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**Consolidated financial statements for  
the year ended 31 December 2002**

**Yorkshire Investment  
Group Limited**

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# **Yorkshire Investment Group Limited**

## **Company information**

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### **Directors**

H Heron  
P F Jones  
P G Bradshaw  
A Hogg  
J J Dufton

### **Secretary**

C A Johnston

### **Company number**

4126418

### **Registered office**

Ropergate House, 43 Ropergate  
Pontefract  
WF8 1JY

### **Registered auditors**

Mazars  
Mazars House, Gelderd Road, Gildersome  
LEEDS  
West Yorkshire  
LS27 7JN

### **Bankers**

Lloyds Bank plc  
17 Westgate  
WAKEFIELD  
West Yorkshire  
WF1 1JZ

# **Yorkshire Investment Group Limited**

## **Chairman's report For the year ended 31 December 2002**

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The Chairman presents his report for the year to 31 December 2002.

Market conditions have been tough throughout the whole of the 2002 trading period as investment markets continued to worsen over the year. The Group's investment based revenue was hit as fund based income fell broadly in line with the decline in world-wide equity values and the inevitable marked fall in new investment business activity. Losses nevertheless have been minimized due to the Groups focus on personal financial planning, the corporate market and maintaining strong client relationships.

Against this background we followed through with investments to support the new Leeds city office and directed resources to strengthen the Group's systems and procedures in areas such as compliance, accounting and business support systems.

The directors are very confident regarding the medium to long term prospects for the Group but predict another difficult trading year ahead. Nevertheless, the cost reduction programme implemented late in 2002 should result in a return to profitable trading in 2003.

The planned growth and development of the Group remains firmly on track and we will continue our policy of looking to acquire companies that compliment and build on our core business. We would hope to complete at least one other strategic acquisition in the second half of 2003.

Hugh Heron  
Chairman

# Yorkshire Investment Group Limited

## Directors' report For the year ended 31 December 2002

The directors present their report and financial statements for the year ended 31 December 2002.

### 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 group 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;
- 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 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 the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Directors

The following directors have held office since 1 January 2002:

H Heron

P F Jones

P G Bradshaw

A Hogg

C A Johnston

(Resigned 17 April 2002)

J J Dufton

T A Brear

(Resigned 17 April 2002)

### Directors' interests

The directors' interests in the shares of the company and other group companies were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2002	1 January 2002
H Heron	70,718	70,718
P F Jones	70,718	70,718
P G Bradshaw	70,718	70,718
A Hogg	23,807	23,807
J J Dufton	-	-

	Ordinary "B" shares of £ 1 each	
	31 December 2002	1 January 2002
H Heron	-	-
P F Jones	-	-
P G Bradshaw	-	-
A Hogg	-	-
J J Dufton	-	-

# **Yorkshire Investment Group Limited**

## **Directors' report (continued) For the year ended 31 December 2002**

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### **Principal activities and review of the business**

The principal activities of the group are the provision of financial services.

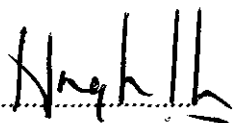
### **Results and dividends**

The results for the year are set out on page 6.

### **Auditors**

Mazars were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Approved by the board on 28/10/02.....  
and signed on its behalf by

  
.....  
H Heron

# **Yorkshire Investment Group Limited**

## **Independent auditors' report**

### **To the shareholders of Yorkshire Investment Group Limited**

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We have audited the financial statements for the year ended 31 December 2002 which comprise of the Profit and Loss Account, the Balance Sheet, and related notes. These financial statements have been prepared under the historical cost convention and 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 our 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 law and United Kingdom Accounting Standards.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

#### **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 and the group'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.

# **Yorkshire Investment Group Limited**


## **Independent auditors' report (continued)**

### **To the shareholders of Yorkshire Investment Group Limited**

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#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 December 2002 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

 28/10/03

MAZARS

CHARTERED ACCOUNTANTS

and Registered Auditors

LEEDS

# Yorkshire Investment Group Limited

## Consolidated profit and loss account For the year ended 31 December 2002

	Notes	2002 £	2001 £
<b>Turnover</b>	<b>2</b>	3,421,884	2,668,742
Less: Share of joint ventures' turnover		(332,642)	(179,826)
		<hr/>	<hr/>
		3,089,242	2,488,916
Cost of sales		(165,950)	(100,441)
		<hr/>	<hr/>
<b>Gross profit</b>		2,923,292	2,388,475
Administrative expenses		(3,091,083)	(2,384,389)
Other operating income		-	(35)
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>	<b>3</b>	(167,791)	4,051
Movement in PI Provision		(30,000)	-
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before interest</b>		(197,791)	4,051
Income from interests in associated undertakings		5,274	(6,451)
Other interest receivable and similar income	<b>5</b>	14,838	30,833
Interest payable and similar charges	<b>6</b>	(41,538)	(29,806)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(219,217)	(1,373)
Tax on loss on ordinary activities	<b>9</b>	3,883	21,850
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities after taxation</b>		(215,334)	20,477
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

