

**NORTH BRIDGE WAREHOUSING
COMPANY LIMITED**

Report and Financial Statements

30 November 2003

**Deloitte & Touche LLP
Leeds**



NORTH BRIDGE WAREHOUSING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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NORTH BRIDGE WAREHOUSING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I J Blakey
J S Blakey
P M Blakey

SECRETARY

M D Frankish

REGISTERED OFFICE

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Woodhouse Street
Hedon Road
Hull
HU9 1RJ

BANKERS

Bank of Scotland
Aldgate House
1-4 Market Place
Hull
HU1 1RA

SOLICITOR

Andrew M Jackson & Co
Essex House
Manor Street
Hull
HU1 1XH

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company and group together with the audited consolidated financial statements and auditors report for the year ended 30 November 2003.

PRINCIPAL 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 are disappointed with the result for the year but look forward to the future with cautious optimism.

As detailed in note 1 to the financial statements, the group is proposing to undertake a restructuring, which when completed is forecast to release significant funds to the company and group. It is envisaged by the directors that this will enable the company and group to meet all working capital and capital expenditure requirements for the 31 March 2007.

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 (2002: £Nil). The group's trading loss of £(117,082) (2002: loss of £82,381) for the year has been deducted from reserves.

FUTURE PROSPECTS

The directors consider the group and 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	
	30 November	1 December
	2003 No	2002 No
I J Blakey	-	-
J S Blakey	7,347	7,347
P M Blakey	2,653	2,653

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint 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
[14 September 2005]

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

STATEMENT OF 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 the group as at the end of the financial year and of the profit or loss of the group 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 group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH BRIDGE WAREHOUSING COMPANY LIMITED

We have audited the financial statements of North Bridge Warehousing Company Limited for the year ended 30 November 2003, which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement, the statement of total recognised gains and losses, the note of historical cost profits and losses, notes to the cash flow statement and the related notes 1 to 22. 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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 and other group undertakings are not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 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.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the accounts, concerning the uncertainty as to the satisfactory completion of the proposed restructuring of the company's finances. In view of the significance of this uncertainty, we consider 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 the affairs of the company and the group as at 30 November 2003 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Chartered Accountants
and Registered Auditors

Leeds

29 September 2004

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 30 November 2003

	Note	£	2003 £	£	2002 £
TURNOVER	2		3,133,761		3,431,342
Cost of sales			<u>(2,718,061)</u>		<u>(2,942,907)</u>
Gross profit			415,700		488,435
Administrative expenses			<u>(406,235)</u>		<u>(542,691)</u>
OPERATING PROFIT/(LOSS)	4		9,465		(54,256)
(Loss)/profit on disposal of fixed assets in continuing operations			(5,353)		88,686
Interest receivable and similar income	5	34,554		23,224	
Interest payable and similar charges	6	<u>(155,748)</u>	<u>(121,194)</u>	<u>(140,037)</u>	<u>(116,813)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(117,082)		(82,381)
Tax on loss on ordinary activities	7		<u>-</u>		<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR TRANSFERRED FROM RESERVES	16		<u>(117,082)</u>		<u>(82,381)</u>

All activities derive from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2003 £	2002 £
Loss attributable to members of the group	(117,082)	(82,381)
Unrealised gain on revaluation of investment properties and freehold properties	<u>16,587</u>	<u>6,500</u>
Total recognised losses related to the year	<u>(100,495)</u>	<u>(75,881)</u>

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES Year ended 30 November 2003

	2003 £	2002 £
REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(117,082)	(82,381)
Realisation of commercial vehicle and investment property revaluation gains of previous years	-	70,000
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	1,485	12,925
HISTORICAL COST (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(115,597)</u>	<u>544</u>
HISTORICAL COST (LOSS)/PROFIT FOR THE YEAR AFTER TAXATION	<u>(115,597)</u>	<u>544</u>

