

Annual Report and Accounts 2000

NORTHGATE plc



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	2000	1999
Turnover	£260.8m	£218.6m
Operating Profit	£37.9m	£28.6m
Profit Before Tax	£24.3m	£16.6m
Earnings per share	27.9p	18.9p
Dividend per share	13.25p	12.50p
Net Assets per share	186p	171p

**A successful year for Northgate plc,
our operating profit has increased
33% and earnings per share by 48%.
We have exceeded targets in place
for the success of our five year
strategy for growth and continue
to offer the flexible approach to
vehicle hire that customers demand.**

Northgate plc rents commercial vehicles and cars to businesses from a network of hire companies. Our NORFLEX flexible fleet hire product gives business access to a flexible and risk-free method to acquire as many commercial vehicles as they need.

www.northgateplc.com

Chairman's Statement

Last year the board embarked on a five-year strategy for growth in which our stated aim was to double the size of the business. The organisational structure that has been put in place to ensure the sound management of this strategy is proving effective and will allow us to continue on course to achieve this target.

Our pre-tax profits have grown by 46% to £24.3m (1999: £16.6m), our fleet at 30th April had increased by 22% to 32,500 vehicles (1999: 26,600) and the number of operational sites had increased by 11 to 41. The steps undertaken to improve our performance on the sale of used vehicles have also been successful.

With earnings per share at 27.9p (1999: 18.9p) the board has decided to propose a final dividend of 9.07p (1999: 8.5p) to shareholders on the register at close of business on 21st July 2000 making a total dividend for the year of 13.25p (1999: 12.5p).

Your Board is proposing to introduce a new share option scheme, broadly similar to the Executive Incentive Scheme which was approved at the Annual General Meeting last year, to replace the existing Long Term Incentive Plan. In addition, as was indicated in last year's report and accounts, we are also proposing to shareholders a new all-employee share scheme, in line with the Government's proposals to be contained in the 2000 Finance Act. I would urge shareholders to support the resolutions seeking approval of both the above new schemes at

the Annual General Meeting. Details of the new schemes are given on pages 42 to 45. We firmly believe that wider share ownership by all our staff will have long term benefits for the company, shareholders and, of course, the staff themselves.

We will continue to embrace the internet and its related benefits to the extent that it will create efficiencies within our business by improving both communication with our suppliers and the service we can provide to our customers. However, we will not lose sight of the fact that the internet is intended to support the efficiencies of the existing operations where we must continue to supply the right product to customers based on personal service.

Since January this year we have seen some improvement in underlying hire rates. With demand for our hire product, NORFLEX, remaining strong, prospects for the future development of our business remain very encouraging.

Michael Waring
Chairman

Operational Review

Expansion plans are on course and yearly targets have been either met or exceeded. Our vehicle fleet is growing and we have achieved targets set for disposal of used vehicles. We have commenced trading in 11 new locations and our five-year strategy for growth is well underway.

New locations

We planned to open three hire companies and six smaller branches over the past year. We have exceeded these targets and have, in fact, opened and commenced trading from 4 new hire companies in Preston, Croydon, Barking and Ipswich and branches in 7 other locations. The branch roll-out programme has developed particularly well and confirms our view that this structure is the most appropriate to take our business forward and to achieve the network of 100 locations envisaged in our five-year plan. Since the year end we have opened three further locations and now operate from 35 hire companies and 9 branches with good coverage of most of the United Kingdom.

Fleet growth

In the year to 30th April 2000, our fleet has increased by 22% to 32,500 vehicles.

This has been achieved by a mixture of organic growth from businesses open at 1st May 1999 (3,500 vehicles), growth from the new depots referred to above (1,875 vehicles) and from the purchase of the commercial vehicle fleet of Europcar in July 1999 (525 vehicles). The Europcar transaction involved us purchasing their light commercial vehicle fleet and renting

it back to them thereby allowing them to concentrate on their core business of car rental.

Whilst the fleet has grown substantially, the mix has remained largely unchanged, with light commercial vehicles (up to 3.5 tonnes) representing 80% of the fleet. The balance of the fleet is made up of cars and other commercials, primarily 7.5tonne vehicles. Through buy-back arrangements, we have eliminated any residual risk on this heavier vehicle category.

Despite the large number of new and "immature" depots, we have maintained our utilisation levels at around 90%. This tight control remains key to our successful management of the business.

Hire rates

The early part of this year has seen some signs of improvement in hire rates. Following a period of relatively stable prices we believe that, whilst the market remains competitive, there is an opportunity for us to obtain some modest hire rate increases in the next 12 months.

Used vehicle sales

One of our key objectives for the year was the reduction of losses on the sale of used vehicles. Our target at the start of

As part of a substantial fleet growth programme, we bought Europcar's light commercial fleet in 1999.

the financial year was to reach a balanced position for ongoing disposals by the close of the year. We are pleased to report that, through a combination of higher depreciation rates (applied since 1st May 1998), the extension of the average vehicle replacement period and an improvement in management techniques in the vehicle sales division, we have achieved our target in all material respects.

We launched "Norcom" our new disposal centre for refurbished vehicles on 1st May 2000. Early results from this operation combined with the factors above give us confidence that we can maintain our balanced position on disposals in the coming year.

The future

The Board remains convinced that the light commercial vehicle rental market is well short of the maturity of the equivalent market in the United States and of its associated sector, the car rental industry in the United Kingdom. We therefore remain confident that the market will continue to grow to enable us to achieve our five-year growth objective.

Included among the factors that are currently fuelling the growth in the rental market for light commercial vehicles is the development of the home shopping trade through the internet and cable TV. Fulfilment is the key to the success or failure of

e-business and the flexibility offered by NORFLEX is particularly suited to e-retailers wishing to develop in this area. Alternatively, should e-retailers choose major logistics companies to distribute their goods, then these businesses are already amongst our largest customers.

We developed our first website in 1996. We now have sites for Northgate plc, NORFLEX, our vehicle sales division and our central reservations facility. Further development of on-line booking for all our operations will be completed within the next 12 months.

We continue to believe our success is, in no small part, due to the flexible approach we adopt to meeting customers' needs. This approach demands people be willing, and able, to make decisions and we therefore encourage an entrepreneurial culture throughout the business, which is then integrated into our framework of key operational and financial controls.

At the end of the first year, our five-year strategy for growth is on schedule and we look forward to continuing the expansion of the business in the year ahead.

Steve Smith

Managing Director

Branches of established hire companies such as the one opened by Noble Self Drive at Carlisle are low cost and low risk.

Directors

DIRECTORS

Michael Waring (53)

Became Non-Executive Chairman in October 1999, having been Executive Chairman since February 1996. Previously Chief Executive of the group since 1985.

