258
Closing shareholders' funds	(98,053)	38,175

15. CONTINGENT LIABILITIES

The company has given a cross guarantee and debenture to secure certain of the bank borrowings of its subsidiaries, which at 30 November 1998 amounted to £304,754.

16. POST BALANCE SHEET EVENT

On 22 January 1999 an investment property, 252 Northgate, Cottingham, owned by North Bridge Warehousing Company Limited, was sold. The sale proceeds of £32,000 were in line with the valuation of the property in these financial statements.

**NOTES TO THE ABBREVIATED ACCOUNTS****Year ended 30 November 1998****17. TRANSACTIONS WITH THE DIRECTORS**

During the year a freehold investment property owned by the company, with a net book value of £420,000, was sold to a partnership in which I J and P M Blakey had a controlling interest. The proceeds of the sale were £440,000.

Loans to directors are disclosed in note 8 to the accounts.

I J and P M Blakey have given a personal guarantee totalling £100,000 in respect of the group's bank loans and overdrafts.