

**NORTH WESTERN PROPERTIES &  
DEVELOPMENT LIMITED**

**Report and Financial Statements**

**Year ended 30 June 2004**



# **NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2004**

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**NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2004**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

H.N. Moser  
G.D. Beckett  
M.R. Goldberg

**SECRETARY**

G.D. Beckett

**REGISTERED OFFICE**

Bracken House  
Charles Street  
Manchester  
M1 7BD

**PRINCIPAL BANKERS**

Bank of Scotland Corporate Banking  
9<sup>th</sup> Floor  
No. 1 Marsden Street  
Manchester  
M2 1HW

**AUDITORS**

Deloitte & Touche LLP  
Manchester

# **NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2004.

### **PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS**

The company's principal activity is that of a property holding company.

The directors consider the results for the year to be satisfactory and look forward to the future with confidence.

### **RESULTS AND DIVIDENDS**

The audited financial statements for the year ended 30 June 2004 are set out on pages 5 to 10. The profit for the year after tax was £1,263 (2003 – loss of £194 ).

No dividend can be paid (2003 - £nil).

### **DIRECTORS AND THEIR INTERESTS**

The directors of the company are set out on page 1. All directors served throughout the year.

Mr. H.N. Moser is a director of Jerrold Holdings plc, the ultimate parent company, and his interests in the share capital of that company are disclosed in its financial statements. None of the other directors have interests in the share capital of the company, or any other interests required to be disclosed under Schedule 7 of the Companies Act 1985. No director has, or had any material interest in any contract or agreement entered into by the company during the year.

### **AUDITORS**

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

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



G.D. Beckett  
Secretary

27 April 2005

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company 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; 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 are also responsible for establishing and maintaining the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED**

We have audited the financial statements of North Western Properties & Development Limited for the year ended 30 June 2004 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under 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 an 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 the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit 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 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 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

### **Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Manchester

28 April 2005

# NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 30 June 2004

	Note	2004 £	2003 £
<b>TURNOVER</b>	2	5,204	4,728
Administrative expenses		(941)	(2,051)
<b>OPERATING PROFIT</b>		4,263	2,677
Interest payable and similar charges	4	(2,190)	(2,362)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	2,073	315
Tax on profit on ordinary activities	6	(810)	(509)
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	10	1,263	(194)

All activity has arisen from continuing operations.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 30 June 2004

	2004 £	2003 £
Profit/(loss) for the financial year	1,263	(194)
Unrealised surplus on revaluation of investment properties	-	12,648
Total recognised gains and losses for the year	1,263	12,454

# NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED

## BALANCE SHEET 30 June 2004

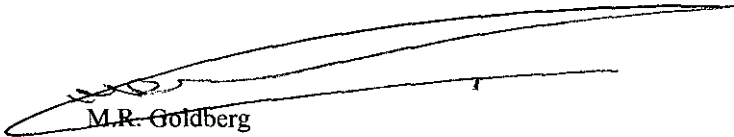
	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Investment properties	7	<u>42,000</u>	<u>42,000</u>
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		100	100
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>(38,040)</u>	<u>(39,303)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(37,940)</u>	<u>(39,203)</u>
<b>NET ASSETS</b>		<u>4,060</u>	<u>2,797</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Revaluation reserve	10	12,648	12,648
Profit and loss account	10	<u>(8,688)</u>	<u>(9,951)</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>	11	<u>4,060</u>	<u>2,797</u>

These financial statements were approved by the Board of Directors on 27 April 2005.

Signed on behalf of the Board of Directors



G.D. Beckett  
Director



M.R. Goldberg  
Director



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2004**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**Basis of accounting**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention, as modified by the revaluation of investment properties.