Michael Baughan* (58)

A non-executive director since 1987. He is a director of Lazard Brothers & Co., Limited where he was a Managing Director from 1986 to 1999. He is also a non-executive director of Scapa Group plc, Independent Insurance Group plc and The Peacock Group plc.

Phil Moorhouse FCCA (47)

Appointed Finance Director in February 1998 having been appointed to the board in August 1997. Finance Director of the vehicle hire operations since 1991. He previously held a number of senior financial positions within the Norcros group of companies and Meyer International.

Alan Noble (49)

Appointed Executive Deputy Chairman in October 1999 having been Managing Director since March 1996 and a member of the board since 1990. In 1981 he founded the commercial vehicle hire business, which was acquired by Northgate in 1987.

Stephen Smith ACA (43)

Appointed Managing Director in October 1999, having been a member of the board since August 1997. Managing Director of the vehicle hire operations since 1990. He qualified as a Chartered Accountant with Coopers & Lybrand and held a number of senior financial positions in industry prior to joining Northgate.

Christopher Spence* (63)

A non-executive director since 1985. He is Chairman and Chief Executive of English Trust Company Limited and a non-executive director of Trio Holdings plc and IAF Group plc, both listed companies. He was a member of the London Stock Exchange for 19 years before joining English Trust in 1978.

Ronald Williams FCA* (66)

A non-executive director and Deputy Chairman since March 1996. Prior to his appointment he was for 8 years an executive director of Smiths Industries plc. He is also a non-executive director of Fairey Group plc.

* Member of the Remuneration and Audit Committees

Report of the Directors

The directors present their report and the audited financial statements for the year ended 30th April 2000.

Change of name

The name of the company was changed to Northgate plc with effect from 16th September 1999.

Results

The net profit for the year after taxation was £16,896,000. An interim dividend of 4.18p per share was paid on the ordinary shares on 18th February 2000.

The directors recommend a final ordinary dividend of 9.07p per share making a total for the year of 13.25p per share. The final dividend, if approved, will be paid on 18th September 2000 to shareholders on the register on 21st July 2000. Ordinary and preference dividends paid and recommended for payment in respect of the year total £8,039,000.

Principal activities

Northgate plc is an investment holding company. The group's activities are reported on pages 4 to 9.

Close company status

So far as the directors are aware the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company.

Interests in shares

The following interests of 3% or more in the issued ordinary share capital of the company appear in the register required to be maintained under the provisions of Section 211 of the Companies Act 1985:

	Number of shares
Scottish Widows Investment Partnership Ltd	5,893,603 (9.7%)
Lazard Asset Management	3,393,629 (5.6%)
Norwich Union Group	3,076,840 (5.1%)
Halifax Group plc	2,353,706 (3.9%)
Zatto Group S.A.	2,009,881 (3.3%)
Mercury Institutional Trust	1,842,400 (3.0%)
Legal & General	1,818,921 (3.0%)

Directors

The names of the present directors, all of whom served throughout the year, are listed on page 11. Mr P. J. Moorhouse, Mr S. J. Smith and Mr C. J. Spence are the directors retiring by rotation in accordance with the Articles of Association and with the requirements of the Combined Code and all are eligible for re-election.

The termination provisions in respect of executive directors' contracts are set out in the Remuneration Report on page 14. Mr. Spence does not have a contract of service with the company.

The following are the interests of the directors in the share capital of the company as shown in the register required to be maintained under Section 325 of the Companies Act 1985. All interests are beneficial unless otherwise stated.

	Ordinary shares	
	1.5.99	30.4.00
M. C. Baughan	70,000	70,000
P. J. Moorhouse	1,000	7,667
A. T. Noble	899,508	914,508
S. J. Smith	41,500	49,834
C. J. Spence	2,000	2,000
F. M. Waring	2,800,100*	2,815,100*
R. Williams	5,000	5,000

*15,100 (1999: 100) shares are held beneficially. The interest of Mr. Waring in the remainder relates to the interest of Zatto Group S.A. in 2,009,881 shares and of Visco Establishment in 790,119 shares, both companies ultimately controlled by Waring family trusts, of certain of which Mr. Waring and his family are discretionary beneficiaries.

No director has an interest in the preference shares of the company.

No changes in the above interests have occurred between 30th April 2000 and the date of this report.

Details of options held by the directors under the company's various share schemes are given in the Remuneration Report on pages 15 to 17.

Directors' Fees

The company's Articles of Association limit the aggregate annual amount payable in respect of directors' fees. Approval will be sought at the Annual General Meeting to increase the

annual limit to £200,000 for the reasons set out in the Report on Remuneration on page 14.

Donations

The group made charitable donations of £21,000. No political donations were made.

Payment of suppliers

The group's policy is to pay suppliers within normal trading terms agreed with that supplier. The policy is made known to the staff who handle payments to suppliers. At 30th April 2000 the group's creditor days were 46.

Share schemes

As referred to in the Chairman's Statement it is proposed that a new share option scheme and a new all-employee share scheme be introduced. Accordingly, resolutions seeking shareholders' approval of the Northgate Share Option Scheme and of the Northgate All Employee Share Scheme will be proposed at the Annual General Meeting. Summaries of the main provisions of the two schemes are set out on pages 42 to 45.

Share capital

The company's authorised share capital was last increased in 1992. Since that time 5.444m ordinary shares were the subject of a placing in September 1997 and 2.28m ordinary shares have been issued pursuant to the exercise of options under the Goode Durrant Share Option Scheme ("the GD Scheme"). A further 358,000 ordinary shares are reserved for issue under the GD Scheme. In order to maintain a reasonable margin of unissued and unreserved share capital it is proposed that the authorised share capital of the company be increased to £4.65m by the creation of 7 million new ordinary shares of 5p each. Following this increase, some 19 million ordinary shares will be available for issue (in addition to the ordinary shares reserved for issue on the exercise of options referred to above) representing 23.8% of the increased authorised ordinary share capital.

The present authority of the directors under Section 80 of the Companies Act 1985 to allot unissued shares was granted at the Annual General Meeting held in September 1996 and expires on 5th September 2001. A resolution to renew that authority for a further period of 5 years until 14th September

2005, to allot up to £950,283 nominal of share capital, which represents all the authorised and unissued ordinary share capital (and is less than 33% of the present issued ordinary share capital) will be proposed at the Annual General Meeting. This amount is within the limits approved by the Investment Committees of the Association of British Insurers and the National Association of Pension Funds.

The directors have no present intention of issuing any further shares, other than pursuant to the exercise of options under the GD Scheme and no issue of shares which would effectively alter the control of the company will be made without the prior approval of shareholders in general meeting.

In addition a special resolution, pursuant to Section 95 of the Companies Act 1985, will be proposed to renew the authority of the directors to allot ordinary shares for cash other than to existing shareholders on a proportionate basis. This authority will be limited to an aggregate nominal amount of £150,000 representing approximately 5% of the current issued ordinary share capital and will expire not later than 15 months after the date on which the resolution is passed.

