

Euxton House Limited

**Directors' report and financial
statements**

Registered number 1950511

31 March 2005



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Directors' report

The directors present their report, together with the financial statements for the year ended 31 March 2005.

Principal activity

The principle activity of the company is the provision of management services.

Business review

The directors are satisfied with the results for the year.

Results and dividends

The retained loss for the financial year attributable to shareholders is £6,000 (2004: *£nil*) and has been transferred from reserves. The directors do not recommend the payment of a dividend (2004: *£nil*).

Directors

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

JC Kay

PL Hemmings (appointed 26 July 2005)

TJ Hemmings (resigned 22 October 2004)

SJ Stott (resigned 26 July 2005)

The interests of Mr TJ Hemmings in the company's ultimate parent company, Northern Trust Group Limited, are disclosed in the financial statements of that company.

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;
- 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.

Directors' report *(continued)*

Auditors

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

By order of the board


JC Kay
Director

Lynton House
Ackhurst Park
CHORLEY
Lancashire
PR7 1NY

23.01.2006



KPMG LLP

Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of Euxton House Limited

We have audited the financial statements on pages 4 to 9.

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 an auditor's 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

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

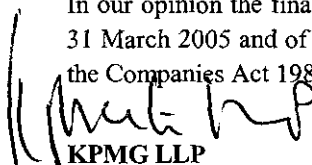
Basis of audit opinion

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 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG LLP
Chartered Accountants
Registered Auditor

23/01/2006

Profit and loss account

for the year ended 31 March 2005

	<i>Note</i>	2005 £000	2004 £000
Turnover	<i>1</i>	303	340
Cost of sales		(307)	(340)
Gross loss		(4)	-
Administrative expenses		-	-
Operating loss	<i>2</i>	(4)	-
Interest payable	<i>4</i>	(2)	-
Loss on ordinary activities before taxation		(6)	-
Taxation on loss on ordinary activities	<i>5</i>	-	-
Retained loss for the financial year	<i>10</i>	(6)	-

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 March 2005

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

Balance sheet

as at 31 March 2005

	<i>Note</i>	2005 £000	2004 £000
Current assets			
Debtors	7	103	70
Cash		-	9
		<u>103</u>	<u>79</u>
Creditors: amounts falling due within one year	8	(107)	(77)
		<u>(4)</u>	<u>2</u>
Net (liabilities)/assets			
Capital and reserves			
Called up share capital	9	50	50
Profit and loss account	10	(54)	(48)
		<u>(4)</u>	<u>2</u>
Equity shareholders' funds	11		

Approved by the board of directors on 23. 01.

2006 and signed on its behalf by:



JC Kay
 Director

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 financial statements have been prepared on a going concern basis. The company is reliant on its ultimate parent undertaking for its continued support. The ultimate parent company has indicated its continued support for the foreseeable future.

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 Northern Trust 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 transactions with entities that are part of Northern Trust Group Limited.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. All turnover arises in the United Kingdom.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for deferred taxation in accordance with FRS 19.

Amounts claimed or surrendered by way of group relief are transferred at nil consideration.

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.

Notes *(continued)*

2 Profit on ordinary activities before taxation

Auditor's remuneration for the year ended 31 March 2005 was £2,000. In previous years it was paid by the company's ultimate parent undertaking, Northern Trust Group Limited.

3 Staff numbers and costs

The only persons employed by the company during the year were the directors, none of whom received any remuneration from the company (2004: *£nil*).

4 Interest payable

	2005 £000	2004 £000
On cash at bank	2	-
	<u>2</u>	<u>-</u>

5 Taxation on loss on ordinary activities

	2005 £000	2004 £000
UK Corporation tax at 30% (2004: 30%)	-	-
	<u>-</u>	<u>-</u>

	2005 £000	2004 £000
Loss on ordinary activities before taxation	(6)	-
	<u>(6)</u>	<u>-</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	(2)	-
Expenses not deductible for tax purposes	3	-
Group relief surrendered (from)/to fellow group companies	(1)	-
	<u>-</u>	<u>-</u>
Current tax charge for the period	-	-
	<u>-</u>	<u>-</u>

Notes (continued)

6 Investments

Interest in
 subsidiary
 undertakings
 £000

Cost and net book value

At beginning and end of year

-

At 31 March 2005 the company had the following subsidiary undertakings, all of which trade in the United Kingdom and are incorporated in England and Wales:

	Principal activity	Proportion of ordinary shares held
Trustair Limited	Business airline	100%
Gleadhill House Stud Limited	Racehorse stud and property holding	100%

7 Debtors

	2005 £000	2004 £000
Trade debtors	74	50
Prepayments	19	-
Owed by group undertakings	9	20
Other debtors	1	-
	<u>103</u>	<u>70</u>

8 Creditors: amounts falling due within one year

	2005 £000	2004 £000
Bank overdraft	29	-
Trade creditors	2	-
Amounts owed to group undertakings	76	76
Other creditors	-	1
	<u>107</u>	<u>77</u>

9 Called up share capital

	2005 £000	2004 £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

Notes (continued)

10 Reserves

	Profit and loss account £000
At 1 April 2004	(48)
Loss for the financial year	(6)
At 31 March 2005	<u>(54)</u>

11 Reconciliation of movement in shareholders' funds

	2005 £000	2004 £000
Loss for the financial year	(6)	-
Shareholders' funds at beginning of year	2	2
Shareholders' funds at end of year	<u>(4)</u>	<u>2</u>

12 Contingent liabilities

The company is party to group banking arrangements for Northern Trust Group Limited. Consequently, it is jointly and severally liable for the loans and overdrafts of Northern Trust Group Limited and certain of its subsidiary undertakings. At 31 March 2005 the liability under this guarantee amounted to £229,541,000 (2004: £224,899,000).

13 Related party transactions

During the year the company charged fees of £104,000 (2004: £146,000) to CWV Group, £9,000 (2004: £12,000) to Hemway Limited, £17,000 (2004: £nil) to Brannigans Limited, £4,000 (2004: £nil) to Herald Inns and Bars Limited and £2,000 (2004: £nil) to Crown Leisure Limited for services provided by the company.

The family interests of Mr TJ Hemmings are shareholders in Northern Trust Group Limited (the company's ultimate parent company), CWV Group Limited, Hemway Limited, Brannigans Limited, Herald Inns and Bars Limited and Crown Leisure Limited.

14 Ultimate parent company

The ultimate parent company is Northern Trust 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 Northern Trust Group Limited. The consolidated financial statements of that company are available to the public and may be obtained from:

The Registrar of Companies
Companies House
Crown Way
CARDIFF
CF14 3UZ