

**Northgate (TM) Limited**  
**Directors' Report and Financial Statements**  
**30 April 2011**



Company Registration No 05875221

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**REPORT AND FINANCIAL STATEMENTS 2011**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

RL Contreras  
D Henderson FCIS

**SECRETARY**

D Henderson FCIS

**REGISTERED OFFICE**

Norflex House  
Allington Way  
Darlington  
DL1 4DY

**AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds

## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements for the year ended 30 April 2011

### **PRINCIPAL ACTIVITY**

The principal activity of the Company is an intermediate UK treasury company

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The Directors consider the performance of the Company to be satisfactory and remain optimistic about its future prospects

### **RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation for the year ended 30 April 2011 was £1,096,150 (2010 – £3,206,944) The Directors do not propose a final dividend for the year (2010 – £nil) leaving a retained profit of £1,096,150 (2010 – £3,206,944) to be transferred to reserves

### **DIRECTORS**

The Directors who served during the year and subsequently are shown on page 1

### **GOING CONCERN**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in this Directors' Report The Directors have reviewed the Company's forecasts and projections taking account of reasonably possible downside sensitivities The Company relies upon the support of its Parent Company, Northgate plc, and the going concern status of the Company is dependent upon the ongoing support of its parent The current economic conditions create uncertainty particularly over the level of demand for the Group's rental vehicles and for the disposal of vehicles

The Parent Company has confirmed that it is the current intention to provide sufficient financial support to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements The Directors have considered this letter of intent, have made enquiries of group management and have concluded that the Company is a going concern The Directors have considered this uncertainty and the intention of the parent to continue to support the Company and after making these enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

### **AUDITOR**

In the case of each of the persons who are Directors of the Company at the date when this report was approved

- So far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware, and
- Each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006

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



D Henderson  
Secretary

23 September 2011

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHGATE (TM) LIMITED**

We have audited the financial statements of Northgate (TM) Limited for the year ended 30 April 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Christopher Powell, FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, United Kingdom  
27 September 2011

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**Northgate (TM) Limited**

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**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 April 2011**

	Note	2011 £	2010 £
Administrative expenses		<u>(27)</u>	<u>(40)</u>
<b>Operating loss</b>	3	<b>(27)</b>	<b>(40)</b>
Net interest receivable	4	<u>1,096,177</u>	<u>3,206,984</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,096,150</b>	<b>3,206,944</b>
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
<b>Profit on ordinary activities after taxation</b>	10	<b><u>1,096,150</u></b>	<b><u>3,206,944</u></b>

All results relate to continuing operations

The Notes on pages 7 to 9 are an integral part of this profit and loss account

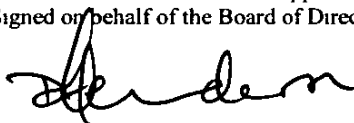
There are no recognised gains and losses for the current financial year other than as stated above  
Therefore, no separate statement of total recognised gains and losses has been presented

**Northgate (TM) Limited**

**BALANCE SHEET**  
**30 April 2011**

	Note	2011 £	2010 £
<b>Current assets</b>			
Debtors	6		
- Amounts receivable from Group undertakings due within one year		18,195,114	644,725
- Amounts receivable from Group undertakings due after more than one year		<u>440,454,431</u>	<u>440,454,431</u>
		458,649,545	441,099,156
Cash at bank and in hand		<u>1,422</u>	<u>975</u>
		458,650,967	441,100,131
<b>Creditors amounts falling due within one year</b>	7	(429,399,958)	-
<b>Net current assets</b>		<u>29,251,009</u>	<u>441,100,131</u>
<b>Creditors amounts falling due after more than one year</b>	8	-	(412,945,272)
<b>Net assets</b>		<u>29,251,009</u>	<u>28,154,859</u>
<b>Capital and reserves</b>			
Called up share capital	9	25,000,002	25,000,002
Profit and loss account	10	4,251,007	3,154,857
<b>Total shareholders' funds</b>	11	<u>29,251,009</u>	<u>28,154,859</u>

The financial statements were approved by the Board of Directors on **23** September 2011  
Signed on behalf of the Board of Directors



D Henderson  
Director

Company number 05875221

The Notes on pages 7 to 9 are an integral part of this balance sheet



**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2011**

**1 ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards

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

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in this Directors' Report. The Directors have reviewed the Company's forecasts and projections taking account of reasonably possible downside sensitivities. The Company relies upon the support of its Parent Company, Northgate plc, and the going concern status of the Company is dependent upon the ongoing support of its parent. The current economic conditions create uncertainty particularly over the level of demand for the Group's rental vehicles and for the disposal of vehicles.