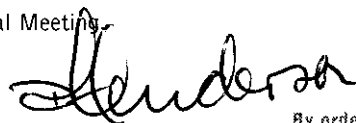
Authority for the company to purchase its own shares

The directors propose to renew the general authority of the company to make market purchases of its own shares up to a total of 6,000,000 ordinary shares (representing approximately 10% of the issued ordinary share capital) and within the price constraints set out in the special resolution to be proposed at the Annual General Meeting.

There is no present intention to make any purchase of own shares, and if granted, the authority would only be exercised if to do so would result in an improvement in earnings per share for remaining shareholders.

Auditors

A resolution for the re-appointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.



By order of the Board
D. Henderson
Secretary

4th July 2000

Report on Remuneration

The Remuneration Committee, which is comprised of the three independent non-executive directors and chaired by Ron Williams, who is Deputy Chairman of the board, is responsible for making recommendations to the board on the remuneration packages and terms and conditions of employment of the executive directors of the company and of other senior executives in the group. The Committee also reviews remuneration policy generally throughout the group. The Committee consults with the Chairman and with the Managing Director who may be invited to attend meetings. The Company Secretary is secretary to the Committee.

Remuneration policy

The Committee aims to ensure that executive directors are fairly and competitively rewarded for their individual contributions by means of basic salary, benefits in kind and pension benefits. High levels of performance are recognised by discretionary bonuses (which will not normally exceed 30% of basic salary), and the motivation to achieve the maximum benefit for shareholders in the future is provided by the allocation of share options. Only basic salary is pensionable.

Basic salaries are reviewed annually taking into account the performance of the individual, changes in responsibilities and market trends.

Service contracts

The executive directors have rolling service contracts which

may be terminated by 12 months notice on either side except following a change of control of the company when the period of notice required to be given by the company becomes 24 months.

Non-executive directors

The remuneration of the non-executive directors is determined by the board as a whole, within the overall limit set by the Articles of Association. The present aggregate annual limit in respect of directors' fees, last increased in 1994, is £150,000. Three non-executive directors, Michael Baughan, Christopher Spence and Ron Williams, are paid aggregate fees of approximately £74,000 per annum. In view of the appointment of Michael Waring as non-executive chairman with a fee of £100,000 per annum and the need to cover future inflation, the present limit is now no longer adequate. Approval is therefore sought to increase the annual limit to £200,000.

Non-executive directors are not eligible for performance related payments nor may they participate in the company's share option or pension schemes.

Non-executive directors do not have contracts of service with the company and their appointments are terminable without notice.

Pension Schemes

Throughout the year all pension arrangements operating throughout the group were of the defined contribution type.

Emoluments

	Salary/ fees £000	Bonus £000	Cost of benefits £000	2000 total £000	1999 total £000	2000 Pension contributions £000	1999 Pension contributions £000
M. C. Baughan	22	—	—	22	21	—	—
P. J. Moorhouse	123	25	17	165	151	14	12
A. T. Noble	150	28	27	205	185	17	16
S. J. Smith	134	28	18	180	149	12	11
C. J. Spence	22	—	—	22	21	—	—
F. M. Waring	129	—	4	133	170	9	22
R. Williams	27	—	—	27	26	—	—
Total emoluments excluding pension contributions	607	81	66	754	723		
Total pension contributions						52	61

Share option scheme

The Goode Durrant Share Option Scheme ("the GD Scheme"), which has been approved by the Board of the Inland Revenue, was established in 1986. Since then options have been granted to employees in all parts of the group and at all levels of the management structure and at 30th April 2000 options over 358,000 ordinary shares were outstanding exercisable at various dates between 1997 and 2006. (See note 19 on page 37.)

No further options may be granted under the GD Scheme.

The directors held the following options granted under the GD Scheme:

	At 1.5.99	At 30.4.00	Exercise price (p)	Normally exercisable between	
P. J. Moorhouse	20,000	20,000	174.5	1997	2004
	25,000	25,000	218.5	1998	2005
	20,000	20,000	280.5	1999	2006
	65,000	65,000			
A. T. Noble	52,500	52,500	280.5	1999	2006
	52,500	52,500			
S. J. Smith	30,000	30,000	218.5	1998	2005
	25,000	25,000	280.5	1999	2006
	55,000	55,000			
F. M. Waring	100,000	100,000	218.5	1998	2005
	52,500	52,500	280.5	1999	2006
	152,500	152,500			
Total	325,000	325,000			

No directors' options under the GD scheme lapsed or were exercised during the year.

The mid-market price of the ordinary shares at 30th April 2000 was 347 1/2p (30th April 1999 – 480p) and the range during the year was 346p to 531p.

Long term incentive plan

In 1996 a Long Term Incentive Plan ("the Plan"), which is administered by the trustees of an employee trust ("the Trust"), was introduced for executive directors and senior management within the group.

The Plan was intended to provide incentives, in the form of ordinary shares of the company, to directors and senior management. The Plan currently operates in favour of selected employees, but below those at the most senior level, who now participate in the Executive Incentive Scheme ("the EIS") (see below).

The Board believes that the Plan has failed to achieve its motivational objectives, largely due to its complexity, and it is proposed that the Plan is effectively replaced by a new share

option scheme, operating on broadly similar lines to the EIS but with smaller maximum individual allocations. Provided that the new scheme is approved by shareholders at the Annual General Meeting, it is the Board's intention that no further options under the Plan would be awarded.

An award under the Plan consists of a right to acquire shares for a nominal price which, in normal circumstances, can be exercised, subject to performance criteria being satisfied, between 3 and 6 years following the date of grant.

A condition of the grant of an option is that any shares acquired on exercise will be held on behalf of the employee by the trustees for a further period of 2 years, during which time the employee will be entitled to all the benefits of share ownership but may not dispose of the shares (other than sufficient to meet any income tax liability arising on exercise).

Report on Remuneration (continued)

The performance criteria considered by the board to be the most appropriate at the time the awards were made was a comparison of the growth in the company's total shareholder return ("TSR") with that of other companies included in the James Capel Trixie Index ("the Index") over the period of 3 years following the date of grant.

When granted, an option is expressed in terms of a standard number of shares. The number of shares which ultimately will be vested in the employees on exercise will depend on the company's TSR performance relative to the Index and, provided the company's performance is above the median, can range from a fraction of $\frac{1}{3}$ to a multiple of 2. If performance is below the median, options cannot be exercised.

The maximum value of an award on any one occasion to any individual may not exceed 25% of his basic annual salary at

that time and the aggregate value (in each case taking the value at the time of grant) of all awards subsisting under the Plan at any one time may not exceed his basic annual salary.

