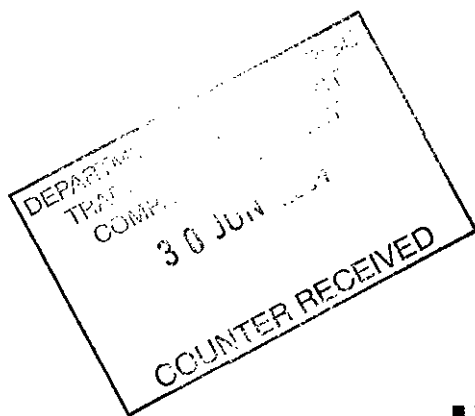




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JOHN HENDERSON LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2003

Company Registration Number NI00068



BDO

BDO Stoy Hayward

Chartered Accountants

Lindsay House 10 Callender Street

Belfast BT1 5BN

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JOHN HENDERSON LIMITED

Financial statements

Year ended 31 December 2003

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JOHN HENDERSON LIMITED**Officers and professional advisers**

The board of directors

K J McWhinney
M J Agnew
G W Agnew
F Mc Farlane
A J Fitzsimmins
D A Logan
P McGarry
P.J. Doody

Company secretary

Frank Mc Farlane

Registered office

9 Hightown Avenue
Newtownabbey
BT36 4RT

Auditors

BDO Stoy Hayward
Chartered Accountants
& Registered Auditors
Lindsay House
10 Callender Street
Belfast
BT1 5BN

Bankers

Bank Of Ireland
Donegall Place
Belfast
BT1 5BX

Solicitors

Hewitt & Gilpin
Thomas House
14-16 James Street South
Belfast
BT2 7GA

JOHN HENDERSON LIMITED**The directors' report****Year ended 31 December 2003**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

Principal activities and business review

The principal activity of the company is food wholesaling.

John Henderson Limited holds the franchise for Spar, Vivo and VG in Northern Ireland. The company provides a marketing, advisory and distribution service to over 400 retailers.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003 £	2002 £
Proposed dividends on ordinary shares	255,000	43,193
Dividends paid on ordinary shares	—	4,400,000
	<u>255,000</u>	<u>4,443,193</u>

The directors and their interests in shares of the parent company

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

		At 31 December 2003	At 1 January 2003
M J Agnew	"A" Ordinary Shares	14,133	14,133
G W Agnew	"A" Ordinary Shares	<u>14,133</u>	<u>14,133</u>

P.J. Doody was appointed as a director on 2 March 2004.

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 11, 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.

JOHN HENDERSON LIMITED**The directors' report** *(continued)***Year ended 31 December 2003**

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 (Northern Ireland) Order 1986. The directors 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.

Post balance sheet event

The company sold its property for a consideration of £9.056m on 16 February 2004 to John Henderson (Mallusk) Limited, a company which became a fellow subsidiary on 29 January 2004. Further details are disclosed in note 27 of the financial statements.

Disabled employees

The group maintains a policy of offering equal opportunity to disabled persons in recruitment, training and career development, having due regard to their aptitudes and abilities in relation to the jobs available.

Employee involvement

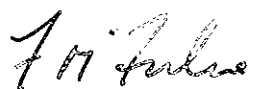
All employees are informed of plans and progress via regular briefing sessions where opportunity is provided for involvement of all in the group's decision making process.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office, and a resolution to reappoint them will be proposed at the AGM.

Registered office:
9 Hightown Avenue
Newtownabbey
BT36 4RT

Signed by order of the directors



Frank Mc Farlane
Company Secretary

Approved by the directors on 25 March 2004

JOHN HENDERSON LIMITED**Independent auditors' report to the shareholders****Year ended 31 December 2003**

We have audited the financial statements on pages 6 to 24 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 9 to 11.

Respective responsibilities of the directors and the auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on pages 2 to 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 (Northern Ireland) Order 1986. 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information. This report has been prepared pursuant to the requirements of the Companies (Northern Ireland) Order 1986 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies (Northern Ireland) Order 1986 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

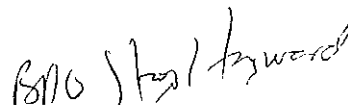
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

JOHN HENDERSON LIMITED**Independent auditors' report to the shareholders** *(continued)***Year ended 31 December 2003**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.



