

**Whitebirk Finance Limited**

**Directors' report and financial  
statements**

**Registered Number 1614321**

**31 August 2002**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2002.

### Principal activities

The company leases and rents machinery and property to industry.

### Results and dividends

The loss for the year after taxation amounted to £21,759 (2001: loss of £51,136). The directors do not recommend the payment of a dividend.

### Business review

The company continued to provide the services as outlined above.

### Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings of the company is in excess of the book value, based on the historic cost less amounts written off, stated in the financial statements.

### Directors and directors' interests

The directors who held office during the year were as follows:

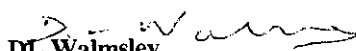
HA Cann  
A Hutchinson

The directors at the end of the year and their interests in the share capital of the company were as follows:

|                    | Interest at beginning<br>and end of year | Family<br>interest |
|--------------------|------------------------------------------|--------------------|
|                    | Own<br>interest                          |                    |
| HA Cann (Chairman) | 2,648                                    | 11,788             |
| A Hutchinson       | 1,511                                    | 5,300              |
|                    | <hr/>                                    | <hr/>              |

According to the register of directors interests, no rights to subscribe for shares or debentures of the company were granted to any of the directors or their immediate families, or exercised by them during the financial year.

By order of the board

  
DL Walmsley  
Secretary

Whitebirk Estate  
BLACKBURN  
Lancashire  
BB1 5TH

24/6/ 2003

### **Statement of 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 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Profit and loss account**  
*for the year ended 31 August 2002*

|                                                    | Note | 2002<br>£        | 2001<br>£        |
|----------------------------------------------------|------|------------------|------------------|
| <b>Turnover</b>                                    | 1    | 128,624          | 130,334          |
| Cost of sales                                      |      | (68,797)         | (77,460)         |
|                                                    |      | <u>59,827</u>    | <u>52,874</u>    |
| <b>Gross profit</b>                                |      | (2,064)          | (1,364)          |
| Administrative expenses                            |      |                  |                  |
| <b>Operating profit</b>                            |      | <u>57,763</u>    | <u>51,510</u>    |
| Interest receivable and similar income             |      | 2,002            | 3,677            |
| Interest payable and similar charges               | 4    | (81,524)         | (118,797)        |
|                                                    |      | <u>(21,759)</u>  | <u>(63,610)</u>  |
| <b>Loss on ordinary activities before taxation</b> | 2    |                  |                  |
| Tax on loss on ordinary activities                 | 5    | -                | 12,474           |
|                                                    |      | <u>(21,759)</u>  | <u>(51,136)</u>  |
| <b>Loss on ordinary activities after taxation</b>  |      | (326,109)        | (274,973)        |
| Retained loss brought forward                      |      |                  |                  |
| <b>Retained loss carried forward</b>               |      | <u>(347,868)</u> | <u>(326,109)</u> |

The results above relate entirely to continuing operations.

**Statement of total recognised gains and losses**  
*for the year ended 31 August 2002*

The loss of £21,759 (2001: loss of £51,136) as shown in the profit and loss account is the only gain or loss recognised in these financial statements

## Balance sheet

at 31 August 2002

|                                                       | Note | 2002             | 2001               |
|-------------------------------------------------------|------|------------------|--------------------|
|                                                       |      | £                | £                  |
| <b>Fixed assets</b>                                   |      |                  |                    |
| Tangible assets                                       | 6    | 413,164          | 460,231            |
| <b>Current assets</b>                                 |      |                  |                    |
| Debtors                                               | 7    | 573,808          | 566,084            |
| Bank                                                  |      | 212,406          | 210,408            |
|                                                       |      | <u>786,214</u>   | <u>776,492</u>     |
| <b>Creditors: amounts falling due within one year</b> | 8    | <u>(809,638)</u> | <u>(118,133)</u>   |
| <b>Net current assets</b>                             |      | <u>(23,424)</u>  | <u>658,359</u>     |
| <b>Total assets less current liabilities</b>          |      | <u>389,740</u>   | <u>1,118,590</u>   |
| <b>Creditors: amounts falling due after one year</b>  | 9    | <u>(732,608)</u> | <u>(1,439,699)</u> |
| <b>Net liabilities</b>                                |      | <u>(342,868)</u> | <u>(321,109)</u>   |
| <b>Capital and reserves</b>                           |      |                  |                    |
| Called up share capital                               | 10   | 5,000            | 5,000              |
| Profit and loss account deficit                       |      | (347,868)        | (326,109)          |
| <b>Equity shareholders' funds</b>                     | 11   | <u>(342,868)</u> | <u>(321,109)</u>   |