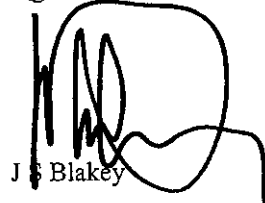
NORTH BRIDGE WAREHOUSING COMPANY LIMITED

CONSOLIDATED BALANCE SHEET 30 November 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	8	911,166	870,777
CURRENT ASSETS			
Stocks	10	86,659	71,559
Debtors	11	1,004,868	926,417
Cash at bank and in hand		541,742	564,897
		<u>1,633,269</u>	<u>1,562,873</u>
CREDITORS: amounts falling due within one year	12	<u>(1,870,157)</u>	<u>(1,889,384)</u>
NET CURRENT LIABILITIES		<u>(236,888)</u>	<u>(326,511)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		674,278	544,266
CREDITORS: amounts falling due after more than one year	13	<u>(847,837)</u>	<u>(617,330)</u>
		<u>(173,559)</u>	<u>(73,064)</u>
CAPITAL AND RESERVES			
Called up share capital	15	10,000	10,000
Merger reserve	16	37,553	37,553
Capital reserve	16	45,984	45,984
Revaluation reserve	16	238,707	223,605
Profit and loss account	16	<u>(505,803)</u>	<u>(390,206)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT	17	<u>(173,559)</u>	<u>(73,064)</u>

These financial statements were approved by the Board of Directors on 14 September 2005

Signed on behalf of the Board of Directors



J S Blakey
Director

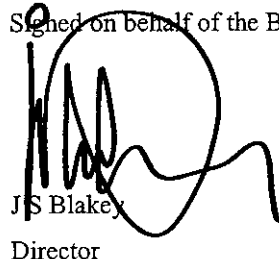
NORTH BRIDGE WAREHOUSING COMPANY LIMITED

COMPANY BALANCE SHEET 30 November 2003

	Note	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible assets	8		550,000		495,000
Investments	9		252,946		252,946
			<u>802,946</u>		<u>747,946</u>
CURRENT ASSETS					
Debtors	11	37,099		25,499	
Cash at bank and in hand		538,451		562,932	
		<u>575,550</u>		<u>588,431</u>	
CREDITORS: amounts falling due within one year	12	<u>(809,829)</u>		<u>(791,639)</u>	
NET CURRENT LIABILITIES			<u>(234,279)</u>		<u>(203,208)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			568,667		544,738
CREDITORS: amounts falling due after more than one year	13		<u>(490,577)</u>		<u>(514,278)</u>
			<u>78,090</u>		<u>30,460</u>
CAPITAL AND RESERVES					
Called up share capital	15		10,000		10,000
Merger reserve	16		37,553		37,553
Revaluation reserve	16		238,707		222,120
Profit and loss account	16		<u>(208,170)</u>		<u>(239,213)</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	17		<u>78,090</u>		<u>30,460</u>

These financial statements were approved by the Board of Directors on 14 September 2005

Signed on behalf of the Board of Directors


J S Blakey
Director

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT Year ended 30 November 2003

	Note	2003 £	2002 £
Net cash inflow from operating activities	1	<u>169,573</u>	<u>152,806</u>
Returns on investments and servicing of finance			
Interest received		34,554	23,224
Interest paid		(136,809)	(114,564)
Interest element of hire purchase contracts		<u>(18,939)</u>	<u>(25,473)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(121,194)</u>	<u>(116,813)</u>
Taxation			
Corporation tax paid		<u>(14,165)</u>	<u>(7,328)</u>
Capital expenditure			
Payments to acquire tangible fixed assets		(40,812)	(2,100)
Receipts from sales of tangible fixed assets		<u>41,513</u>	<u>343,600</u>
Net cash inflow from capital expenditure		<u>701</u>	<u>341,500</u>
Net cash inflow before financing		<u>34,915</u>	<u>370,165</u>
Financing			
Movement in debt finance during the year	3	304,547	(141,888)
Capital element of hire purchase contracts	3	<u>(153,381)</u>	<u>(206,939)</u>
Net cash inflow/(outflow) from financing		<u>151,166</u>	<u>(348,827)</u>
Increase in cash	2/3	<u><u>186,081</u></u>	<u><u>21,338</u></u>

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT Year ended 30 November 2003

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit/(loss)	9,465	(54,256)
Depreciation charges	95,944	105,200
(Increase)/decrease in stocks	(15,100)	1,029
(Increase)/decrease in debtors	(78,451)	29,146
Increase in creditors	157,715	71,687
Net cash inflow from operating activities	<u>169,573</u>	<u>152,806</u>