Lindsay House
10 Callender Street
Belfast
BT1 5BN

BDO STOY HAYWARD
Chartered Accountants
& Registered Auditors

25 March 2004

JOHN HENDERSON LIMITED**Profit and loss account****Year ended 31 December 2003**

	Note	2003 £	2002 £
Turnover	2	201,022,820	182,492,166
Cost of sales		183,700,005	166,617,217
Gross profit		17,322,815	15,874,949
Distribution Costs		10,405,388	9,779,351
Administrative expenses		4,396,044	3,708,193
Other operating income		(499,043)	(461,905)
Operating profit	3	3,020,426	2,849,310
Interest receivable and similar income	6	1,099,099	801,852
Interest payable	7	(136,917)	(296,894)
Profit on ordinary activities before taxation		3,982,608	3,354,268
Tax on profit on ordinary activities	8	1,208,916	1,156,000
Profit on ordinary activities after taxation		2,773,692	2,198,268
Dividends	9	255,000	4,443,193
Retained profit/(loss) for the financial year		2,518,692	(2,244,925)

All of the activities of the company are classed as continuing.

JOHN HENDERSON LIMITED**Statement of total recognised gains and losses****Year ended 31 December 2003**

	2003 £	2002 £
Profit for the financial year attributable to the shareholders	2,773,692	2,198,268
Unrealised profit on revaluation of certain fixed assets	—	755,802
Total gains and losses recognised since the last annual report	<u>2,773,692</u>	<u>2,954,070</u>

JOHN HENDERSON LIMITED**Balance sheet****31 December 2003**

	Note	2003 £	2002 £
Fixed assets			
Intangible assets	10	312,600	264,200
Tangible assets	11	11,967,426	12,300,815
Investments	12	70,003	70,003
		<u>12,350,029</u>	<u>12,635,018</u>
Current assets			
Stocks	13	7,668,100	7,560,032
Debtors	14	33,084,303	29,964,232
Investments	15	723,388	—
Cash at bank and in hand		3,453,451	1,050
		<u>44,929,242</u>	<u>37,525,314</u>
Creditors: Amounts falling due within one year	16	<u>35,734,602</u>	<u>30,864,207</u>
Net current assets		<u>9,194,640</u>	<u>6,661,107</u>
Total assets less current liabilities		<u>21,544,669</u>	<u>19,296,125</u>
Creditors: Amounts falling due after more than one year	17	238,905	423,053
		<u>21,305,764</u>	<u>18,873,072</u>
Provisions for liabilities and charges			
Deferred taxation	20	520,000	606,000
		<u>20,785,764</u>	<u>18,267,072</u>
Capital and reserves			
Called-up equity share capital	24	119,352	119,352
Revaluation reserve		3,825,940	3,825,940
Other reserves	25	17,522	17,522
Profit and loss account		16,822,950	14,304,258
Shareholders' funds	26	<u>20,785,764</u>	<u>18,267,072</u>

These financial statements were approved by the directors on the 25 March 2004 and are signed on their behalf by:



M J Agnew

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003**

1. Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Consolidated financial statements have not been prepared under the exemption available in Financial Reporting Standard No 2 "Accounting for Subsidiary Undertakings" on the basis that results of the company and its subsidiaries are consolidated in the accounts of the parent company John Henderson (Holdings) Limited which are publicly available.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cashflow statement.

Turnover

Turnover represents invoiced sales to customers net of value added tax and settlement discounts, and includes goods delivered directly by outside suppliers under agreement.

Goodwill

Goodwill arising on an acquisition is the difference between the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life. Impairment tests on the carrying value of goodwill are undertaken;

- At the end of the first full financial year following acquisition; and

- In other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Amortisation - 10% - 20%

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003**

1. Accounting policies *(continued)***Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold and Long Leasehold	- 2%
Plant and Machinery	- 10% - 20%
Fixtures and Fittings	- 10% - 20%
Motor Vehicles	- 20%
Computer Equipment	- 33 1/3%
Leasehold Property under 50 years	- 20%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Finance lease agreements

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 in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Contributions to the group's defined contribution scheme are charged to the profit and loss account in the year in which they become payable.