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

In approving these financial statements as directors of the company we hereby confirm:

- a that for the period ended 31 August 2002 the company was entitled to the exemption conferred by Section 249B(4) of the Companies Act 1985;
- b that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 31 August 2002; and
- c we acknowledge our responsibilities for:
  - i ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
  - ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss for the year then ended and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the board of directors on 24 / 6 / 2003 and were signed on its behalf by:

  
**HA Cann**  
Director

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

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

The financial statements have been prepared on a going concern basis as the directors have received written confirmation from one of the directors and shareholders that he will provide sufficient financial support for at least the next twelve months.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                                              |   |            |
|----------------------------------------------|---|------------|
| Buildings                                    | - | 25 years   |
| Plant and machinery                          | - | 5 years    |
| Motor vehicles                               | - | 4 years    |
| Fixtures and fittings and computer equipment | - | 3-10 years |

#### *Cash flow statement*

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### *Taxation*

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

#### *Turnover*

Turnover represents the amounts received and receivable in respect of lease and rental income for the year net of Value Added Tax. Turnover was earned wholly in the United Kingdom.

### 2 Loss on ordinary activities before taxation

|                                                              | 2002<br>£ | 2001<br>£ |
|--------------------------------------------------------------|-----------|-----------|
| <i>Loss on ordinary activities before taxation is stated</i> |           |           |
| <i>after charging/(crediting)</i>                            |           |           |
| Professional accounting and taxation services                | 3,000     | 2,925     |
| Depreciation: owned assets                                   | 44,281    | 49,235    |
| Profit on sale of fixed assets                               | (214)     | (2,500)   |
| Lease rentals receivable                                     | (128,624) | (130,334) |
|                                                              | <hr/>     | <hr/>     |

## Notes (continued)

### 3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

|                | Number of employees |      |
|----------------|---------------------|------|
|                | 2002                | 2001 |
| Administration | 2                   | 2    |

### 4 Interest payable and similar charges

|                                                             | 2002<br>£     | 2001<br>£      |
|-------------------------------------------------------------|---------------|----------------|
| On bank loans and overdrafts                                | 42,711        | 28,079         |
| On other loans (loans falling due after more than one year) | 38,813        | 90,718         |
|                                                             | <u>81,524</u> | <u>118,797</u> |

### 5 Taxation

|                                                           | 2002<br>£ | 2001<br>£       |
|-----------------------------------------------------------|-----------|-----------------|
| <b>Taxation based on the loss for the year:</b>           |           |                 |
| Deferred taxation for the current year                    | -         | (9,349)         |
| Adjustment relating to deferred taxation in earlier years | -         | (3,125)         |
|                                                           | <u>-</u>  | <u>(12,474)</u> |

## Notes (continued)

### 6 Tangible fixed assets

|                                             | Freehold<br>land and<br>buildings<br>£ | Plant<br>and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures and<br>Fittings<br>£ | Total<br>£ |
|---------------------------------------------|----------------------------------------|--------------------------------|------------------------|-------------------------------|------------|
| <b>Cost</b>                                 |                                        |                                |                        |                               |            |
| At beginning and end of year                | 981,948                                | 225,660                        | 37,230                 | 16,322                        | 1,261,160  |
| Disposals                                   | -                                      | -                              | (11,145)               | -                             | (11,145)   |
| At end of year                              | 981,948                                | 225,660                        | 26,085                 | 16,322                        | 1,250,015  |
| <b>Depreciation and diminution in value</b> |                                        |                                |                        |                               |            |
| At beginning of year                        | 544,491                                | 225,660                        | 21,401                 | 9,377                         | 800,929    |
| Charge for year                             | 36,778                                 | -                              | 6,521                  | 982                           | 44,281     |
| Disposals                                   | -                                      | -                              | (8,359)                | -                             | (8,359)    |
| At end of year                              | 581,269                                | 225,660                        | 19,563                 | 10,359                        | 836,851    |
| <b>Net book value</b>                       |                                        |                                |                        |                               |            |
| At 31 August 2002                           | 400,679                                | -                              | 6,522                  | 5,963                         | 413,164    |
| At 31 August 2001                           | 437,457                                | -                              | 15,829                 | 6,945                         | 460,231    |

