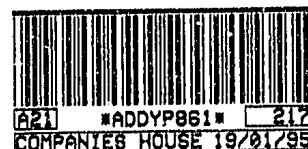


**Northern Trust Company Limited**

**Directors' report and financial statements**

**31 March 1994**

**Registered number 735621**



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COMPANIES HOUSE 19/01/95

# Northern Trust Company Limited

## Directors' report and financial statements

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# Northern Trust Company Limited

## Directors' report

The directors present their report, together with the financial statements for the year ended 31 March 1994.

### Principal activities

The principal activities of the company during the year were property investment and corporate investment.

### Business review

Following the acquisition of £52m of investment property in the last four months of the previous year, the current year has been one of consolidation.

Rental income grew to £9.8m in the year ended 31 March 1994 from £2.1m in the previous year. The directors' efforts have been successfully focused on reducing the level of void space by 2% to 13.5%.

### Results and dividends

The profit after taxation attributable to shareholders is £7,367,079 (1993:£3,503,662) and has been transferred to reserves.

The directors do not recommend the payment of a dividend (1993:£nil).

### Movements in fixed assets

A summary of the movements in the company's tangible fixed assets is shown in note 8 to the financial statements.

### Directors

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

TJ Hemmings	
W McNab	
GP Furlong	
IR Penrose	
JD Proctor	(resigned 2 May 1994)
FJ Livesey	
G Brown	(deceased 5 August 1993)

In accordance with the Articles of Association, IR Penrose and FJ Livesey retire by rotation and, being eligible, offer themselves for re-election.

# Northern Trust Company Limited

## Directors' report

As at 31 March 1993 TJ Hemmings owned 3,998,996 of the company's ordinary share capital. During the year TJ Hemmings acquired the balance of the company's issued ordinary share capital. On 24 September 1993 the entire share capital of the company was acquired by TJH Group Limited. The entire issued share capital of TJH Group Limited, the company's ultimate holding company, is owned by Mr TJ Hemmings.

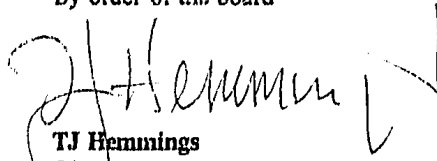
No rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### Auditors

During the year Pomfrets resigned as auditors and KPMG Peat Marwick were appointed in their place.

Pursuant to a shareholders' resolution the company is not obliged to re-appoint its auditors annually and KPMG Peat Marwick will therefore continue in office.

By order of the board

  
TJ Hemmings  
Director

61 St Thomas's Road  
CHORLEY  
Lancashire  
PR7 1JE

28 September 1994

# Northern Trust Company Limited

## 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 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 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 to prevent and detect fraud and other irregularities.

**Report of the auditors to the members of Northern Trust Company Limited**

We have audited the financial statements on pages 5 to 17.

*Respective responsibilities of directors and auditors*

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

*Basis of opinion*

We conducted our audit in accordance with 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.

*Opinion*

In our opinion the financial statements give a true and fair view of the state of the affairs of the company as at 31 March 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

*Chartered Accountants  
Registered Auditors*

28 September 1994

# Northern Trust Company Limited

## Profit and loss account for the year ended 31 March 1994

	Note	1994 £	1993 £
Turnover	1	11,451,205	2,303,420
Cost of sales		(2,322,941)	(4,557,486)
Gross profit/(loss)		9,128,264	(2,254,066)
Administrative expenses		(908,430)	(1,453,425)
Other operating income	2	1,749,255	9,548,270
Operating profit	3	9,969,089	5,840,779
Profit on sale of investments in subsidiary undertakings		3,559,989	-
Net interest payable and other similar charges	4	(5,834,502)	(1,928,891)
Profit on ordinary activities before taxation		7,694,576	3,911,888
Taxation on profit on ordinary activities	5	(327,497)	(408,226)
Retained profit for the financial year	14	7,367,079	3,503,662

## Statement of total recognised gains and losses for the year ended 31 March 1994

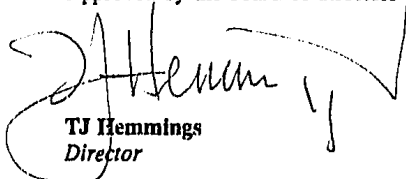
Profit for the financial year	7,367,079	3,503,662
Revaluation of investment and other properties	18,184,517	-
Total recognised gains for the year	25,551,596	3,503,662