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

	2003 £	2002 £
Increase in cash for the year	186,081	21,338
Cash inflow/(outflow) from movement in debt and hire purchase finance during the year	(151,166)	348,827
New hire purchase contracts	(125,800)	(98,000)
Change in net debt	<u>(90,885)</u>	<u>272,165</u>
Net debt at 1 December	(1,450,103)	(1,722,268)
Net debt at 30 November	<u>(1,540,988)</u>	<u>(1,450,103)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1 December 2002 £	Cash flows £	Other flows £	At 30 November 2003 £
Cash at bank and in hand	564,897	(23,155)	-	541,742
Overdraft	(944,126)	209,236	-	(734,890)
	<u>(379,229)</u>	<u>186,081</u>	<u>-</u>	<u>(193,148)</u>
Debt due within one year	(359,578)	(67,640)	-	(427,218)
Debt due after one year	(514,278)	(236,907)	-	(751,185)
Hire purchase contracts	(197,018)	153,381	(125,800)	(169,437)
	<u>(1,070,874)</u>	<u>(151,166)</u>	<u>(125,800)</u>	<u>(1,347,840)</u>
Total	<u>(1,450,103)</u>	<u>34,915</u>	<u>(125,800)</u>	<u>(1,540,988)</u>

4. NON CASH TRANSACTIONS

During the year, the group entered into hire purchase contracts in respect of assets with a total capital value at inception of £125,800 (2002: £100,000).

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2003

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to incorporate the revaluation of commercial vehicles and trailers and plant and machinery, and in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The group financial statements consist of a consolidation of the financial statements of the company and all its subsidiaries made up to 30 November 2003.

Basis of preparation of the financial statements

The company meets its working capital and capital expenditure requirements from finance raised through bank loans, asset finance agreements, directors' loans, confidential invoice discounting facilities and issued share capital.

At September 2005, the group, of which the company is part, is proposing to undertake a restructuring, which when completed is forecast to release significant funds to the company and group. It is envisaged by the directors that this will enable the company to meet all working capital and capital expenditure requirements for the period to 31 March 2007. It is intended that the restructuring of the group will take the form of the investment in new equity and loan capital by management of the company, and the sale of the properties held by the group to a related party at their market value which is in excess of their book value.

The directors have prepared projected profit and loss account, balance sheet and cash flow information through to 31 March 2007. These forecasts project increases in sales and margins as a result of growth in current business and a reduction in overhead expenses following the proposed restructuring as a result of reduced interest expenses following repayment of existing bank borrowings. In addition, the forecasts show a reduction in the liabilities of the group as it is intended that all bank loans will be repaid following the restructuring.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of finance facilities by the company's finance providers.

In the event that the proposed restructuring does not take place, the company and group may cease to be going concerns in which case:

- a) they are unlikely to be able to realise assets at the amounts at which they are stated in the financial statements.
- b) additional liabilities may need to be recognised; and
- c) long term assets and liabilities will need to be reclassified as current.

If it is not possible to quantify the financial impact of the company and group ceasing to be going concerns.

Tangible fixed assets

Depreciation is provided on cost, equivalent cost or valuation less residual value in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% straight line
Plant and machinery	10% straight line
Commercial vehicles and trailers	10% - 14% straight line
Motor vehicles	20% - 25% straight line

There is no depreciation on freehold land.

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2003

1. ACCOUNTING POLICIES (CONTINUED)

The company has decided to adopt the provisions of FRS15 "Tangible Fixed Assets" in respect of its freehold land and buildings and revalue these to open market value annually.

Commercial vehicles and trailers and plant and machinery were revalued at open market value for existing use by the directors at 30 November 1994 and have not been updated since. The group has frozen the value of these assets at cost following adoption of FRS 15 "Tangible Fixed Assets".

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 the revaluation reserve. No depreciation is provided in respect of investment properties.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost represents the cost of the raw material. Net realisable value is based on estimated selling price less relevant marketing, selling and distribution costs.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax, in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non discounted basis.

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.

Pension costs

The group's pension scheme is of the defined contribution type. Contributions are charged to the profit and loss account as incurred.

Grants

Income grants received are credited to revenue by reducing the cost to which they relate. 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.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax loss, all of which arise in the United Kingdom, are wholly attributable to the group's principal activities.