The Parent Company has confirmed that it is the current intention to provide sufficient financial support to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements. The Directors have considered this letter of intent, have made enquiries of group management and have concluded that the Company is a going concern. The Directors have considered this uncertainty and the intention of the parent to continue to support the Company and after making these enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Impairment**

At the balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

An impairment loss is recognised in the profit and loss account whenever the carrying amount of an asset exceeds its recoverable amount.

**Cash flow statement**

The Company is exempt from the requirements of FRS 1 (revised) to include a cash flow statement as part of its financial statements as it is a wholly owned subsidiary of a group preparing consolidated financial statements, which include a consolidated cash flow statement.

**Taxation**

Current tax is charged or credited to profit and loss, except when it relates to items charged or credited directly to equity, in which case the current tax is also dealt with in equity.

The charge/credit for current tax is based on the taxable result for the period. The taxable result for the period may differ from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Dividend**

Dividends on Ordinary shares are recognised as a liability in the period in which they are either paid or formally approved.

**2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

None of the Directors received any emoluments from the Company during the current or prior year.

The Company had no other employees during the current or prior year.

**3 OPERATING LOSS**

Auditors' remuneration of £3,000 (2010 - £3,000) was borne by the immediate parent Company without any right of reimbursement for the year ended 30 April 2011.

## Northgate (TM) Limited

### NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2011

<b>4 NET INTEREST RECEIVABLE</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Interest receivable and similar income</b>		
Interest receivable on loans due from fellow Northgate plc subsidiary undertaking	17,550,863	14,005,503
<b>Interest payable and similar charges</b>		
Interest payable on loan notes due to fellow Northgate plc subsidiary undertakings	(16,454,686)	(10,798,519)
	<u>1,096,177</u>	<u>3,206,984</u>

<b>5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
UK corporation tax	-	-
Total current taxation	<u>-</u>	<u>-</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2010 – 28%)  
The differences are explained below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>1,096,150</u>	<u>3,206,944</u>
Tax on profit on ordinary activities at the standard rate of tax	306,922	897,944
Group relief not paid for	(306,922)	(897,944)
Current tax charge for the year	<u>-</u>	<u>-</u>

### 6 AMOUNTS RECEIVABLE FROM GROUP COMPANIES

Amounts receivable from Group companies comprises a £440,454,431 (2010 - £440,454,431) Sterling denominated, interest bearing unsecured loan to a fellow Northgate plc subsidiary undertaking, which was entered into on 30 April 2007, £17,550,389 (2010 – £Nil) accrued interest thereon and £644,725 (2010 - £644,725) due from the immediate parent company. The interest bearing loan bears interest at 3.25% above LIBOR and is redeemable in September 2014.

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

These comprise £412,945,272 (2010 – £Nil) of Sterling denominated loan notes issued by the Company and accrued interest thereon of £16,454,686 (2010 – £Nil). The loan notes are redeemable on 30 April 2012 and bear interest at 3.25% above LIBOR.

The Loan Notes referred to above are listed on the Channel Islands Stock Exchange.

### 8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

These comprise £Nil (2010 – £412,945,272) of Sterling denominated loan notes issued by the Company. The loan notes are redeemable on 30 April 2012 and bear interest at 3.25% above LIBOR.

The Loan Notes referred to above are listed on the Channel Islands Stock Exchange.

<b>9 CALLED UP SHARE CAPITAL</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid 25,000,002 Ordinary shares of £1	<u>25,000,002</u>	<u>25,000,002</u>

## Northgate (TM) Limited

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### NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2011

#### 10 PROFIT AND LOSS ACCOUNT

	£
At 1 May 2010	3,154,857
Profit for the financial year	1,096,150
At 30 April 2011	<u>4,251,007</u>

#### 11 RECONCILIATION OF SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	1,096,150	3,206,944
Opening shareholders' funds	28,154,859	24,947,915
Closing shareholders' funds	<u>29,251,009</u>	<u>28,154,859</u>

#### 12 CONTINGENT LIABILITIES

The Company is a guarantor of certain of the borrowings of Northgate plc amounting to £598,015,000 (2010 - £696,691,000)

#### 13 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained in FRS 8 not to disclose details of related party transactions with other group companies as it is a wholly owned subsidiary. The cost of the Annual Return was borne by the immediate Parent Company, without any right of reimbursement.

#### 14 ULTIMATE PARENT COMPANY

The immediate and ultimate Parent Company is Northgate plc, a company registered in England and Wales. The parent undertaking of the only group which includes the Company and for which group financial statements are prepared is Northgate plc. Copies of the financial statements of Northgate plc can be obtained from Norflex House, Allington Way, Darlington, DL1 4DY.