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003**

1. Accounting policies *(continued)***Deferred taxation**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Net investments in finance leases and hiring agreements

Assets leased to third parties in respect of finance leases and similar hiring agreements are included in the financial statements as debtors at the amount of the net investment in the respective agreements. Income from finance leasing charges and similar hiring agreements is allocated to accounting periods over the term of the respective lease so as to produce a constant periodic rate of return on the net investment in each period.

Revaluation of land and buildings

Financial Reporting Standard No 15 "Tangible Fixed Assets" requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this, leasehold land and buildings are subject to a full valuation every 5 years with an interim valuation carried out in the third year of this cycle.

2. Turnover

No analysis of turnover and attributable pre-tax profit by class of business or geographical segment has been disclosed in the financial statements as, in the opinion of the directors, such disclosure would be prejudicial to the interests of the group.

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****3. Operating profit**

Operating profit is stated after charging:

	2003	2002
	£	£
Amortisation	51,600	27,600
Depreciation	1,236,948	1,245,892
Loss on disposal of fixed assets	66,432	28,847
Auditors' remuneration		
- as auditors	15,000	14,000
Operating lease costs:		
Vehicles and other equipment	972,149	924,905

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of wholesale and distribution staff	347	340
Number of management staff	11	10
	358	350

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	8,073,182	7,702,487
Social security costs	771,746	663,323
Other pension costs	533,966	474,888
	9,378,894	8,840,698

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	716,507	659,012
Value of company pension contributions to money purchase schemes	61,350	31,520
	777,857	690,532

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****5. Directors' emoluments (continued)****Emoluments of highest paid director:**

	2003 £	2002 £
Total emoluments (excluding pension contributions):	128,123	121,886
Value of company pension contributions to money purchase schemes	24,900	8,800
	<u>153,023</u>	<u>130,686</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003 No	2002 No
Money purchase schemes	<u>5</u>	<u>5</u>

6. Interest receivable and similar income

	2003 £	2002 £
Bank interest receivable	41,823	85,546
Interest from group undertakings	720,317	402,246
Other similar income receivable	336,959	314,060
	<u>1,099,099</u>	<u>801,852</u>

7. Interest payable

	2003 £	2002 £
Interest payable on bank borrowing	25,061	2,858
Finance charges	62,388	35,846
Other similar charges payable	49,468	258,190
	<u>136,917</u>	<u>296,894</u>

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****8. Tax on profit on ordinary activities****(a) Analysis of charge in the year**

	2003		2002
	£	£	£
Current tax:			
In respect of the year:			
UK Corporation tax based on the results for the year at 30% (2002 - 30%)	1,343,331		1,100,000
Over/under provision in prior year	(48,415)		—
Total current tax	<u>1,294,916</u>		<u>1,100,000</u>
Deferred tax:			
(Decrease)/Increase in deferred tax provision (note 20)			
Capital allowances	10,989		14,620
Short term timing differences	(96,989)		41,380
Total deferred tax (note 20)	(86,000)		56,000
Tax on profit on ordinary activities	<u>1,208,916</u>		<u>1,156,000</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

	2003	2002
	£	£
Profit on ordinary activities before taxation	<u>3,982,608</u>	<u>3,354,268</u>
Profit/(loss) on ordinary activities by rate of tax	1,194,782	1,006,280
Expenses not allowable for taxation purposes	66,922	32,450
Other allowable deductions for taxation purposes	(78,054)	(48,402)
Excess/(deficit) of depreciation over capital allowances	62,552	75,689
Surplus/(shortfall) - current period tax provision	—	33,983
Surplus/(shortfall) - prior periods tax provisions	(48,415)	—
Other short term timing differences	97,129	—
Total current tax (note 8(a))	<u>1,294,916</u>	<u>1,100,000</u>

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003**

9. Dividends

The following dividends have been paid or proposed in respect of the year:

	2003	2002
	£	£
Proposed dividend on ordinary shares	255,000	43,193
Dividend paid on ordinary shares	—	4,400,000
	<u>255,000</u>	<u>4,443,193</u>

10. Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2003	324,200
Additions	100,000
At 31 December 2003	<u>424,200</u>
Amortisation	
At 1 January 2003	60,000
Charge for the year	51,600
At 31 December 2003	<u>111,600</u>
Net book value	
At 31 December 2003	<u>312,600</u>
At 31 December 2002	<u>264,200</u>

Payments of goodwill are in respect of future trading activities and are being amortised over future periods accordingly.