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2003

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2003 £	2002 £
Directors' emoluments		
Fees	78,801	155,550
Other emoluments	22,958	56,764
Pension contributions	5,278	4,446
	<u>107,437</u>	<u>216,760</u>
Highest paid director		
Remuneration	32,000	87,000
Other emoluments	14,767	37,813
Pension contribution	5,278	4,446
	<u>52,045</u>	<u>129,259</u>
	No	No
The number of directors who are members of a defined contribution scheme	<u>2</u>	<u>2</u>
Average number of persons employed		
Sales and distribution	43	43
Administration	8	8
	<u>51</u>	<u>51</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	1,133,358	1,260,578
Social security costs	89,441	96,172
Pension costs	26,077	21,067
	<u>1,248,876</u>	<u>1,377,817</u>

4. OPERATING PROFIT/(LOSS)

	2003 £	2002 £
Operating profit/(loss) is after charging/(crediting):		
Depreciation and amortisation		
Owned assets	49,743	7,531
Leased assets	46,201	97,669
Loss/(profit) on disposal of fixed assets	5,353	(88,686)
Rentals under operating leases		
Hire of plant and machinery	226,024	266,513
Exceptional bad debt write off	-	34,927
Auditors' remuneration	17,000	15,500
	<u></u>	<u></u>

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2003

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Bank interest receivable	34,554	23,224

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank loans, overdraft and other loans repayable within five years	113,959	108,143
Finance leases and hire purchase contracts	18,939	25,473
Other interest and charges	22,850	6,421
	<u>155,748</u>	<u>140,037</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current taxation:		
UK corporation tax charge in respect of current year	-	-
Adjustment in respect of prior years	-	-
Total current taxation	-	-
Deferred taxation charge	-	-
	<u>-</u>	<u>-</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2002: 19%).
The actual tax charge varies from the standard rate due to the reasons set out in the following reconciliation.

	2003 £	2002 £
Loss on ordinary activities before tax	(117,082)	(82,381)
Tax on loss on ordinary activities at standard rate	(22,246)	(15,652)
Factors affecting charge for the year:		
Capital allowances for the period in excess of depreciation	5,529	7,991
Unutilised losses	9,915	-
Expenses not allowable for tax purposes	6,802	7,661
Total actual amount of current tax	<u>-</u>	<u>-</u>

The company has corporation tax losses available to carry forward against future trading profits of the same trade as approximately £73,000 (2002: £73,127).

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2003

8. TANGIBLE FIXED ASSETS

The Group

	Freehold land and buildings £	Freehold investment properties £	Plant and machinery £	Commercial and motor vehicles and trailers £	Total £
Cost or valuation					
At 1 December 2002	250,000	245,000	145,332	714,800	1,355,132
Additions	40,214	-	600	125,800	166,614
Revaluation	39,786	(25,000)	-	-	14,786
Disposals	-	-	-	(118,962)	(118,962)
At 30 November 2003	330,000	220,000	145,932	721,638	1,417,570
Accumulated depreciation					
At 1 December 2002	-	-	113,030	371,325	484,355
Charge for the year	1,800	-	8,459	85,685	95,944
Eliminated on revaluation	(1,800)	-	-	-	(1,800)
Disposals	-	-	-	(72,095)	(72,095)
At 30 November 2003	-	-	121,489	384,915	506,404
Net book value					
At 30 November 2003	330,000	220,000	24,443	336,723	911,166
At 30 November 2002	250,000	245,000	32,302	343,475	870,777

Included in fixed assets are assets held under hire purchase contracts with a net book value of £229,860 (2002: £313,827).

The freehold property and freehold investment properties were revalued as at 30 November 2003 by Clark Weightman, Chartered Surveyors, Hull on the basis of open market valuation for existing use.

Historically, the commercial vehicles and trailers and plant and machinery were revalued at open market value for existing use by the directors at 30 November 1994.

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

Comparable amounts determined according to historical cost convention.

	£	£	£	£	£
Cost	241,755	108,868	145,932	721,637	1,218,192
Accumulated depreciation	(34,526)	(595)	(121,488)	(384,915)	(541,524)
Net book value					
At 30 November 2003	207,229	108,273	24,444	336,722	676,668
At 30 November 2002	167,015	108,273	31,825	341,275	648,388

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2003

8. TANGIBLE FIXED ASSETS (CONTINUED)

The Company	Freehold property £	Freehold investment properties £	Total £
Valuation			
At 1 December 2002	250,000	245,000	495,000
Additions	40,214	-	40,214
Revaluation	39,786	(25,000)	14,786
At 30 November 2003	<u>330,000</u>	<u>220,000</u>	<u>550,000</u>
Accumulated depreciation			
At 1 December 2002	-	-	-
Charge for the year	1,800	-	1,800
Eliminated on revaluation	(1,800)	-	(1,800)
At 30 November 2003	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 30 November 2003	<u>330,000</u>	<u>220,000</u>	<u>550,000</u>
At 30 November 2002	<u>250,000</u>	<u>245,000</u>	<u>495,000</u>

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

Comparable amounts determined according to historical cost convention.

