



**NORLAND CAPITAL LIMITED**

**Report and Financial Statements**

**30 November 1995**

**Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN**





**REPORT AND FINANCIAL STATEMENTS 1995**

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**REPORT AND FINANCIAL STATEMENTS 1995**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

M A Finegold  
C French

**SECRETARY**

Legibus Secretaries Limited

**REGISTERED OFFICE**

200 Aldersgate Street  
London  
EC1A 4JJ

**BANKERS**

Barclays Bank PLC  
Atlas House  
No.1 King Street  
London  
EC2V 8AV

**SOLICITORS**

Clifford Chance  
200 Aldersgate Street  
London  
EC1A 4JJ

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN



## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the period from incorporation to 30 November 1995.

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the company is the provision of management services to fellow subsidiaries and the ultimate parent company.

The company was incorporated on 18 November 1994 and commenced trading on 1 September 1995.

The directors are pleased with the progress of the company since incorporation and consider the future prospects of the company to be satisfactory.

### **RESULTS AND DIVIDENDS**

The results for the period are shown in the profit and loss account on page 6. The profit after taxation of £19,199 has been transferred to reserves. No dividend is proposed.

### **CHANGE OF NAME**

The company was incorporated in the name of Lodgedrift Limited and changed it to Norland Capital Limited on 3 January 1995.

### **ISSUE OF SHARES**

On 3 January 1995 the company issued one ordinary share of £1 being the initial share capital of the company.

### **DIRECTORS**

The directors during the period were:

P J Charlton	(resigned 3 January 1995)
M E Richards	(resigned 3 January 1995)
M A Finegold	(appointed 3 January 1995)
C French	(appointed 12 September 1995)

Both Mr M A Finegold and Mr C French are directors of the ultimate parent company. Accordingly, their interests in shares of group companies are disclosed in that company's directors' report.

None of the directors had any interest either during or at the end of the period in any material contract or arrangement with the company.

### **FIXED ASSETS**

Movements in fixed assets during the period are shown in note 5.

**DIRECTORS' REPORT****INSURANCE FOR DIRECTORS AND OFFICERS**

During the period the company has purchased and maintained effective insurance for directors and officers against liabilities in relation to the company.

**AUDITORS**

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

M A Finegold

Director



**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
in relation to Financial Statements**

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for the financial period. As required, in the absence of any circumstances which would make it inappropriate, the financial statements have been prepared on a going concern basis.

The directors consider that in preparing the financial statements on pages 6 to 11, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.



## Chartered Accountants

Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham B3 2BN

Telephone: National 0121 200 2211  
International + 44 121 200 2211  
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## AUDITORS' REPORT TO THE MEMBERS OF

### NORLAND CAPITAL LIMITED

We have audited the financial statements on pages 6 to 11 which have been prepared under the accounting policies set out on page 8.

#### Respective responsibilities of directors and auditors

As described on page 4 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 at 30 November 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and Registered Auditors

*18<sup>th</sup> April 1996*



**PROFIT AND LOSS ACCOUNT**  
**Period ended 30 November 1995**

	<b>Note</b>	<b>£</b>
<b>INCOME</b>		
Management charges		386,600
Operating expenses		<u>(343,888)</u>
<b>OPERATING PROFIT BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>3</b>	<b>42,712</b>
Tax on profit on ordinary activities	<b>4</b>	<u>(23,513)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING THE PROFIT FOR THE FINANCIAL PERIOD</b>		<b><u>19,199</u></b>

**STATEMENT OF MOVEMENTS ON RESERVES**

	<b>Profit and loss account £</b>
Profit for the period	<u>19,199</u>
Balance at 30 November 1995	<u>19,199</u>

All material activities derive from continuing operations.

There are no recognised gains or losses other than the profit for the period.