# Northern Trust Company Limited

## Balance sheet as at 31 March 1994

	Note	1994 £	1993 £
<b>Fixed assets</b>			
Tangible assets	8	90,178,931	72,065,016
Investments	9	16,519,898	13,830,146
		<u>106,698,829</u>	<u>85,895,162</u>
<b>Current assets</b>			
Debtors	10	12,455,153	7,744,275
Cash at bank and in hand		7,414,302	20,505
		<u>19,869,455</u>	<u>7,764,780</u>
Creditors: amounts falling due within one year	11	(2,655,964)	(82,195,164)
<b>Net current assets/(liabilities)</b>		<u>17,213,491</u>	<u>(74,430,384)</u>
<b>Total assets less current liabilities</b>		<b>123,912,320</b>	<b>11,464,778</b>
Creditors: amounts falling due after more than one year	11	(87,240,623)	(494,694)
<b>Net assets</b>		<u>36,671,697</u>	<u>10,970,084</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,005,358	1,000,000
Share premium account	14	144,659	-
Investment property revaluation reserve	14	23,855,862	5,671,345
Profit and loss account	14	11,665,818	4,298,739
	15	<u>36,671,697</u>	<u>10,970,084</u>

Approved by the board of directors on 28 September 1994 and signed on its behalf by:

  
TJ Hemmings  
Director



# Northern Trust Company Limited

## 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 to the accounts:

#### *Basis of preparation*

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention adjusted for the revaluation of certain freehold and leasehold properties.

The company is exempt by issue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of TJH Group Limited, and its cash flows are included within the consolidated cash flow statement of that company.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

#### *Tangible fixed assets and depreciation*

In accordance with Statement of Standard Accounting Practice No 19

- (i) investment properties are revalued annually by the company's senior chartered surveyor and every five years by external valuers and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

No depreciation is provided on freehold properties or properties held under leases with twenty years or more to run at the balance sheet date. It is the company's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly, the directors consider that the lives of these assets are so long and residual values, based on prices prevailing at the time of the acquisition or subsequent valuation, are so high that their depreciation is insignificant.

# Northern Trust Company Limited

## Notes (continued)

### 1 Accounting policies (continued)

Provision is made in the profit and loss account in the event of any permanent diminution in property values.

The cost or valuation of other tangible fixed assets less their estimated residual value is written off on a straight line basis over their useful lives. The principal annual rates used are:

Short leasehold	Over the period of the lease
Plant and equipment	25%
Fixtures and fittings	20%

### *Taxation*

The charge for taxation is based on the profit for the year and takes into account the taxation deferred because of timing differences between the treatment of certain items for taxation and accounts purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

### *Leasing and hire purchase commitments*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

### *Pensions*

The company operates defined contribution pension schemes for the benefit of certain of its employees. Contributions are charged to the profit and loss account as they become payable by the company in accordance with the rules of the schemes.

# Northern Trust Company Limited

## Notes (continued)

### 2 Other operating income

Other operating income forms part of the company's normal trading activities and comprises the results of the company's equity investment as follows:

	1994 £	1993 £
Profit on disposal of investments	731,439	7,870,075
Income from fixed asset investments	1,468,258	1,678,195
Amounts provided against investments	(450,442)	-
	<u>1,749,255</u>	<u>9,548,270</u>

### 3 Operating profit

	1994 £	1993 £
<i>Operating profit is stated after crediting:</i>		
Property rents receivable	9,835,877	2,051,452
<i>after charging:</i>		
Auditors' remuneration: audit	9,000	25,157
Depreciation:		
owned assets	62,790	21,096
leased assets	6,808	14,436
Operating lease rentals: other assets	<u>2,401</u>	<u>3,931</u>

# Northern Trust Company Limited

## Notes (continued)

4	Net interest payable and other similar charges	1994 £	1993 £
	<i>Interest payable:</i>		
	Bank loans and overdrafts repayable within five years	2,915,389	1,936,755
	On loans from group undertakings	3,173,929	-
	Finance leases and hire purchase contracts	365,477	-
	Other loans	2,551	-
		<u>6,457,346</u>	<u>1,936,755</u>
	<i>Interest receivable:</i>		
	Bank interest	25,356	-
	On loans to group undertakings	577,779	-
	Other loans	19,709	7,864
		<u>622,844</u>	<u>7,864</u>
	Net interest payable	<u>5,834,502</u>	<u>1,928,891</u>

5	Taxation on profit on ordinary activities	1994 £	1993 £
	Tax attributable to franked investment income	<u>327,497</u>	<u>408,226</u>

6	Staff costs	1994 £	1993 £
	Wages and salaries	236,840	220,264
	Social security costs	23,159	30,120
	Other pension costs	23,540	21,360
		<u>283,539</u>	<u>271,744</u>

The average number of persons employed by the company during the year (including directors) was:

	Number	Number
Management and administration	<u>13</u>	<u>12</u>

# Northern Trust Company Limited

## Notes (continued)

### 7 Directors' remuneration

Directors' remuneration of £162,053 (1993:£163,187) includes pension scheme contributions of £5,918 (1993:£14,360). The total remuneration of the chairman was £Nil (1993:£Nil). The remuneration of the highest paid director was £66,638 (1993: £54,065).