The freehold property and freehold investment properties were revalued as at 30 November 2003 by Clark Weightman, Chartered Surveyors, Hull on the basis of open market valuation for existing use.

Historically, the commercial vehicles and trailers and plant and machinery were revalued at open market value for existing use by the directors at 30 November 1994.

	£	£	£
Cost	241,755	108,868	350,623
Accumulated depreciation	<u>(36,326)</u>	<u>(595)</u>	<u>(36,921)</u>
Net book value			
At 30 November 2003	<u>205,429</u>	<u>108,273</u>	<u>313,702</u>
At 30 November 2002	<u>167,015</u>	<u>108,273</u>	<u>275,288</u>

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2003

9. INVESTMENTS HELD AS FIXED ASSETS

The Company

	2003 £	2002 £
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	Dormant non-trading	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.

10. STOCKS

	The Group	
	2003 £	2002 £
Raw materials and consumables	86,659	71,559

11. DEBTORS

	The Group		The Company	
	2003 £	2002 £	2003 £	2002 £
Trade debtors	510,352	434,895	28,466	17,794
Other debtors	432,122	409,290	8,633	7,705
Prepayments and accrued income	62,394	82,232	-	-
	<u>1,004,868</u>	<u>926,417</u>	<u>37,099</u>	<u>25,499</u>

Included in group other debtors are loans to J S Blakey and I J Blakey. These are interest free and repayable on demand. The amount outstanding at the beginning of the year by J S Blakey was £221,006 and at the end £268,257. The maximum outstanding balance during the year was £268,257.

The amount outstanding at the beginning of the year by I J Blakey was £16,195 and at the year end £24,275. The maximum outstanding balance in the year was £24,275.

Trade debtors are secured and financed through an invoice discounting arrangement. The balance borrowed at the year end is contained in other creditors.

Included within group other debtors is an amount of £73,133 (2002: £59,300) due after more than one year.

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2003

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Bank loans and overdraft	813,552	989,980	56,145	45,854
Obligations under finance leases and hire purchase contracts	72,785	93,966	-	-
Trade creditors	309,357	281,761	8,808	1,536
Amounts owed to group undertakings	-	-	668,667	666,355
Other taxes and social security	169,679	92,461	-	-
Other creditors and corporation tax	400,364	361,906	22,394	19,079
Accruals and deferred income	104,420	69,310	53,815	58,815
	<u>1,870,157</u>	<u>1,889,384</u>	<u>809,829</u>	<u>791,639</u>

Other creditors include an amount of £348,556 (2002: £313,725) which is secured by a first legal charge over the book debts of I J Blakey Haulage Co Limited.

Details of security in respect of obligations under finance leases and hire purchase contracts and bank loans and the overdraft are set out in note 13.

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2003

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Bank loans	751,185	514,278	490,577	514,278
Obligations under finance leases and hire purchase contracts	96,652	103,052	-	-
	<u>847,837</u>	<u>617,330</u>	<u>490,577</u>	<u>514,278</u>
			The Group	
			2003	2002
			£	£
Obligations under finance leases and hire purchase contracts				
Due within one year			72,785	93,966
Within one to two years			66,190	70,362
Within two to five years			30,462	32,690
			<u>169,437</u>	<u>197,018</u>
Less: Included within creditors due within one year			(72,785)	(93,966)
			<u>96,652</u>	<u>103,052</u>
			The Group	
			2003	2002
			£	£
The bank loans are repayable by instalments as follows:				
In one year (see note 12)	78,662	45,854	56,145	45,854
Between one and two years	84,147	48,926	59,958	48,926
Between two and five years	269,317	167,329	186,169	167,329
After five years	397,721	298,023	244,450	298,023
	<u>829,847</u>	<u>560,132</u>	<u>546,722</u>	<u>560,132</u>
Less: Included within creditors due within one year	(78,662)	(45,854)	(56,145)	(45,854)
	<u>751,185</u>	<u>514,278</u>	<u>490,577</u>	<u>514,278</u>

The bank borrowings are secured by legal charges over the group'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, together with a personal guarantee given by Mr J S Blakey, a director and shareholder of the company.