**BALANCE SHEET  
30 November 1995**

	Note	£	£
<b>ASSETS EMPLOYED</b>			
<b>FIXED ASSETS</b>			
Tangible assets	5		10,236
<b>CURRENT ASSETS</b>			
Debtors	6	713,276	
Cash at bank		<u>51</u>	
			<u>713,327</u>
			<u><u>723,563</u></u>
<b>FINANCED BY</b>			
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
Called up share capital	7	1	
Profit and loss account		<u>19,199</u>	
			19,200
<b>CREDITORS</b>			
Amounts falling due within one year	9		<u>704,363</u>
			<u><u>723,563</u></u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

16 April 1996

M A Finegold

Director

**NOTES TO THE ACCOUNTS**  
**Period ended 30 November 1995**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

**Depreciation**

Depreciation is provided on cost in equal annual instalments over the lives of the assets. The rates of depreciation are as follows:

Computer equipment	33% per annum
Furniture, fixtures and office equipment	20% per annum

**Deferred taxation**

Deferred taxation is provided at the anticipated tax rate on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts to the extent that it is probable that a liability or asset will crystallise in the future.

**Operating leases**

Rental costs under operating leases are charged to the profit and loss account over the period of the leases.

**Initial costs**

Initial costs incurred in setting up the mortgage administration facilities are amortised over the period of the initial facility loan.

**Pension costs**

The pension costs charged in the accounts relate to payments into the Norland Capital Limited money purchase scheme and private pension plans.


**NOTES TO THE ACCOUNTS**  
**Period ended 30 November 1995**
**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>£</b>
<b>Directors' emoluments</b>	
Other emoluments	101,413
	<hr/>
Remuneration of the chairman	27,830
	<hr/>
Remuneration of the highest paid director	73,583
	<hr/>
	<b>No</b>
<b>Scale of other directors' remuneration</b>	
£0 - £5,000	2
	<hr/>
<b>Average number of persons employed</b>	
Administration	4
	<hr/>
	<b>£</b>
<b>Staff costs during the period (including directors)</b>	
Wages and salaries	120,851
Social security costs	11,952
Pension costs	7,586
	<hr/>
	140,389
	<hr/>

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>£</b>
<b>Profit on ordinary activities before taxation</b>	
<b>is after charging:</b>	
Depreciation	920
Amortisation of deferred expenditure	1,458
Property rents	10,120
Auditors' remuneration	
Audit services	6,000
Non audit services	12,462
	<hr/>

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>£</b>
UK corporation tax on the profit for the period:	
Group relief	23,513
	<hr/>

The tax charge is disproportionate to the profit for the period mainly due to permanently disallowable expenditure.


**NOTES TO THE ACCOUNTS**  
**Period ended 30 November 1995**
**5. TANGIBLE FIXED ASSETS**

	Furniture, fixtures, office and computer equipment £
<b>Cost</b>	
Additions and at 30 November 1995	11,156
<b>Accumulated depreciation</b>	
Charge for the period and at 30 November 1995	920
<b>Net book value</b>	
At 30 November 1995	10,236

**6. DEBTORS**

<b>Amounts falling due within one year</b>	£
Amount owed by other group companies	688,266
Prepayments and accrued income	8,987
Deferred expenditure	16,023
	713,276

£10,196 of the deferred expenditure falls due after more than one year.

**7. CALLED UP SHARE CAPITAL**

	£
Authorised	
100 ordinary shares of £1 each	100
Called up, allotted and fully paid	
1 ordinary share of £1	1

On 3 January 1995 the company issued one ordinary share of £1 being the initial share capital of the company.

**8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	£
Issue of share capital	1
Profit for the period	19,199
Closing shareholders' funds	19,200

**NOTES TO THE ACCOUNTS**  
**Period ended 30 November 1995****9. CREDITORS****Amounts falling due within one year****£**

Bank loans and overdrafts (unsecured)	38,436
Amounts due to ultimate parent company	419,000
Group relief payable	23,513
Other taxation and social security	14,482
Accruals	208,932
	<hr/>
	704,363
	<hr/>

**10. CAPITAL COMMITMENTS**

There were no capital commitments at 30 November 1995.

**11. FINANCIAL COMMITMENTS**

On 30 November 1995, the company had commitments to make annual payments under operating leases which expire as follows:

	<b>Land and buildings</b>
	<b>£</b>
Leases which expire:	
Within one year	18,835
	<hr/>

**12. ULTIMATE PARENT COMPANY**

The company's ultimate parent company is Norland Capital Group plc, a company registered in England and Wales. Copies of the Group's financial statements are available from that company's registered office at 200 Aldersgate Street, London, EC1A 4JJ.