Included within land and buildings is £62,500 (2001: £62,500) in respect of land which is not depreciated.

Plant and machinery, and land and buildings with a net book value of £400,679 (2001: £437,457), are on lease to customers.

### 7 Debtors

|                                     | 2002<br>£ | 2001<br>£ |
|-------------------------------------|-----------|-----------|
| <b>Falling due within one year</b>  |           |           |
| Amounts owed by connected companies | 561,177   | 551,793   |
| Prepayments and accrued income      | 12,631    | 14,291    |
|                                     | 573,808   | 566,084   |

## Notes (continued)

### 8 Creditors: amounts falling due within one year

|                                                         | 2002           |   | 2001           |
|---------------------------------------------------------|----------------|---|----------------|
|                                                         | £              | £ | £              |
| Bank loans and overdrafts                               | 756,125        |   | 64,828         |
| Directors loan                                          | 1,833          |   | 1,833          |
| Trade creditors                                         | 65             |   | 2,747          |
| Other creditors including taxation and social security: |                |   |                |
| Corporation tax                                         | -              |   | -              |
| Other taxes and social security                         | (3,166)        |   | 17,289         |
| Taxation and social security                            | (3,166)        |   | 17,289         |
| Accruals and deferred income                            | 6,610          |   | 8,457          |
| Amounts owed to connected companies                     | 48,171         |   | 22,979         |
|                                                         | <u>809,638</u> |   | <u>118,133</u> |

### 9 Creditors: amounts falling due in more than one year

|             | 2002           | 2001             |
|-------------|----------------|------------------|
|             | £              | £                |
| Bank loans  | -              | 707,089          |
| Other loans | 732,608        | 732,610          |
|             | <u>732,608</u> | <u>1,439,699</u> |

There are no formal repayment terms for other loans. The other loans are all due to individuals connected with the shareholders of the company.

### 10 Called up share capital

|                                          | 2002         | 2001         |
|------------------------------------------|--------------|--------------|
|                                          | £            | £            |
| <i>Authorised, issued and fully paid</i> |              |              |
| 25,000 ordinary shares of 20p each       | 5,000        | 5,000        |
|                                          | <u>5,000</u> | <u>5,000</u> |

### 11 Reconciliation of movement in shareholders' funds

|                                          | 2002             | 2001             |
|------------------------------------------|------------------|------------------|
|                                          | £                | £                |
| Loss for the year                        | (21,759)         | (51,136)         |
| Shareholders' funds at beginning of year | (321,109)        | (269,973)        |
| Shareholders' funds at end of year       | <u>(342,868)</u> | <u>(321,109)</u> |

### 12 Contingent liabilities

Three companies have registered for Value Added Tax as a group and each company is jointly and severally liable for the group liability. At 31 August 2002 there was a group VAT creditor of £1,769 (2001: creditor of £10,937).

**Notes** *(continued)*

**13 Related party transactions**

Amounts owing to the directors of the company are disclosed within creditors due in more than one year and loan interest paid on these loans amounted to £38,813(2001:£90,718).

Amounts owed by connected companies are disclosed within debtors. Amounts owed to connected companies are disclosed within creditors.

Turnover includes £120,000 (2001:£ 120,000) receivable from TDS Cad Graphics Limited. Mr HA Cann is a director of TDS Cad Graphics Limited. This revenue relates to the rental of property.