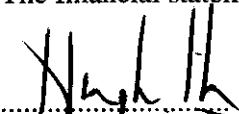


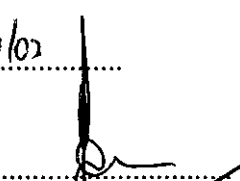
# Yorkshire Investment Group Limited

## Balance sheets As at 31 December 2002

		Group		Company	
	Notes	2002 £	2001 £	2002 £	2001 £
<b>Fixed assets</b>					
Intangible assets	11	655,527	674,467	-	-
Tangible assets	12	256,204	261,049	76,665	3,600
Investments	13	14,319	8,209	1,431,975	1,381,140
		<u>926,050</u>	<u>943,725</u>	<u>1,508,640</u>	<u>1,384,740</u>
<b>Current assets</b>					
Debtors	14	401,132	478,175	41,156	17,024
Cash at bank and in hand		426,687	436,310	8,957	84,221
		<u>827,819</u>	<u>914,485</u>	<u>50,113</u>	<u>101,245</u>
<b>Creditors: amounts falling due within one year</b>	15	(374,798)	(384,390)	(492,054)	(412,316)
<b>Net current assets</b>		<u>453,021</u>	<u>530,095</u>	<u>(441,941)</u>	<u>(311,071)</u>
<b>Total assets less current liabilities</b>		1,379,071	1,473,820	1,066,699	1,073,669
<b>Creditors: amounts falling due after more than one year</b>	16	(657,673)	(499,954)	(473,848)	(290,589)
<b>Provisions for liabilities and charges</b>	17	(101,256)	(138,390)	-	-
		<u>620,142</u>	<u>835,476</u>	<u>592,851</u>	<u>783,080</u>
<b>Capital and reserves</b>					
Called up share capital	18	648,846	648,846	648,846	648,846
Share premium account	19	166,153	166,153	166,153	166,153
Profit and loss account	19	(194,857)	20,477	(222,148)	(31,919)
<b>Shareholders' funds - equity interests</b>		<u>620,142</u>	<u>835,476</u>	<u>592,851</u>	<u>783,080</u>

The financial statements were approved by the Board on 28/10/02

  
H Heron  
Director

  
P F Jones  
Director

# Yorkshire Investment Group Limited

## Consolidated cash flow statement For the year ended 31 December 2002

	Notes	2002 £	2001 £
<b>Net cash inflow from operating activities</b>	<b>21</b>	61,267	41,286
<b>Returns on investments and servicing of finance</b>			
Interest received	14,838	30,833	
Interest paid	(41,538)	(29,806)	
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>		(26,700)	1,027
<b>Taxation</b>		21,486	-
<b>Capital expenditure and financial investment</b>			
Payments to acquire intangible assets	(50,000)	-	
Payments to acquire tangible assets	(92,047)	(197,310)	
Payments to acquire investments	(835)	(9,250)	
Payments on acquisition of group interests	-	(674,467)	
Receipts from sales of tangible assets	-	44,757	
Payment on acquiring joint venture	-	10,896	
<b>Net cash outflow for capital expenditure</b>		(142,882)	(825,374)
<b>Net cash outflow before management of liquid resources and financing</b>		(82,829)	(783,061)
<b>Financing</b>			
Issue of ordinary share capital	-	814,999	
New long term bank loan	355,494	379,861	
Other new short term finance	85,178	149,425	
Repayment of long term bank loan	(276,460)	-	
Repayment of other short term loans	(21,000)	(19,802)	
Capital element of hire purchase contracts	(66,092)	(88,293)	
<b>Net cash inflow from financing</b>		77,120	1,236,190
<b>(Decrease)/increase in cash in the year</b>		(9,709)	453,129

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements For the year ended 31 December 2002

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2002. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.3 Associated undertakings

The group's interest in joint ventures are accounted for using the gross equity method of accounting.