The company will fund the Trust to enable it to acquire shares in the company to be applied on the exercise of options under the Plan. At 30th April 1999 the Trust held 245,000 5p ordinary shares of the company, purchased in the market against the award of options granted. During the year options representing 92,516 shares became exercisable, of which all but 3,335 were exercised in the year. There therefore remained in the Trust at 30th April 2000 152,484 ordinary shares (excluding the above mentioned 3,335) against the exercise of future options (see note 11 on page 32).

The directors hold the following options granted under the Plan. The exercise price is £1 per award.

	At 1.5.99	Exercised	Gross gain on exercise £	At 30.4.00	Normally exercisable between	
P. J. Moorhouse	4,000	6,667*	26,900	—	1999	2002
	4,000	—		4,000	2000	2003
	4,200	—		4,200	2001	2004
	5,000	—		5,000	2001	2004
	17,200	6,667		13,200		
A. T. Noble	9,000	15,000*	60,524	—	1999	2002
	8,000	—		8,000	2000	2003
	6,800	—		6,800	2001	2004
	7,000	—		7,000	2001	2004
	30,800	15,000		21,800		
S. J. Smith	5,000	8,334*	33,626	—	1999	2002
	5,000	—		5,000	2000	2003
	4,400	—		4,400	2001	2004
	4,500	—		4,500	2001	2004
	18,900	8,334		13,900		
F. M. Waring	9,000	15,000*	60,524	—	1999	2002
	9,000	—		9,000	2000	2003
	7,700	—		7,700	2001	2004
	8,000	—		8,000	2001	2004
	33,700	15,000		24,700		
Total	100,600	45,001		73,600		

*The company's TSR performance over the period of 3 years following the date of grant placed it in the top 25% of the Index resulting in a multiple of $1\frac{2}{3}$ being applied to the original number of options granted. The four directors above all exercised their options on 25th January 2000 when the market value of an ordinary share was 403 $\frac{1}{2}$ p. The exercise price was £1 per award.

No directors were granted options under the Plan during the year and none lapsed.

Executive incentive scheme

The EIS introduced last year has been designed to motivate those key executives in Northgate who are most able to influence the successful implementation of our five year strategy for growth, with a target of doubling earnings per share over the period 1999-2004.

Some 40 of the most senior executives have been granted options over shares worth between approximately two and five times the aggregate of their basic salary and the maximum bonus provided in their respective contracts of employment. Sufficient headroom has been retained to allow additional grants to be made in the future to new executives or to reflect promotions as the business grows.

An award under the EIS consists of a right to acquire ordinary shares of the company at a pre-determined price which, in normal circumstances, can be exercised, subject to a specified performance condition being satisfied, between 4 and 10 years following the date of grant. Options may relate to new and/or existing shares when exercised.

The performance condition attached to the options granted during the year is that, for all the options to become exercisable, the company's normalised earnings per share growth over the 5 year period following their grant should exceed 15% p.a. These options will normally only first become exercisable in full on the seventh anniversary of their grant and will lapse if they do not meet the prescribed level of growth over the 5 years. However, they will become capable of earlier exercise in tranches of 20%, 25% and 25% on the 4th, 5th and 6th anniversaries of their grant if earnings per share growth has been at least 15% p.a. over the 2, 3 and 4 years following their grant respectively. Partial exercise of these options over a sliding scale will be permitted for growth in earnings per share of between 8% and 15% p.a. over these periods. Performance conditions attaching to future grants will, in the opinion of the board, be equally demanding.

The aggregate value (in each case being the exercise price multiplied by the number of options) of options granted to an individual in the preceding 10 years under the EIS and under

any other executive share option scheme adopted by the company may not exceed 8 times their annual earnings. Waived and exercised options continue to count towards this limit.

The directors held the following options granted under the EIS during the year:

	No. of options	Exercise price (p)
P J Moorhouse	180,000	492.5
A T Noble	174,050	492.5
	5,950	503.5
	180,000	
S J Smith	180,000	492.5

All the above options are normally exercisable between 2003 and 2009.

No director's options under the EIS lapsed or were exercised during the year.

Ron Williams

Chairman, Remuneration Committee

4th July 2000

Corporate Governance

The Financial Services Authority has incorporated into the Listing Rules the Combined Code ("the Code"), published in June 1998, which sets out Principles of Good Corporate Governance and contains a Code of Best Practice. The Code is derived by the Hampel Committee on Corporate Governance from the Committee's Final Report and from the earlier Cadbury and Greenbury Reports.

The provisions of the Code applicable to listed companies are divided into four parts, as set out below:

Directors

The business of the company is managed by the board of directors, currently comprising three executive and four non-executive directors, details of whom are set out on page 11.

All the non-executive directors except the Chairman, who was formerly an executive director of the company, are considered to be independent in the sense outlined in the Code and Ron Williams, as Deputy Chairman, is considered to be the senior such independent director.

The offices and responsibilities of the Chairman and Managing Director are separate.

The board meets regularly, normally monthly, to review trading results and has responsibility for, inter alia, overall group strategy, financial reporting to and relationships with shareholders, dividend policy, acquisitions and disposals, major capital expenditure and financing and treasury policy.

The Chairman ensures that all directors are properly briefed to enable them to discharge their duties. In particular, detailed management accounts are prepared and copies sent to all board members every month and, in advance of each board meeting, appropriate documentation on all items to be discussed is circulated.

The company's Articles of Association provide that at each annual general meeting of the company, one third (or the number nearest to but not exceeding one third) of the directors shall retire from office. Those to retire in each year are those who have been longest in office since their appointment or

re-appointment. (Any director appointed by the board during the year is obliged to seek re-election at the next following annual general meeting and is not included when determining the one third to retire by rotation). It is therefore possible for a director to serve four years before seeking re-appointment by shareholders. The company intends to amend its Articles to comply with the Code requirement that all directors be subject to re-election at intervals of no more than three years the next time it makes other changes to its Articles of Association. No current director has served more than three years without being re-elected by shareholders. Until the Articles are amended, the company will in any event comply with the Code by ensuring that no director serves more than three years without seeking re-election.

In terms of the Code requirement to establish a nominations committee, the board considers that it is a small board and therefore does not need to establish such a committee. The appointment of new directors is regarded as a matter for the board as a whole.

Directors' remuneration

The company's policy on remuneration and details of the remuneration of each director are given in the Remuneration Report on pages 14 to 17.

Relations with shareholders

Throughout the year the company maintains a regular dialogue with institutional investors and brokers' analysts, providing them with such information on the company's progress and future plans as is permitted within the guidelines of the Listing Rules. In particular, twice a year, at the time of announcing the company's interim and full year results, they are invited to briefings given by the Chairman, Managing Director and Finance Director.

All shareholders are given the opportunity to raise matters for discussion at the annual general meeting, of which more than the recommended minimum 20 working days notice is given. In recent years the company has adopted the practice of

issuing a brief statement at the annual general meeting, which is simultaneously released to the London Stock Exchange, on current trading conditions.