The emoluments of the directors, excluding pension contributions, were in the following ranges:

		Number 1994	Number 1993
£ 0 -	£ 5,000	3	3
£ 5,001 -	£10,000	-	1
£15,001 -	£20,000	-	1
£20,001 -	£25,000	2	1
£40,001 -	£45,000	1	-
£50,001 -	£55,000	-	1
£60,001 -	£65,000	1	-

# Northern Trust Company Limited

## Notes (continued)

### 8 Tangible fixed assets

	Land and buildings			Plant and equipment	Total
	Freehold	Long leasehold	Short leasehold		
	£	£	£	£	£
<i>Cost or valuation</i>					
At beginning of year	68,470,614	3,436,000	-	252,798	72,159,412
Additions	646,651	-	-	109,581	756,232
Disposals	(772,520)	-	-	(3,000)	(775,520)
Intra group transfers	8,350	-	-	23,841	32,191
Reclassification	-	(300,000)	300,000	-	-
Revaluation	18,184,517	-	-	-	18,184,517
At end of year	86,537,612	3,136,000	300,000	383,220	90,356,832
<i>Depreciation</i>					
At beginning of year	-	3,665	-	90,731	94,396
Charge for year	-	10,136	-	59,462	69,598
Intra group transfers	-	-	-	13,907	13,907
At end of year	-	13,801	-	164,100	177,901
<i>Net book value</i>					
At 31 March 1994	86,537,612	3,122,199	300,000	219,120	90,178,931
At 1 April 1993	68,470,614	3,432,335	-	162,067	72,065,016

Included within land and buildings are investment properties with a book value of £89,659,811 (1993:£71,902,949). These properties were valued by the company's senior chartered surveyor on the basis of open market value at 31 March 1994. Changes in the value of these properties are reflected as a movement on the investment property revaluation reserve.

The cost of freehold land and buildings includes £86,537,612 (1993:£68,470,614) of non-depreciable assets.

Included in the total net book value of plant and equipment is £20,423 (1993:£27,231) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £6,808 (1993:£14,436).

The company has capital commitments contracted for £250,000 (1993:£320,000) and authorised but not contracted for of £245,000 (1993:£Nil) at the year end.

# Northern Trust Company Limited

## Notes (continued)

### 9 Fixed asset investments

	Interests in subsidiary and associated undertakings	Listed investments	Unlisted investments	Loans	Total
	£	£	£	£	£
<i>Book value</i>					
At 1 April 1993	444,044	11,277,367	2,108,735	-	13,830,146
Reclassification	396,800	(1,110,407)	713,607	-	-
Additions	323,999	742,959	602,753	1,908,500	3,580,211
Disposals	(440,017)	-	-	-	(440,017)
Transfer	-	1,699,435	(1,699,435)	-	-
Provisions	-	(275,442)	-	(175,000)	(450,442)
At 31 March 1994	<u>726,826</u>	<u>12,333,912</u>	<u>1,725,660</u>	<u>1,733,500</u>	<u>16,519,898</u>

The market value of listed investments at 31 March 1994 amounted to £37,595,000 (1993: £29,262,137).

The principal subsidiary and associated undertakings of the company are set out in note 19.

### 10 Debtors

	1994 Due within one year £	Due within one year £	1993 Due after one year £	Total £
Trade debtors	1,890,198	1,376,052	-	1,376,052
Amounts owed by parent and fellow subsidiary undertakings	9,737,259	1,551,015	4,396,115	5,947,130
Other debtors	557,134	-	-	-
Prepayments and accrued income	270,562	421,093	-	421,093
	<u>12,455,153</u>	<u>3,348,160</u>	<u>4,396,115</u>	<u>7,744,275</u>

# Northern Trust Company Limited

## Notes (continued)

### 11 Creditors

	1994 £	1993 £
<i>Amounts falling due within one year:</i>		
Bank loans and overdrafts	-	74,110,707
Trade creditors	176,751	5,439,724
Obligations under finance leases and hire purchase contracts (note 12)	8,846	20,332
Amounts owed to parent and fellow subsidiary undertakings	461,508	630,966
Corporation tax	-	77,892
Other taxes and social security	282,560	8,262
Other creditors	109,106	28,902
Accruals and deferred income	1,617,193	1,878,379
	<u>2,645,964</u>	<u>82,195,164</u>
<i>Amounts falling due after one year:</i>		
Bank loans	-	205,582
Amounts owed to parent and fellow subsidiary undertakings	80,540,623	-
Other creditors	6,700,000	289,112
	<u>87,240,623</u>	<u>494,694</u>

