

Euxton House Limited

Directors' report and financial statements

31 March 1997

Registered number 1950511



Euxton House Limited

Directors' report and financial statements

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Euxton House Limited

Directors' report

The directors present their report, together with the financial statements for the year ended 31 March 1997.

Principal activities and business review

The company has not traded during the current or prior year.

Directors

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

TJ Hemmings (appointed 6 August 1996)

ML Widders (appointed 1 April 1996)

PJ Hemmings (resigned 1 April 1996)

W McNab (resigned 1 April 1996)

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.

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; and
- 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 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 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.

Euxton House Limited

Directors' report *(continued)*

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



PS Freeman
Secretary

Lynton House
Ackhurst Park
CHORLEY
Lancashire
PR1 1NY

21 July 1997



Edward VII Quay
Navigation Way
Ashton-on-Ribble
PRESTON
Lancashire PR2 2YF

Report of the auditors to the members of Euxton House Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

As described on page 1, 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 company's affairs as at 31 March 1997, and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

*Chartered Accountants
Registered Auditors*

21 July 1997

Euxton House Limited

Profit and loss account

for the year ended 31 March 1997

During the current and previous financial year the company did not trade and received no income and incurred no expenditure. Consequently in both years it made neither a profit nor a loss.

The profit and loss account includes the only gains and losses of the company for the current and prior year.

Euxton House Limited

Balance sheet

as at 31 March 1997

	<i>Note</i>	1997 £000	1996 £000
Current assets			
Amounts owed by parent and fellow subsidiary undertakings		4	4
Creditors: amounts falling due within one year			
Accruals and deferred income		(1)	(1)
		<u>3</u>	<u>3</u>
Capital and reserves			
Called up share capital	3	50	50
Profit and loss account		(47)	(47)
		<u>3</u>	<u>3</u>
Equity shareholders' funds		<u>3</u>	<u>3</u>

Approved by the board of directors on 21 July 1997 and signed on its behalf by:

TJ Hemmings
Director



Euxton House Limited

Notes to the financial statements

1 Statement of accounting policies

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

Basis of preparation

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

The company is exempt by virtue 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 Number 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.

Related party transactions

The directors have taken advantage of the exemption in Financial Reporting Standard Number 8, paragraph 3(c) and have not disclosed the related party transactions with parent and fellow subsidiary undertakings.

Investments

Investments are stated at cost less provision for diminution in value.

2 Investments

Interest in
subsidiary
undertakings
£000

Cost and net book value

At beginning and end of year

-

The company's subsidiary undertakings at 31 March 1997 were:

Subsidiary undertaking	Country of incorporation	Principal activity	Proportion of ordinary shares held
Trustair Limited	England	Business airline	100%
Gleadhill House Stud Limited	England	Racehorse stud and property holding	100%
Micky Hammond Racing Limited*	England	Racehorse training	100%

* Interest is held partly or fully by subsidiary undertakings.

Euxton House Limited

Notes (continued)

3 Called up share capital

	1997 £000	1996 £000
<i>Authorised</i>		
200,000 ordinary shares of 25p each	50	50
<i>Allotted, called up and fully paid</i>		
200,000 ordinary shares of 25p each	50	50

4 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. At 31 March 1997 the liability under this guarantee amounted to £120,698,000 (1996: £124,230,000).

5 Ultimate parent company

The ultimate parent company is TJH Group Limited, a company 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