**Investment properties**

A valuation of investment properties is made annually as at the balance sheet date by the directors, at open market value. A sample of valuations is conducted by external Chartered Surveyors on a periodic basis. Changes in the market value of investment properties are accounted for by way of a movement in revaluation reserve and are included in the statement of total recognised gains and losses unless a deficit (or its reversal) on an individual investment property is expected by the directors to be permanent, in which case the change in market value is charged (credited) to the profit and loss account. On disposal, the cumulative revaluation surpluses or deficits are transferred from the revaluation reserve to the profit and loss account reserve.

In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted principles set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been decreased by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of the cost/value as between land and buildings.

**Turnover**

Turnover, which is derived wholly within the UK, consists of rental income.

**Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

### 2. TURNOVER

All turnover arose within the UK from the company's principal activity.

### 3. STAFF COSTS

The company had no employees and paid no directors' emoluments during either year.

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
Interest payable on intragroup loan	2,190	2,362

### 5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee was borne by a fellow group undertaking in both years.

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2004 £	2003 £
<b>Current tax</b>		
UK corporation tax	810	509
<b>Total current tax</b>	810	509
<b>Total tax on profit on ordinary activities</b>	810	509
	2004 £	2003 £
<b>Profit on ordinary activities before tax</b>	2,073	315
Tax on profit on ordinary activities at UK corporation tax rate of 19% (2003 - 19%)	394	60
Effects of:		
Group relief given free of charge	416	449
<b>Current tax charge for year</b>	810	509

There is an unprovided potential deferred tax liability at the year end of £3,794 (2003 - £3,794) on the revaluation of properties.

# NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2004

### 7. INVESTMENT PROPERTIES

	<b>Freehold investment properties £</b>
<b>Valuation</b>	
At 1 July 2003 and 30 June 2004	42,000

The investment property was valued on an open market basis by Roger Hannah & Co. an external valuer, a member of the Royal Institute of Chartered Surveyors as at 30 June 2003. Had the property not been revalued it would be included in the financial statements at £29,352 (2003 - £29,352). In the opinion of the directors these valuations continue to reflect the open market value of the properties at 30 June 2004.

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2004 £</b>	<b>2003 £</b>
Corporation tax	810	509
Amounts owed to group undertakings	37,230	38,794
	<u>38,040</u>	<u>39,303</u>

### 9. CALLED UP SHARE CAPITAL

	<b>2004 £</b>	<b>2003 £</b>
Authorised, allotted, called-up and fully paid 100 ordinary shares of £1 each	100	100

### 10. RESERVES

	<b>Profit and loss reserve £</b>	<b>Revaluation reserve £</b>	<b>Total £</b>
At 1 July 2003	(9,951)	12,648	2,697
Profit for the financial year	1,263	-	1,263
At 30 June 2004	<u>(8,688)</u>	<u>12,648</u>	<u>3,960</u>

# NORTH WESTERN PROPERTIES & DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

### 11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS/(DEFICIT)

	2004	2003
	£	£
Profit/(loss) for the financial year	1,263	(194)
Other recognised gains and losses for the year	-	12,648
	<hr/>	<hr/>
Net addition to equity shareholder's funds	1,263	12,454
Opening equity shareholder's funds/(deficit)	2,797	(9,657)
	<hr/>	<hr/>
Closing equity shareholder's funds	<u>4,060</u>	<u>2,797</u>

### 12. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of the £206 million bank loan held in the parent company (2003 - £141 million).

### 13. CASH FLOW STATEMENT

As permitted by FRS 1 (Revised 1996) "cash flow statements", the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Jerrold Holdings plc which has produced consolidated financial statements that are publicly available.

### 14. RELATED PARTY TRANSACTIONS

As a subsidiary of Jerrold Holdings plc, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with other members of the group headed by Jerrold Holdings plc.

### 15. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Jerrold Holdings plc a company incorporated in Great Britain and registered in England and Wales.

The largest and smallest group of which North Western Properties & Development Limited is a member, and for which group financial statements are drawn up, is that headed by Jerrold Holdings plc, whose principal place of business is at Bracken House, Charles Street, Manchester, M1 7BD.