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****11. Tangible fixed assets**

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Other Assets £	Total £
Cost or valuation						
At 1 Jan 2003	9,220,900	4,830,406	1,281,654	499,666	3,260,979	19,093,605
Additions	20,788	216,771	364,199	37,802	337,539	977,099
Disposals	–	(205,533)	(305,522)	(15,406)	(166,699)	(693,160)
At 31 Dec 2003	9,241,688	4,841,644	1,340,331	522,062	3,431,819	19,377,544
Depreciation						
At 1 Jan 2003	–	3,280,944	719,564	383,626	2,408,656	6,792,790
Charge for the year	185,386	425,899	196,059	38,343	391,261	1,236,948
On disposals	–	(156,113)	(282,739)	(14,635)	(166,133)	(619,620)
At 31 Dec 2003	185,386	3,550,730	632,884	407,334	2,633,784	7,410,118
Net book value						
At 31 Dec 2003	9,056,302	1,290,914	707,447	114,728	798,035	11,967,426
At 31 Dec 2002	9,220,900	1,549,462	562,090	116,040	852,323	12,300,815

The company's freehold land and buildings were revalued on 31 December 2002 by James Hunter MRICS, an employee of the John Henderson Group, at open market value on the existing use basis. This was a three year interim valuation having been previously revalued on 9 June 1999 by Lambert Smith Hampton, Chartered Surveyors. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. The surplus arising of £755,802 has been credited to the revaluation reserve. All other tangible assets are stated at historical cost.

The directors are of the opinion that the current market value of land and buildings does not materially differ from the above valuations.

The cost of assets acquired for the purpose of leasing under finance leases was £4,450 (2002 - £105,239) and is not included within the figure for fixed asset additions.

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****11. Tangible fixed assets (continued)**

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2003 £	2002 £
Net book value at end of year	<u>9,056,302</u>	<u>9,220,900</u>
Historical cost:		
At 1 Jan 2003	7,768,600	7,765,000
Cost of additions to revalued assets brought forward	20,788	3,600
At 31 Dec 2003	<u>7,789,388</u>	<u>7,768,600</u>
Depreciation:		
At 1 Jan 2003	915,000	787,000
Charge for year	128,500	128,000
At 31 Dec 2003	<u>1,043,500</u>	<u>915,000</u>
Net historical cost value:		
At 31 Dec 2003	<u>6,725,100</u>	<u>6,850,000</u>
At 1 Jan 2003	<u>6,853,600</u>	<u>6,978,000</u>

Finance lease agreements

Included within the net book value of £11,967,426 is £440,915 (2002 - £562,863) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £195,279 (2002 - £199,940).

12. Investments

	Total £
Cost	
At 1 January 2003 and 31 December 2003	<u>70,003</u>
Net book value	
At 31 December 2003	<u>70,003</u>
At 31 December 2002	<u>70,003</u>

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****12. Investments (continued)**

The unquoted investments are, in the opinion of the directors, worth at least the figure stated in the financial statements. Consolidated financial statements have not been prepared on the basis that results of the company and its subsidiaries are consolidated in the accounts of the ultimate parent company John Henderson (Holdings) Limited which are publicly available. The following companies were subsidiary undertakings at the end of the year.

Subsidiary undertakings

All held by the company:

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
John Henderson (Ireland) Ltd	Republic of Ireland	Ordinary shares	100%	Food Distribution
Vivo Ltd	N Ireland	Ordinary shares	100%	Dormant
Templepatrick Properties Ltd	N Ireland	Ordinary shares	100%	Dormant
Templepatrick (NI) Ltd	N Ireland	Ordinary shares	100%	Dormant
Thomas McMullan Ltd	N Ireland	Ordinary shares	100%	Dormant
Latestop Ltd	N Ireland	Ordinary shares	100%	Dormant

Other Investments:

Wm McKinney (1975) Ltd	N Ireland	Ordinary shares	20%	Sugar Distributor
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The investment in Wm McKinney (1975) Limited is not on an associated company as John Henderson Limited is not in a position to exercise a significant influence.