#### 1.4 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

#### 1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	20% and 33% straight line basis
Fixtures, fittings & equipment	25% straight line basis
Motor vehicles	25% straight line basis

#### 1.7 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets. Assets obtained under finance leases are depreciated over the shorter of the lease term and their useful lives, whereas assets obtained under hire purchase contracts are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 1 Accounting policies

#### 1.10 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment.

#### 1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating (loss)/profit	2002 £	2001 £
	Operating (loss)/profit is stated after charging:		
	Depreciation of intangible assets	68,940	-
	Depreciation of tangible assets	96,892	90,836
	Operating lease rentals	140,192	104,468
	Auditors' remuneration (company £4,000; 2001 : £4,000)	20,200	23,603
		<u>          </u>	<u>          </u>
4	Other operating income	2002 £	2001 £
	Other operating income includes:		
	Exchange gains	-	(35)
		<u>          </u>	<u>          </u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

<b>5 Other interest receivable and similar income</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank interest	14,007	30,833
Other interest	831	-
	<u>14,838</u>	<u>30,833</u>
<b>6 Interest payable</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	12,618	20,466
On other loans wholly repayable within 5 years	14,530	-
Hire purchase interest	11,118	9,331
On overdue tax	-	9
Other interest	3,272	-
	<u>41,538</u>	<u>29,806</u>
<b>7 Employees</b>		
<b>Number of employees</b>		
The average monthly number of employees (including directors) during the year was:		
	<b>2002</b>	<b>2001</b>
	<b>Number</b>	<b>Number</b>
Selling and administration	<u>72</u>	<u>54</u>
<b>Employment costs</b>		
	<b>£</b>	<b>£</b>
Wages and salaries	1,920,224	1,213,901
Social security costs	190,999	166,910
Other pension costs	44,505	40,507
	<u>2,155,728</u>	<u>1,421,318</u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

<b>8 Directors' emoluments</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	<u>367,148</u>	<u>484,867</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 5 (2001 - 5).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>78,405</u>	<u>80,088</u>
------------------------------------	---------------	---------------

<b>9 Taxation</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year taxation</b>		
U.K. corporation tax	-	(22,121)
Adjustment for prior years	<u>(3,883)</u>	<u>271</u>
	<u>3,883</u>	<u>21,850</u>

## 10 Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Holding company's loss for the financial year	<u>(190,229)</u>	<u>(31,919)</u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 11 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 January 2002	674,467
Additions	50,000
	<hr/>
At 31 December 2002	724,467
	<hr/>
<b>Amortisation</b>	
At 1 January 2002	-
Charge for the year	68,940
	<hr/>
At 31 December 2002	68,940
	<hr/>
<b>Net book value</b>	
At 31 December 2002	655,527
	<hr/>
At 31 December 2001	674,467
	<hr/>

Goodwill arose on the purchase of the entire share capital of Yorkshire Investment Consultants Limited, YIG Consulting Limited, HCS Pensions Management Limited, YIG Trustees Limited, and Stephen Holt & Company Limited.

The addition in the year relates to further consideration paid to the shareholders of Stephen Holt & Company Limited.

The goodwill is being amortised over 10 years. In the opinion of the directors, this represents a prudent estimate of the period over which the group will derive economic benefits from the goodwill existing at the date of acquisition. The directors are of the opinion that the value of goodwill is in excess of the net book value disclosed above.

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 12 Tangible fixed assets Group

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2002	258,556	197,259	105,957	561,772
Additions	83,408	8,639	-	92,047
At 31 December 2002	341,964	205,898	105,957	653,819
<b>Depreciation</b>				
At 1 January 2002	146,517	106,394	47,812	300,723
Charge for the year	63,986	18,369	14,537	96,892
At 31 December 2002	210,503	124,763	62,349	397,615
<b>Net book value</b>				
At 31 December 2002	131,461	81,135	43,608	256,204
At 31 December 2001	112,039	90,865	58,145	261,049

Included above are assets held under finance leases or hire purchase contracts as follows:

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Net book values</b>				
At 31 December 2002	105,724	-	40,328	146,052
At 31 December 2001	71,316	-	53,774	125,090
<b>Depreciation charge for the year</b>				
31 December 2002	37,928	-	13,444	51,372
31 December 2001	32,448	-	14,425	46,873



# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 12 Tangible fixed assets (continued)