In compliance with the requirement in the Code, the company has adopted the practice at general meetings of the company of advising shareholders of the numbers of proxy votes lodged on each resolution, after the resolution has been dealt with on a show of hands.

Accountability and audit

An assessment of the company's position and prospects is included in the Chairman's Statement on page 2.

Internal control

Provision D2.1 of the Code requires the directors to conduct an annual review of the effectiveness of the group's system of internal controls. The Turnbull Report, published by the ICAEW in September 1999, provides relevant guidance for directors on compliance with the internal control provisions of the Code.

In accordance with the transitional arrangements announced by the London Stock Exchange for accounting periods ending between 23rd December 1999 and 22nd December 2000, the board has reviewed the company's internal financial controls in accordance with the guidance for directors issued by the Rutteman Working Group in December 1994.

In addition the board has established the procedures necessary to implement the guidance contained in the Turnbull Report on internal controls in full in respect of the year ending 30th April 2001.

The directors are responsible for the group's system of internal financial control which aims to safeguard group assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the group's system is designed to provide the directors with reasonable assurance that, should any problems occur, these are identified on a timely

basis and dealt with appropriately. The key features of the group's system of internal financial control, which was in place throughout the period covered by the financial statements, are described below:

Control environment

The group has a clearly defined organisational structure within which individual responsibilities of line and financial management for the maintenance of strong internal financial controls and the production of accurate and timely financial management information are identified and can be monitored. Where appropriate, the businesses are required to comply with the procedures set out in written manuals.

Identification of risks

The board and the group's management have a clearly defined responsibility for identifying the major business risks facing the group and for developing systems to mitigate and manage those risks. The control of key financial risks is reviewed by the board and the group's management at their monthly meetings.

Information and communication

The group has a comprehensive system for reporting financial results to the board. Each operating unit prepares monthly accounts with a comparison against budget and previous year, with regular review by management of variances from targeted performance levels. Towards the end of each financial year the operating units prepare detailed budgets for the following year which are reviewed by the board before being adopted formally. Full year forecasts are updated regularly during the year.

Control procedures

The board and the group's management have adopted a schedule of matters which are required to be brought to it for decisions, thus ensuring that it maintains full and effective control over appropriate strategic, financial, organisational and compliance issues. Measures taken include clearly defined procedures for capital expenditure appraisal and authorisation, physical controls, segregation of duties and routine and ad hoc checks.

Monitoring

The board has delegated to executive management

Financial Review

Both the Chairman's Statement and Operating Review confirm a strong trading year which has resulted in a set of accounts showing significant growth. The year was also one in which a new accounting policy was adopted following the introduction of FRS15.

Operating profit

Operating profit grew by 33%, increasing to £37.9m (1999: £28.6m). This reflected the increase in revenue earned both from locations open at the beginning of the year and those which commenced trading during the period. The number of locations opened was greater than planned, with resultant higher start-up costs.

The full benefit of these openings will flow through in subsequent years.

Operating margin at 14.5% showed an improvement over the previous year (13.1%). This is mainly a reflection of the improvement in the disposal of used vehicles during the period referred to in the Operational Review.

Interest

The net interest charge for the year was £13.6m, an increase of 13.4% over 1999. The increase resulted from the continuing growth in the vehicle fleet, while we benefited from lower average base rates in the period.

To manage exposure to interest rates, our policy is to have in place financial instruments covering a proportion of our borrowings over the longer term. These currently consist of a combination of Caps, Collars and Swaps shown in detail on page 35.

Taxation

The tax charge of £7.4m comprises tax payable on the profit on ordinary activities and, as in previous years, includes a full charge for deferred tax.

The effective rate of tax is 30.5% and represents the UK corporation tax rate adjusted for minor disallowable items. We estimate the effective rate going forward will be 31% and we anticipate that this will not be significantly affected by the proposed deferred taxation accounting standard, currently FRED 19, as full provision is already made.

Earnings per share

The calculated earnings per share for the year was 27.9p – an increase of 48% on the 1999 figure of 18.9p. A final dividend of 9.07p is proposed making a total dividend for the year of 13.25p, an increase of 6% over last year. The dividend is 2.1 (1999: 1.5) times covered.

Cash flow and funding

We continue to generate strong gross cash flows. EBITDA for the year was £152.6m, up by £29.1m from 1999. Vehicle depreciation in the period amounted to £107.6m, which is based upon depreciation rates ranging from 20% to 33% on a straight line basis across the fleet. This £152.6m contributed to the levels of investment in capital expenditure of £217m, invested mainly in the vehicle rental fleet but also in the expansion of the depot network.

Our borrowings increased by 24% to £213.7m in line with fleet growth. The finance facilities available to the group are a mixture of hire purchase funding, revolving loans and overdraft, secured primarily against the value of the vehicle hire fleet. We have sufficient headroom within our current facilities to finance our expansion plans.

The hire desk is the hub of the hire company

The vehicle hire fleet consists mainly of light commercial vehicles which are readily saleable through our own vehicle sales company. This liquidity of the vehicle hire fleet and the management of interest rate exposure readily support the level of gearing at 189% which is low compared to the industry norm. Interest cover was 2.8 times.

Change of accounting policy

Manufacturers' volume related bonuses, previously credited to profits on receipt, are now spread over the life of the asset to which they relate. This change of accounting policy was as a result of the introduction during the year of FRS15.

Cash flows and EBITDA remain unchanged under this new policy. There is now a deferred income credit of £49.4m in the balance sheet to be released to profit over the life of the current vehicle rental fleet.

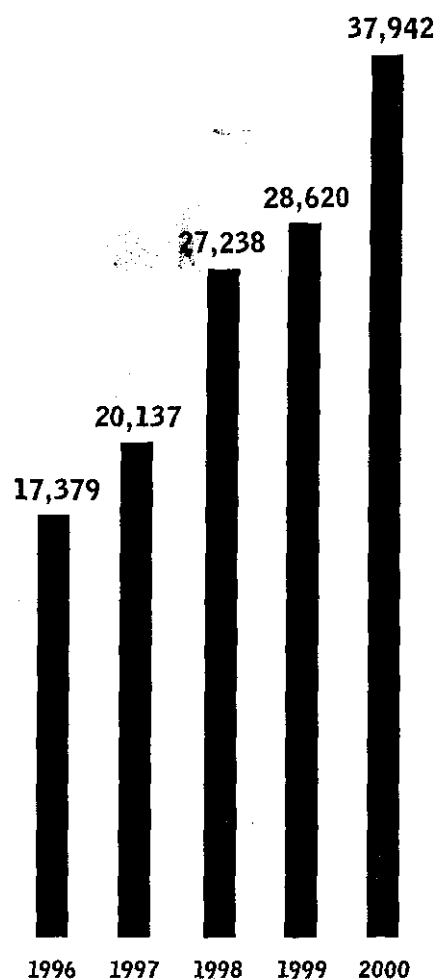
Throughout these accounts, the comparative figures for 1999 have, where appropriate, been restated to reflect this change of accounting policy.