The bank loan bears interest at 2.5% over the bank base rate and capital is repayable in equal monthly instalments.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2003

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

The amounts not provided in the accounts are as follows:

	The Group		The Company	
	Not Provided 2003 £	Not provided 2002 £	Not Provided 2003 £	Not Provided 2002 £
Capital allowances in advance of depreciation	12,001	17,188	-	-
Surplus trading losses	(58,121)	(50,254)	(13,894)	(13,894)
Deferred taxation on valuation surplus	45,354	41,801	45,354	41,519
	<u>(766)</u>	<u>8,735</u>	<u>31,460</u>	<u>27,625</u>

There were no amounts provided in the group or the company.

15. CALLED UP SHARE CAPITAL

The Group and the Company

	2003 £	2002 £
Authorised		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Called up, allotted and fully paid		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

16. STATEMENT OF MOVEMENT ON RESERVES

The Group

	Issued share capital £	Merger reserve £	Capital reserve £	Revaluation reserve £	Profit And loss account £
At 1 December 2002	10,000	37,553	45,984	223,605	(390,206)
Retained loss for the year	-	-	-	-	(117,082)
Revaluation in the year	-	-	-	16,587	-
Transfer of amount equivalent to additional depreciation on revalued assets	-	-	-	(1,485)	1,485
At 30 November 2003	<u>10,000</u>	<u>37,553</u>	<u>45,984</u>	<u>238,707</u>	<u>(505,803)</u>

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2003

16. STATEMENT OF MOVEMENT ON RESERVES (CONTINUED)

The Company

	Issued share capital £	Merger reserve £	Revaluation reserve £	Profit and loss account £
At 1 December 2002	10,000	37,553	222,120	(239,213)
Retained profit for the year	-	-	-	31,043
Revaluation in the year	-	-	16,587	-
Transferred of realised revaluation reserve	-	-	-	-
At 30 November 2003	<u>10,000</u>	<u>37,553</u>	<u>238,707</u>	<u>(208,170)</u>

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the company is not presented as part of these financial statements.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

The Group

	2003 £	2002 £
Loss for the financial year	(117,082)	(82,381)
Net movement in shareholders' deficit	(117,082)	(82,381)
Revaluation reserve		
Revaluation in year	16,587	6,500
Opening shareholders' deficit	(73,064)	2,817
Closing shareholders' deficit	<u>(173,559)</u>	<u>(73,064)</u>
 The Company		
Profit for the financial year	31,043	101,226
Net movement in shareholders funds	31,043	101,226
Revaluation reserve		
Revaluation in year	16,587	6,500
Opening shareholders' funds	30,460	(77,266)
Closing shareholders' funds	<u>78,090</u>	<u>30,460</u>

NORTH BRIDGE WAREHOUSING COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2003

18. FINANCIAL COMMITMENTS

The Group

	Other £
Annual operating lease commitments	
Leases which expire:	
Within one year	50,762
Within two to five years	39,857
	<u>90,619</u>

At 30 November 2003, there were no financial commitments for the company.

19. 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 2003 amounted to £757,407.

20. PENSION SCHEME

The group contributes to a pension scheme for the benefit of certain directors and employees. The scheme, which is of the defined contribution type is financed by the employees and the group. Contributions are charged to the profit and loss account as incurred.

The charge for the year was £26,077 (2002: £21,068). There were no contributions outstanding at the balance sheet date.

21. RELATED PARTY TRANSACTION

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard Number 8 not to disclose related party transactions with group companies.

At 30 November 2003, the group was owed an amount of £nil by Craven Court in respect of maintenance and administration charges (2002: £32,564).

At 30 November 2003, the group owed an amount of £21,323 to Craven Court in respect of rental income due to Craven Court (2002: £17,337).

Mrs P M Blakey, a director of North Bridge Warehousing Company Limited, is the owner of Craven Court.

22. POST BALANCE SHEET EVENT

On 3 May 2005, the directors obtained a valuation of the company's freehold and freehold investment properties from Garness Jones Limited Chartered Surveyors, which indicates an open market value of the properties of £685,000 at that date. The properties are being carried at an open market value of £550,000 within the financial statements for the year ended 30 November 2003.