13. Stocks

	2003 £	2002 £
Stock	<u>7,668,100</u>	<u>7,560,032</u>

The estimated replacement costs do not materially exceed the values shown in the financial statements.

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****14. Debtors**

	2003	2002
	£	£
Trade debtors	8,755,731	8,084,759
Amounts owed by group undertakings	20,733,786	17,888,380
Amounts owed by related companies	3,098	372,318
Other debtors	112,754	46,142
Prepayments and accrued income	3,478,934	3,572,633
	<u>33,084,303</u>	<u>29,964,232</u>

The debtors above include the following amounts falling due after more than one year:

	2003	2002
	£	£
Trade debtors	3,232,994	3,979,554
Amounts owed by group undertakings	17,983,495	14,158,523
	<u>21,216,489</u>	<u>18,138,077</u>

Trade debtors include £197,174 (2002 - £414,504) of amounts recoverable from investments in finance leases and similar leased assets. Of this amount £83,149 (2002 - £210,503) falls due after more than one year. The total rentals received during the year in respect of finance leases was £229,189 (2002 - £342,683).

15. Investments

	2003	2002
	£	£
Current asset investments	<u>723,388</u>	<u>—</u>

The current asset investment relates to the purchase of a store at Glenavy. The company entered negotiations with a retailer for the sale of this store subsequent to the year end.

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****16. Creditors: Amounts falling due within one year**

	2003 £	2002 £
Bank loans and overdrafts	5,075,936	4,142,473
Trade creditors	12,863,868	12,170,918
Amounts owed to group undertakings	2,518,335	1,187,945
Other creditors including taxation and social security:		
Corporation tax	1,047,278	773,936
PAYE and social security	208,560	180,780
VAT	264,158	88,153
Finance lease agreements	244,045	271,114
Other creditors	472,706	466,243
	<u>2,236,747</u>	<u>1,780,226</u>
Accruals and deferred income	13,039,716	11,582,645
	<u>35,734,602</u>	<u>30,864,207</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003 £	2002 £
Bank loans and overdrafts	<u>5,075,936</u>	<u>4,142,473</u>

Bank of Ireland hold the following as security for borrowings:

- (1) An unlimited inter-company letter of cross-guarantee completed by John Henderson Limited, Andrew Millar and Co Limited, TNB Limited and TNB (Ireland) Limited.
- (2) First Legal Mortgage over the company's premises at Mallusk and Hyde Park.

17. Creditors: Amounts falling due after more than one year

	2003 £	2002 £
Other creditors:		
Finance lease agreements	<u>238,905</u>	<u>423,053</u>

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****18. Commitments under finance lease agreements**

Future commitments under finance lease agreements are as follows:

	2003 £	2002 £
Amounts payable within 1 year	317,047	352,598
Amounts payable between 2 to 5 years	306,619	556,348
	<u>623,666</u>	<u>908,946</u>
Less interest and finance charges relating to future periods	(140,716)	(214,779)
	<u>482,950</u>	<u>694,167</u>
Finance lease agreements are analysed as follows:		
Current obligations	244,045	271,114
Non-current obligations	238,905	423,053
	<u>482,950</u>	<u>694,167</u>

19. Pensions

The company is a member of the John Henderson (Holdings) Limited group pension scheme. Details of the pension arrangements for the group are contained in the accounts of that company. Pensions contributions for the company are based on pension costs across the group as a whole.