Year 2000

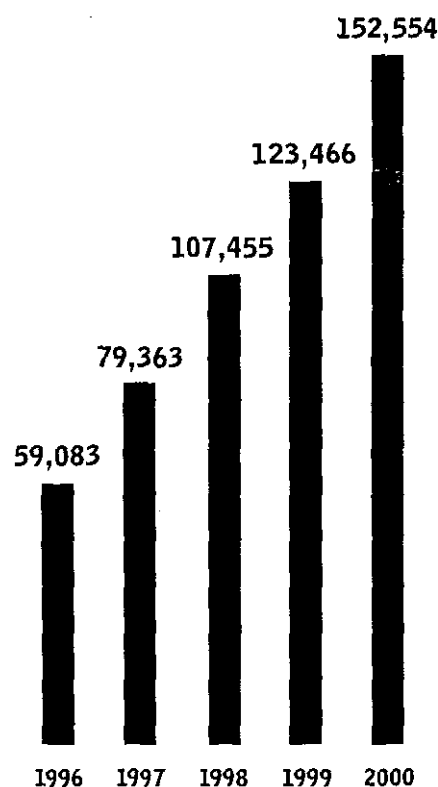
In the last annual report and accounts the directors reported on the Year 2000 and they continue to monitor the situation. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business. Whilst any future costs associated with this issue cannot be quantified they are not anticipated to be significant.

Phil Moorhouse

Finance Director



EBITDA*



Corporate Governance (continued)

implementation of the system of internal financial control.

The board, including the Audit Committee, receives reports on the system of control from the external auditors and from management. An independent internal audit function reports bi-annually to the Audit Committee primarily on the key areas of risk within the business.

The directors confirm that they have reviewed the effectiveness of the system of internal financial control for the period covered by these financial statements.

Audit

The Audit Committee, which is comprised of the three independent non-executive directors and chaired by Ron Williams, who is Deputy Chairman of the board, has written

terms of reference setting out its duties. These include matters relating to the appointment and fees of the external auditors and review of the annual and interim statements, of the group's internal controls and of the nature, scope and results of the internal audit programme.

Both the external auditors and the internal audit manager have direct access to members of the Committee and can meet with the Committee without the company's management being present.

Compliance

The board considers that the company was in compliance with the provisions of the Code applicable to listed companies throughout the financial year.

Directors' Responsibilities in Relation to the Preparation of the Accounts

The following statement, which should be read in conjunction with the statement of auditors' responsibilities set out on page 21, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and auditors in relation to the accounts.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss for that period.

The directors consider that in preparing the financial statements, 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 are responsible for ensuring that the company keeps adequate accounting records and for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The accounts have been prepared on a going concern basis as the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

Report of the Auditors

to the members of Northgate plc (formerly Goode Durrant plc)

We have audited the financial statements on pages 22 to 39 which have been prepared under the accounting policies set out on page 26.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 20 preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Financial Services Authority 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 or the Listing Rules regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We review whether the corporate governance statement on page 20 reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Financial Services Authority and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

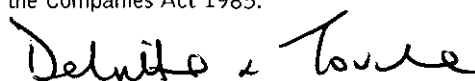
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

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 circumstances of the company and the group, 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 affairs of the company and the group as at 30 April 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors
10-12 East Parade
Leeds
LS1 2AJ
4th July 2000

Consolidated Profit and Loss Account

for the 12 months ended 30th April 2000

	Notes	2000 £000	1999 as restated (see note 21) £000
Turnover	1, 2	260,794	218,623
Operating profit	1, 2	37,942	28,620
Net interest payable	4	(13,617)	(12,010)
Profit on ordinary activities before taxation		24,325	16,610
Tax on profit on ordinary activities	5	(7,429)	(5,167)
Profit for the financial year	6	16,896	11,443
Dividends	7	(8,039)	(7,561)
Profit transferred to reserves	21	8,857	3,882
Earnings per ordinary share – basic	8	27.9p	18.9p
Diluted earnings per ordinary share	8	27.8p	18.8p
Dividends per ordinary share	7	13.25p	12.5p

All current and prior year trading relates to continuing operations.

Statement of Total Recognised Gains and Losses

for the 12 months ended 30th April 2000

	2000 £000	1999 as restated (see note 21) £000
Profit for the financial year	16,896	11,443
Prior year adjustment (as explained in note 21)	(30,309)	
Total gains and losses recognised since last annual report	(13,413)	

Balance Sheets

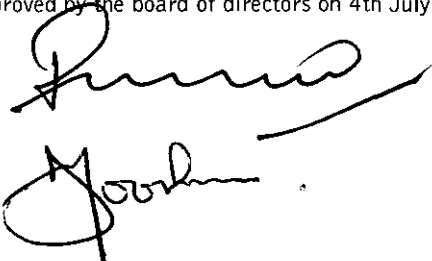
30th April 2000

	Notes	Group		Company	
		2000	1999 as restated (see note 21)	2000	1999
		£000	£000	£000	£000
Fixed assets					
Tangible assets					
Vehicles for hire	9	331,588	286,670	—	—
Other fixed assets	10	12,158	8,620	—	—
Investments	11	401	401	69,884	69,911
		<u>344,147</u>	<u>295,691</u>	<u>69,884</u>	<u>69,911</u>
Current assets					
Stocks	12	5,827	3,663	—	—
Debtors	13	54,290	54,932	30,550	22,152
Investments	14	10	15	—	—
Cash at bank and in hand		15,509	18,934	14,079	17,521
		<u>75,636</u>	<u>77,544</u>	<u>44,629</u>	<u>39,673</u>
Creditors: amounts falling due within one year					
— Borrowings	16	86,417	66,463	103	342
— Other	15	21,749	25,986	11,325	10,106
		<u>108,166</u>	<u>92,449</u>	<u>11,428</u>	<u>10,448</u>
Net current (liabilities)/assets		<u>(32,530)</u>	<u>(14,905)</u>	<u>33,201</u>	<u>29,225</u>
Total assets less current liabilities		<u>311,617</u>	<u>280,786</u>	<u>103,085</u>	<u>99,136</u>
Creditors: amounts falling due after more than one year	16	142,828	125,287	—	—
Provisions for liabilities and charges	17	6,626	7,718	61	82
		<u>149,454</u>	<u>133,005</u>	<u>61</u>	<u>82</u>
Accruals and deferred income	18	49,359	43,926	—	—
		<u>112,804</u>	<u>103,855</u>	<u>103,024</u>	<u>99,054</u>
Capital and reserves					
Called up share capital	19	3,532	3,530	3,532	3,530
Share premium account	20	44,992	44,902	44,992	44,902
Revaluation reserve	21	23	23	—	—
Merger reserve	21	4,721	4,721	417	417
Profit and loss account	21	59,536	50,679	54,083	50,205
		<u>112,804</u>	<u>103,855</u>	<u>103,024</u>	<u>99,054</u>
Shareholders' funds		<u>112,804</u>	<u>103,855</u>	<u>103,024</u>	<u>99,054</u>
Attributable to equity shareholders		<u>112,304</u>	<u>103,355</u>	<u>102,524</u>	<u>98,554</u>
Attributable to non-equity shareholders		<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
		<u>112,804</u>	<u>103,855</u>	<u>103,024</u>	<u>99,054</u>

The accounts were approved by the board of directors on 4th July 2000.

