Whitebirk Finance Limited

Directors' report and financial statements

Registered Number 1614321

31 August 2003



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Directors' report

The directors present their annual report and the financial statements for the year ended 31 August 2003.

Principal activities

The company leases and rents machinery and property to industry.

Results and dividends

The loss for the year after taxation amounted to £38,479 *(2002: loss of £21,759)*. 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 and end of year	
	Own interest	Family interest
HA Cann (Chairman)	2,648	11,788
A Hutchinson	1,511	5,300

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

29 June 2004

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 2003

	Note	2003 £	2002 £
Turnover	*1*	**121,041**	128,624
Cost of sales		**(60,351)**	(68,797)
Gross profit		**60,690**	59,827
Administrative expenses		**(1,725)**	(2,064)
Operating profit		**58,965**	57,763
Interest receivable and similar income	*4*	**1,105**	2,002
Interest payable and similar charges	*5*	**(98,549)**	(81,524)
Loss on ordinary activities before taxation	*2*	**(38,479)**	(21,759)
Tax on loss on ordinary activities	*6*	**-**	-
Loss on ordinary activities after taxation		**(38,479)**	(21,759)
Retained loss brought forward	*14*	**(347,868)**	(326,109)
Retained loss carried forward	*14*	**(386,347)**	(347,868)

The results above relate entirely to continuing operations.

Statement of total recognised gains and losses

for the year ended 31 August 2003

The loss of £38,479 *(2002: loss of £21,759)* as shown in the profit and loss account is the only gain or loss recognised in these financial statements

Balance sheet

at 31 August 2003

	Note	2003		2002	
		£	£	£	£
Fixed assets					
Tangible assets	7		**368,881**		413,164
Current assets					
Debtors	8	**550,149**		573,808	
Bank		**74,421**		212,406	
		624,570		786,214	
Creditors: amounts falling due within one year	9	**(98,921)**		(809,638)	
Net current assets/(liabilities)			**525,649**		(23,424)
Total assets less current liabilities			**894,530**		389,740
Creditors: amounts falling due after one year	10		**(1,275,877)**		(732,608)
Net liabilities			**(381,347)**		(342,868)
Capital and reserves					
Called up share capital	11		**5,000**		5,000
Profit and loss account deficit			**(386,347)**		(347,868)
Equity shareholders' funds	12		**(381,347)**		(342,868)

For the year ended 31 August 2003 the company was entitled to exemption from audit under Section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2).

The directors acknowledge their responsibility for:

a) Ensuring the company keeping accounting records which comply with Section 221 of the Companies Act 1985;

b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year in accordance with Section 226 and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the board of directors on 2004 and 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/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. Provision is made in full for deferred tax in accordance with FRS 19.

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

	2003	2002
	£	£
Loss on ordinary activities before taxation is stated		
after charging/(crediting)		
Professional accounting and taxation services	**2,450**	2,300
Depreciation: owned assets	**37,761**	44,281
Profit on sale of fixed assets	**(830)**	(213)
Lease rentals receivable	**(121,041)**	(128,624)

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	
	2003	2002
Administration	**2**	2

4 Interest receivable and similar income

	2003	2002
	£	£
Bank interest	**1,105**	2,002

5 Interest payable and similar charges

	2003	2002
	£	£
On bank loans and overdrafts	**22,657**	42,711
On other loans (loans falling due after more than one year)	**75,892**	38,813
	98,549	81,524

6 Taxation

	2003	2002
	£	£
UK corporation tax at 19% (2002: 19%) on the profit for the year on ordinary activities	**-**	-
Deferred taxation	**-**	-
	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is explained below

	2003	2002
	£	£
Current tax reconciliation		
(Loss) on ordinary activities before tax	**(38,479)**	(21,759)
Current tax at 19% (2002: 19%)	**(7,311)**	(4,134)
Effects of:		
Depreciation for year in excess of capital allowances	**2,256**	5,042
Movement in short term timing differences	**(15,490)**	15,490
Increase/(decrease) in losses	**20,545**	(16,398)
Total current tax charge	**-**	-

Notes *(continued)*

7 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and Fittings	Total
	£	£	£	£	£
Cost					
At beginning and end of year	981,948	225,660	26,085	16,322	1,250,015
Disposals	-	-	(26,085)	-	(26,085)
At end of year	981,948	225,660	-	16,322	1,223,930
Depreciation and diminution in value					
At beginning of year	581,269	225,660	19,563	10,359	836,851
Charge for year	36,779	-	-	982	37,761
Disposals	-	-	(19,563)	-	(19,563)
At end of year	618,048	225,660	-	11,341	855,049
Net book value					
At 31 August 2003	**363,900**	**-**	**-**	**4,981**	**368,881**
At 31 August 2002	400,679	-	6,522	5,963	413,164

Included within land and buildings is £62,500 *(2002: £62,500)* in respect of land which is not depreciated.

Land and buildings with a net book value of £363,900 *(2002: £400,679)*, are on lease to customers.

8 Debtors

	2003	2002
	£	£
Falling due within one year		
Amounts owed by connected companies	**541,531**	561,177
Prepayments and accrued income	**8,297**	12,631
Taxation and social security	**321**	-
	550,149	573,808

Notes *(continued)*

9 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	-	756,125
Directors loan	-	1,833
Trade creditors	**1,468**	65
Other creditors including taxation and social security	**10,067**	(3,166)
Accruals and deferred income	**18,443**	6,610
Amounts owed to connected companies	**68,943**	48,171
	98,921	809,638

10 Creditors: amounts falling due in more than one year

	2003 £	2002 £
Bank loans	-	-
Other loans	**1,275,877**	732,608
	1,275,877	732,608

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

11 Called up share capital

	2003 £	2002 £
Authorised, issued and fully paid		
25,000 ordinary shares of 20p each	**5,000**	5,000

12 Reconciliation of movement in shareholders' funds

	2003 £	2002 £
Loss for the year	**(38,479)**	(21,759)
Shareholders' funds at beginning of year	**(342,868)**	(321,109)
Shareholders' funds at end of year	**(381,347)**	(342,868)

13 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 2003 there was a group VAT debtor of £23,979 *(2002: creditor of £1,769)*.

Notes *(continued)*

14 Reserves

	Profit and loss account £
At the beginning of the year	(347,868)
Loss for the year	(38,479)
	(386,347)

15 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 £75,892 *(2002: £38,813)*.

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

Turnover includes £120,000 *(2002: £120,000)* receivable from TDS Cad Graphics Limited. Mr HA Cann is a director of TDS Promethean (Holdings) Limited, which is the ultimate holding company of TDS Cad Graphics Limited. This revenue relates to the rental of property.

Cost of sales includes £18,000 *(2002: £18,000)* management recharge from S&HAC Holdings Limited, of which Mr HA Cann is a director.