#### Company

	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2002	-	4,500	4,500
Additions	79,456	4,848	84,304
	<u>79,456</u>	<u>9,348</u>	<u>88,804</u>
At 31 December 2002	79,456	9,348	88,804
<b>Depreciation</b>			
At 1 January 2002	-	900	900
Charge for the year	9,369	1,870	11,239
	<u>9,369</u>	<u>2,770</u>	<u>12,139</u>
At 31 December 2002	9,369	2,770	12,139
<b>Net book value</b>			
At 31 December 2002	<u>70,087</u>	<u>6,578</u>	<u>76,665</u>
At 31 December 2001	<u>-</u>	<u>3,600</u>	<u>3,600</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£
<b>Net book values</b>			
At 31 December 2002	<u>70,087</u>	<u>-</u>	<u>70,087</u>
<b>Depreciation charge for the year</b>			
31 December 2002	<u>9,369</u>	<u>-</u>	<u>9,369</u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 13 Fixed asset investments Group

	Unlisted investments	Shares in participating interests	Total
	£	£	£
<b>Cost</b>			
At 1 January 2002	9,250	(1,040)	8,210
Additions	-	6,109	6,109
At 31 December 2002	9,250	5,069	14,319
At 31 December 2001	9,250	(1,041)	8,209

### 13 Fixed asset investments (continued) Company

	Shares in participating interests	Shares in group undertakings	Total
	£	£	£
<b>Cost</b>			
At 1 January 2002	5,410	1,375,730	1,381,140
Additions	835	50,000	50,835
At 31 December 2002	6,245	1,425,730	1,431,975
At 31 December 2001	5,410	1,375,730	1,381,140

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Yorkshire Investment Consultants Limited	England	Ordinary	100
YIG Consulting Limited	England	Ordinary	100
YIG Asset Management Limited	England	Ordinary	100
HCS Pensions Management Limited	England	Ordinary	100
YIG Trustees Limited	England	Ordinary	100

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

<b>Participating interests</b>			
BBPI Limited	England	Ordinary	50
Hansons Financial Planning Limited	England	Ordinary	50

The principal activity of these undertakings for the last relevant financial year was as follows:

### Principal activity

Yorkshire Investment Consultants Limited	Financial services
YIG Consulting Limited	Financial services
YIG Asset Management Limited	Financial services
HCS Pensions Management Limited	Financial services
YIG Trustees Limited	Financial services
BBPI Limited	Financial Services
Hansons Financial Planning Limited	Financial Services

## 14 Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	229,030	296,345	-	-
Amounts owed by participating interests	54,814	19,652	-	-
Corporation tax	-	39,870	-	-
Other debtors	11,145	6,219	11,145	6,219
Prepayments and accrued income	106,143	116,089	30,011	10,805
	<u>401,132</u>	<u>478,175</u>	<u>41,156</u>	<u>17,024</u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

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

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	42,152	57,343	4,267	21,000
Net obligations under finance lease and hire purchase contracts	61,732	51,373	14,667	-
Trade creditors	36,464	35,033	20,317	-
Amounts owed to group undertakings	-	-	422,038	381,416
Corporation tax	-	21,313	-	-
Taxes and social security costs	85,356	48,207	12,915	-
Other creditors	1,549	-	-	-
Accruals and deferred income	147,545	171,121	17,850	9,900
	<u>374,798</u>	<u>384,390</u>	<u>492,054</u>	<u>412,316</u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 16 Creditors : amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans	437,894	358,860	275,000	214,129
Net obligations under finance leases and hire purchase agreements	74,541	64,554	53,690	-
Directors' loan accounts	145,238	76,540	145,158	76,460
	<u>657,673</u>	<u>499,954</u>	<u>473,848</u>	<u>290,589</u>
<b>Analysis of loans</b>				
Wholly repayable within five years	475,779	412,022	275,000	235,129
Included in current liabilities	(37,885)	(53,162)	-	(21,000)
	<u>437,894</u>	<u>358,860</u>	<u>275,000</u>	<u>214,129</u>
In more than one year but not more than two years	312,885	57,162	275,000	25,000
In more than two years but not more than five years	113,654	201,488	-	105,000
In more than five years	11,355	100,210	-	84,129
	<u>437,894</u>	<u>358,860</u>	<u>275,000</u>	<u>214,129</u>

Lloyds TSB hold an unlimited debenture dated 28th February 2001, that creates a fixed and floating charge over all the groups assets and undertakings.

Creditors in respect of finance leases and hire purchase contracts are secured against the relevant assets.

#### Net obligations under finance leases and hire purchase contracts

Repayable within one year	61,732	51,373	14,667	-
Repayable between one and five years	74,541	64,554	53,690	-
	<u>136,273</u>	<u>115,927</u>	<u>68,357</u>	<u>-</u>
Included in liabilities falling due within one year	(61,732)	(51,373)	(14,667)	-
	<u>74,541</u>	<u>64,554</u>	<u>53,690</u>	<u>-</u>

Repayment of the directors' loans is not permitted within two years of the balance sheet date, unless written permission of the Financial Services Authority is received agreeing to an earlier repayment date.