F M Waring
Director

P J Moorhouse
Director



Consolidated Cash Flow Statement

for the 12 months ended 30th April 2000

	Notes	2000 £000	1999 £000
Cash inflow from operating activities	(i)	144,914	126,273
Returns on investments and servicing of finance	(ii)	(13,079)	(11,551)
Taxation		(6,309)	(7,606)
Capital expenditure and financial investment			
Purchase of vehicles for hire		(112,941)	(138,448)
Sale of vehicles for hire		58,805	53,515
Other items, net		(5,087)	(1,894)
Net cash outflow from capital expenditure and financial investment	(iii)	(59,223)	(86,827)
Equity dividends paid		(7,659)	(7,214)
Cash inflow before use of liquid resources and financing		58,644	13,075
Management of liquid resources			
Cash (placed on)/withdrawn from deposit		(9)	153
Financing			
Issue of ordinary shares (net of expenses)		92	609
Increase in borrowings		421	21,546
Capital element of vehicle related hire purchase payments		(73,586)	(44,362)
Net cash outflow from financing		(73,073)	(22,207)
Decrease in cash for the year		(14,438)	(8,979)

Reconciliation of Net Cash Flow to Movement in Net Debt

	2000 £000	1999 £000
Decrease in cash for the year	(14,438)	(8,979)
Financing		
Increase in borrowings	(421)	(21,546)
Capital element of vehicle related hire purchase payments	73,586	44,362
Cash placed on/(withdrawn from) deposit	9	(153)
Change in net debt resulting from cash flows	58,736	13,684
New hire purchase obligations	(99,656)	(61,290)
Movement in net debt for the year	(40,920)	(47,606)
Net debt at 1st May	(172,816)	(125,210)
Net debt at 30th April	(213,736)	(172,816)

Notes to the Consolidated Cash Flow Statement

(i) Reconciliation of operating profit to net cash inflow from operating activities

	2000	1999 as restated (see note 21)
	£000	£000
Operating profit	37,942	28,620
Depreciation	109,179	83,950
Profit on sale of equipment and other fixed assets	(53)	(554)
(Increase)/decrease in stocks	(2,164)	3,924
Increase in debtors	(6,468)	(1,824)
Increase in creditors	1,040	844
Other non-cash items	5	417
Movement in deferred income	5,433	10,896
Net cash inflow from operating activities	144,914	126,273

Analysis of cash flows for headings netted in the cash flow statement

	2000 £000	1999 £000
(ii) Returns on investments and servicing of finance		
Interest received	1,526	3,580
Interest paid	(8,037)	(7,664)
Interest paid on hire purchase agreements	(6,543)	(7,446)
Dividends paid – non-equity preference shares	(25)	(21)
	(13,079)	(11,551)

(iii) Capital expenditure and financial investment

Purchase of vehicles for hire	(112,941)	(138,448)
Sale of vehicles for hire	58,805	53,515
Purchase of other fixed assets	(5,860)	(3,298)
Sale of other fixed assets	773	1,499
Purchase of investments – long term incentive plan	–	(95)
	(59,223)	(86,827)

Accounting Policies

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of freehold and long leasehold properties. The group has adopted the transitional provisions of FRS15 in respect of the valuation of properties. The valuation of previously revalued properties will not be updated. Details of the latest revaluations are shown in note 10.

Basis of consolidation

The consolidated financial statements comprise the accounts of the company and all subsidiary undertakings made up to 30th April. The results of subsidiary undertakings acquired are included from the date of acquisition. The excess of the purchase consideration of businesses and other assets acquired over the fair value of the net assets for periods before the implementation of FRS10 has been treated as purchased goodwill and written off against reserves as a matter of accounting policy.

This goodwill would be charged in the profit and loss account on subsequent disposal of the businesses to which it relates.

Tangible fixed assets: Depreciation

Freehold land is not depreciated. Other tangible fixed assets are depreciated over their estimated useful lives on a straight line basis which write off:

Freehold buildings	over 50 years
Leasehold property	over 50 years or over the term of the lease, whichever is the shorter

Plant, equipment and fittings	over 3 to 10 years
Vehicles for hire	over 3 to 5 years
Motor vehicles	over 3 years

Investments

- (i) Current assets are stated at the lower of cost and net realisable value.
- (ii) Shares in group undertakings and other unlisted fixed asset investments are stated at cost less provision for impairment.

Long term incentive plan

The company's shares held by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the Goode Durrant Employees' Trust are included in the consolidated balance sheet as a fixed asset investment until such time as the interest in the shares is transferred to the employees. The shares are held as a hedge against the group's obligations under the Long Term Incentive Plan and accordingly the shares purchased are recorded at cost. The cost of meeting these obligations is charged to the profit and loss account on a systematic basis over the period of service in respect of which options are granted.

Deferred taxation

Provision is made for deferred tax using the liability method to the extent that the directors consider that a liability could arise within the foreseeable future.

Stocks

Goods for resale and finished goods, land held for resale and work in progress are stated at the lower of cost and net realisable value.

Translation of foreign currencies

Assets, liabilities and trading results of overseas subsidiary undertakings are translated into sterling at the rates of exchange

ruling at the balance sheet date. Exchange differences arising from the retranslation of opening foreign currency balances to the year end rates are treated as a movement in reserves. Other translation differences are dealt with in the profit and loss account.

Leasing

As lessee: Acquisitions of fixed assets funded through finance leases and hire purchase agreements are capitalised and depreciated in accordance with group policies or the lease term, whichever is the shorter. Future obligations under these leases and agreements are included in creditors. Interest costs payable are charged to the profit and loss account over the life of the lease so as to produce a constant rate of return on the outstanding balance. All other leases are operating leases and the payments made are charged to the profit and loss account evenly over the period of the lease.

As lessor: Motor vehicles and equipment leased to customers under operating leases are included within fixed assets. Income from such leases is taken to the profit and loss account evenly over the period of the operating lease agreements.