20. Deferred taxation

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	606,000	550,000
Profit and loss account movement arising during the year	(86,000)	56,000
Provision carried forward	<u>520,000</u>	<u>606,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003		2002	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	575,609	—	564,620	—
Short term timing differences	(55,609)	—	41,380	—
Other timing differences	—	—	—	41,000
	<u>520,000</u>	<u>—</u>	<u>606,000</u>	<u>41,000</u>

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003**

21. Commitments under operating leases

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	48,314	202,978
Within 2 to 5 years	894,222	976,540
	<u>942,536</u>	<u>1,179,518</u>

22. Contingencies

John Henderson Limited has provided guarantees to Bank of Ireland to cover any borrowings in Andrew Millar and Co Limited, TNB Limited and TNB (Ireland) Limited.

John Henderson Limited has provided guarantees to the Allied Irish Bank Limited for all sums due from John Henderson (Ireland) Limited.

John Henderson Limited have given the Bank of Ireland a guarantee and indemnity for £14m in relation to Creland Properties Limited and counter indemnities totalling £750,000 in relation to guarantees given to Newline Underwriting Limited.

John Henderson Limited have given the Bank of Ireland and the First Trust Bank guarantees and indemnities for amounts totalling £1,331,700 in respect of loans given by the banks to selected retailers.

John Henderson Limited have given an all monies lease guarantee to Creland Properties Limited in respect of the tenants covenants relating to the leases for thirteen properties owned by Creland Properties Limited.

Due to the various factors that may impact on the above guarantees and indemnities it is not possible to quantify the amounts that could be involved or give any indication as to the timing of when a liability may arise.

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003****23. Related party transactions**

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 - "Related Party Disclosure" not to disclose any transactions with its parent undertakings, fellow subsidiary undertakings or the associated undertakings of any group company on the grounds that it is a 100% owned subsidiary and the consolidated accounts of John Henderson (Holdings) Limited, in which the company is included, are publicly available.

Two of the company's directors, M J Agnew and G W Agnew are also directors of Ardbarron Trust Ltd.

The company charged interest of £4,422 (2002 - £13,675) to Ardbarron Trust Ltd in respect of loan accounts, and also made payments of £2,872 (2002 - £359,520) on behalf of Ardbarron Trust Ltd. Ardbarron Trust Ltd repaid £376,514 (2002 - £143,365) of the loans outstanding during the year. In addition, the company made a charitable donation of £356,987 (2002 - £134,902) to Ardbarron Trust Ltd.

The balance with this related party is as follows:

	2003 £	2002 £
Ardbarron Trust Ltd	3,098	372,318
Total of above	<u>3,098</u>	<u>372,318</u>

24. Share capital**Authorised share capital:**

	2003 £	2002 £
900,000 "A" Ordinary shares of £1 each	900,000	900,000
100,000 "B" Ordinary shares of £1 each	100,000	100,000
	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2003 No	£	2002 No	£
"A" Ordinary shares of £1 each	39,238	39,238	39,238	39,238
"B" Ordinary shares of £1 each	80,114	80,114	80,114	80,114
	<u>119,352</u>	<u>119,352</u>	<u>119,352</u>	<u>119,352</u>

25. Other reserves

	2003 £	2002 £
Capital redemption reserve	<u>17,522</u>	<u>17,522</u>

JOHN HENDERSON LIMITED**Notes to the financial statements****Year ended 31 December 2003**

26. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	2,773,692	2,198,268
Dividends	(255,000)	(4,443,193)
	<u>2,518,692</u>	<u>(2,244,925)</u>
Other net recognised gains and losses	—	755,802
Premium on purchase of own equity shares	—	(300,584)
Net addition/(reduction) to funds	<u>2,518,692</u>	<u>(1,789,707)</u>
Opening shareholders' equity funds	<u>18,267,072</u>	<u>20,056,779</u>
Closing shareholders' equity funds	<u>20,785,764</u>	<u>18,267,072</u>

The purchase of own shares relates to a retrospective amendment to the price paid for a share buyback completed in 1992.

27. Post balance sheet events

The company sold its property situated at Mallusk on 16 February 2004 to John Henderson (Mallusk) Limited for a consideration of £9,056,000, a value representing the net book value of the property. John Henderson (Mallusk) Limited became a fellow subsidiary of John Henderson (Holdings) Limited on 29 January 2004.

28. Ultimate parent company

The ultimate parent company of this company is John Henderson (Holdings) Limited which is incorporated in Northern Ireland.