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 17 Provisions for liabilities and charges

Group	Indemnity Provision £
Balance at 1 January 2002 & at 31 December 2002	138,390
Profit and loss account	(37,134)
	<u>101,256</u>
Balance at 31 December 2002	<u>101,256</u>

### 18 Share capital

	2002 £	2001 £
<b>Authorised</b>		
9,600,000 Ordinary shares of £ 1 each	9,600,000	9,600,000
400,000 Ordinary "B" shares of £ 1 each	400,000	400,000
	<u>10,000,000</u>	<u>10,000,000</u>
 <b>Allotted, called up and fully paid</b>		
248,846 Ordinary Shares of £ 1 each	248,846	248,846
400,000 Ordinary A Shares of £ 1 each	400,000	400,000
	<u>648,846</u>	<u>648,846</u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 19 Statement of movements on reserves Group

	Share premium account £	Profit and loss account £
Balance at 1 January 2002	166,153	20,477
Retained loss for the year	-	(215,334)
	<u>166,153</u>	<u>(194,857)</u>
Balance at 31 December 2002	<u>166,153</u>	<u>(194,857)</u>

### Company

	Share premium account £	Profit and loss account £
Balance at 1 January 2002	166,153	(31,919)
Retained loss for the year	-	(190,229)
	<u>166,153</u>	<u>(222,148)</u>
Balance at 31 December 2002	<u>166,153</u>	<u>(222,148)</u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

<b>20 Reconciliation of movements in shareholders' funds</b>	<b>2002</b>	<b>2001</b>
<b>Group</b>	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	(215,334)	20,477
Proceeds from issue of shares	-	814,999
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(215,334)	835,476
Opening shareholders' funds	835,476	-
	<hr/>	<hr/>
Closing shareholders' funds	<u>620,142</u>	<u>835,476</u>
	<b>2002</b>	<b>2001</b>
<b>Company</b>	<b>£</b>	<b>£</b>
Loss for the financial year	(190,229)	(31,919)
Proceeds from issue of shares	-	814,999
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(190,229)	783,080
Opening shareholders' funds	783,080	-
	<hr/>	<hr/>
Closing shareholders' funds	<u>592,851</u>	<u>783,080</u>
<b>21 Reconciliation of operating (loss)/profit to net cash inflow from operating activities</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit	(197,791)	4,051
Depreciation of tangible assets	96,892	90,836
Amortisation of intangible assets	68,940	-
Profit on disposal of tangible assets	-	(521)
Decrease in debtors	68,127	(315,307)
Increase/(decrease) in creditors within one year	6,739	251,448
(Decrease)/ Increase in Provision	18,360	10,779
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>61,267</u>	<u>41,286</u>



# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

22 Analysis of net debt	1 January 2002	Cash flow 31 December 2002
	£	£
Net cash:		
Cash at bank and in hand	436,310	(9,623)
Bank overdrafts	(4,181)	(86)
	<u>432,129</u>	<u>(9,709)</u>
Bank deposits	-	-
Finance leases	(115,927)	(20,346)
Debts falling due within one year	(53,162)	15,277
Debts falling due after one year	(358,860)	(79,034)
	<u>(527,949)</u>	<u>(84,103)</u>
Net funds/(debt)	<u>(95,820)</u>	<u>(189,632)</u>

23 Reconciliation of net cash flow to movement in net debt	2002	2001
	£	£
Decrease in cash in the year	(9,709)	(371,528)
Cash inflow from increase in debt	(84,103)	(435,011)
Movement in net debt in the year	(93,812)	(806,539)
Opening net (debt)/funds	(95,820)	710,719
Closing net debt	<u>(189,632)</u>	<u>(95,820)</u>

## 24 Pension costs

### Defined contribution

	2002	2001
	£	£
Contributions payable by the company for the year	<u>44,505</u>	<u>37,249</u>

# Yorkshire Investment Group Limited

## Notes to the consolidated financial statements (continued) For the year ended 31 December 2002

### 25 Financial commitments

At 31 December 2002 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	27,663	15,426	5,996	15,532
Between two and five years	175,595	168,996	-	-
	<u>203,258</u>	<u>184,422</u>	<u>5,996</u>	<u>15,532</u>

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	18,750	7,713	-	7,766
Between two and five years	77,098	84,498	-	-
	<u>95,848</u>	<u>92,211</u>	<u>-</u>	<u>7,766</u>