### 12 Obligations under finance leases and hire purchase contracts

Obligations under finance leases and hire purchase contracts are due to be repaid over the following periods:

	1994 £	1993 £
Within one year	<u>8,846</u>	<u>20,332</u>



# Northern Trust Company Limited

## Notes (continued)

### 13 Called up share capital

	1994 £	1993 £
<i>Authorised</i>		
10,000,000 (1993:10,000,000) ordinary shares of £0.25 each	<u>2,500,000</u>	<u>2,500,000</u>
<i>Allotted and fully paid</i>		
4,021,431 (1993:4,000,000) ordinary shares of £0.25 each	<u>1,005,358</u>	<u>1,000,000</u>

During the year 21,431 ordinary shares of £0.25 nominal value were issued at £7 each for the acquisition of subsidiary undertakings.

### 14 Reserves

	Investment property revaluation reserve £	Share premium account £	Profit and loss account £
At 1 April 1993	5,671,345	-	4,298,739
Revaluation surplus arising in the year	18,184,517	-	-
Retained profit for the year	-	-	7,367,079
Premium on issue of shares	-	144,659	-
	<u>23,855,862</u>	<u>144,659</u>	<u>11,665,818</u>
At 31 March 1994			

# Northern Trust Company Limited

## Notes (continued)

### 15 Reconciliation of movement in shareholders' funds

	1994
	£
Profit for the financial year	7,367,079
Surplus arising on revaluation of investment properties	18,184,517
Issue of share capital	5,358
Share premium on issue of shares	144,659
Net increase in shareholders' funds	25,701,613
Shareholders' funds at 1 April 1993	10,970,084
Shareholders' funds at 31 March 1994	36,671,697

### 16 Pensions

Certain of the company's employees are members of defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension costs charge represents pension contributions payable by the company to the funds and amounted to £23,540 (1993: £21,360).

### 17 Contingent liabilities

The company is party to group banking arrangements for TJH Group Limited. Consequently, it is jointly and severally liable for the loans and overdrafts of TJH Group Limited and certain of its subsidiary undertakings.

### 18 Ultimate parent company and parent undertaking of larger group of which the company is a member

The ultimate parent company is TJH Group Limited registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by TJH Group Limited. The consolidated accounts of that company are available to the public and may be obtained from:

The Registrar of Companies  
Companies House  
Crown Way  
CARDIFF  
CF4 3UZ

# Northern Trust Company Limited

## Notes (continued)

### 19 Principal operating subsidiary and associated undertakings

The principal operating and subsidiary undertakings are set out below. All operate in the United Kingdom and are registered in England.

Company	Class of capital and percentage held	Activity
<b>Subsidiary undertakings</b>		
Ambrose Hire Limited	Ordinary 50%	Hire of plant
Anderton & Kitchen Limited	Ordinary 50% Preference 100%	Holding company
Anderton & Kitchen (Civil Engineers) Limited	Ordinary 50%	Civil engineering
Anderton & Kitchen (Plant Hire) Limited	Ordinary 50%	Hire of plant
Anderton & Kitchen (Material Handling) Limited	Ordinary 50%	Material handling
Anderton & Kitchen (Manchester) Limited	Ordinary 50%	Hire of plant
Carrington Productions International Limited	Ordinary 100%	Intellectual property in the film and music industries
Croston Joinery Limited	Ordinary 100%	General joinery
Gleadhill House Stud Limited	Ordinary 100%	Stud farming and horse training
J B Trafford (Plant Hire) Limited	Ordinary 50%	Hire of plant
Lanley Developments Limited	Ordinary 100%	House building
Metacre Limited	Ordinary 100%	Land investment
Mickey Hammond Racing Limited	Ordinary 100%	Racehorse training
Trustair Limited	Ordinary 100%	Business airline
White Cross Parks Limited	Ordinary 100%	Leisure park operator
Whittle Jones Group Limited	Ordinary 100%	Holding company
Whittle Jones (Leeds) Limited	Ordinary 100%	Chartered surveyors
Whittle Jones (Preston) Limited	Ordinary 100%	Chartered surveyors
Whittle Jones (Newcastle) Limited	Ordinary 100%	Chartered surveyors
<b>Associated undertakings</b>		
Windsor Creameries Manufacturing Limited (sold 9 September 1994)	Preferred ordinary 50% Ordinary 50%	Ice cream manufacturer