Turnover

Turnover represents the amounts charged to customers for goods and services supplied excluding value added tax together with vehicle related bonuses received from vehicle manufacturers credited to the profit and loss account over the expected holding period of the vehicles to which they relate on a basis consistent with the group's disposal policy.

Pensions

The group operates only defined contribution type pension arrangements. Contributions in respect of these arrangements are charged to the profit and loss account as they become payable by the group. Pension contributions in respect of one of these arrangements are held in trustee administered funds independent of the group's finances. The other arrangements are group personal pension plans.

Financial instruments and their derivatives

Derivative instruments utilised by the group are interest rate caps, collars and swaps. A derivative instrument is considered to be used for hedging purposes when it alters the risk profile of an existing underlying exposure of the group in line with the group's risk management policies.

Interest rate caps and collars – The option premia are recognised on the group Balance Sheet as 'Prepayments and accrued income'. The option premia are taken to net interest payable spread evenly over the lifetime of the cap.

Interest rate swaps – Interest payments/receipts are accrued with net interest. They are not revalued to fair value or shown in the group Balance Sheet at the year end.

New accounting standards

The accounts have been prepared taking account of new Financial Reporting Standards issued during and applicable to the year. The issue of FRS15 Tangible Fixed Assets resulted in a change in the accounting policy for volume related bonuses which is outlined in note 21. No other new accounting standards have affected the profits reported in the accounts.

Notes on the Accounts

1 Segmental information

			2000	
	Turnover £000	Operating profit £000	Profit on ordinary activities before tax £000	Net operating assets £000
Vehicle hire	260,794	37,942	24,325	326,540
Continuing activities	260,794	37,942	24,325	326,540
By geographical location:				
United Kingdom	260,794	37,942	24,210	326,452
Overseas	—	—	115	88
	260,794	37,942	24,325	326,540

1999 as restated (see note 21)				
	Turnover £000	Operating profit £000	Profit on ordinary activities before tax £000	Net operating assets £000
Vehicle hire	218,623	28,620	16,610	276,671
Continuing activities	218,623	28,620	16,610	276,671
By geographical location:				
United Kingdom	218,623	28,620	16,493	276,578
Overseas	—	—	117	93
	218,623	28,620	16,610	276,671

	2000 £000	1999 £000
Net operating assets	326,540	276,671
Less: net borrowings (note 16)	<u>213,736</u>	<u>172,816</u>
Net assets	<u>112,804</u>	<u>103,855</u>

All turnover in 2000 and 1999 relates to customers in the United Kingdom.

Notes on the Accounts (continued)

2 Operating profit

	2000	1999 as restated (see note 21) & reclassified*
	£000	£000
Turnover	260,794	218,623
Cost of sales	(201,021)	(171,653)
Gross profit	59,773	46,970
Administrative expenses	(21,831)	(18,439)
Other operating income	—	89
Operating profit	37,942	28,620

All figures relate to continuing operations.

*To more appropriately reflect the group's gross profit performance 1999 figures include a reclassification in respect of direct payroll costs of £9,974,000 which were previously classified within administrative expenses. Those direct payroll costs in 2000 were £13,038,000.

	2000 £000	1999 £000
Operating profit is stated after including:		
Depreciation of owned tangible fixed assets	63,651	44,037
Depreciation of fixed assets held under hire purchase agreements	45,528	39,913
Hire of plant and equipment	31	66
Hire of other assets	2,356	1,866
Auditors' remuneration	132	115
Fees paid to auditors for other services	55	43
Profit on sale of tangible fixed assets	53	554
Other rental income	152,860	122,138

3 Information regarding employees and directors

The average number of persons employed by the group:

	2000 number	1999 number
Direct operations	780	665
Administration	297	217
	1,077	882
	£000	£000
The staff costs of these persons were as follows:		
Wages and salaries	18,965	16,077
Social security costs	1,734	1,471
Other pensions costs	510	545
	21,209	18,093

Disclosures on directors' remuneration, share options and long term incentive schemes required by the Companies Act 1985 and the disclosures specified by the Financial Services Authority are contained in the Remuneration Report on pages 14 to 17. To the extent they are required to be audited they form part of these audited financial statements.

4 Interest

	2000	1999
	£000	£000
Income from fixed asset investments	47	34
Interest receivable and similar income:		
Interest receivable on bank and other deposits	1,450	3,183
	<u>1,497</u>	<u>3,217</u>
Interest payable and similar charges:		
On bank loans, overdrafts and other loans		
repayable within 5 years	8,316	7,766
Finance charges related to hire purchase agreements	6,798	7,461
	<u>15,114</u>	<u>15,227</u>
Net interest payable	<u>(13,617)</u>	<u>(12,010)</u>

5 Tax on profit on ordinary activities

	2000	1999
	£000	as restated (see note 21) £000
UK corporation tax at 30% (1999 – 31%)	9,251	4,062
Deferred tax	(1,608)	1,266
	<u>7,643</u>	<u>5,328</u>
Adjustment in respect of prior years:		
Corporation tax	(730)	(1,453)
Deferred tax	516	1,334
Decrease in opening balance of deferred tax		
arising from changes in anticipated rates of tax	–	(42)
	<u>7,429</u>	<u>5,167</u>

The current year tax charge has been increased above the UK corporation tax rate of 30% by 1.4% as a result of expenditure not deductible for corporation tax and movements on unprovided deferred tax assets.

6 Profit of parent company

Of the profit attributable to shareholders, a profit of £11,917,000 (1999 – £10,576,000) has been dealt with in the accounts of the parent company. The company has taken advantage of the exemption contained in the Companies Act 1985 from presenting its own profit and loss account.

7 Dividends

	2000	1999
	£000	£000
Equity dividend on ordinary shares:		
Interim paid 4.18p per share (1999 – 4.0p)	2,528	2,409
Final proposed 9.07p per share (1999 – 8.5p)	5,486	5,131
Total dividend 13.25p per share (1999 – 12.5p)	8,014	7,540
Non-equity dividend on preference shares	25	21
	<u>8,039</u>	<u>7,561</u>

Notes on the Accounts (continued)

8 Earnings per ordinary share

The calculation of basic earnings per ordinary share in respect of the year to 30th April 2000 is based on the profit attributable to equity shareholders of £16,871,000 (1999 – £11,422,000) and the weighted average of 60,405,822 (1999 – 60,374,894) ordinary shares in issue (excluding those shares held by an employee trust in connection with the Goode Durrant Long Term Incentive Plan).

Diluted earnings per ordinary share have been calculated on the basis of earnings described above and assume that 358,000 shares (1999 – 395,000) remaining exercisable under the Goode Durrant Share Option Scheme had been fully exercised at the commencement of the relevant period, such that the weighted average number of shares is 60,721,888 (1999 – 60,762,101) (including those shares held by the employee trust in connection with the Goode Durrant Long Term Incentive Plan).

9 Vehicles for hire

Group	£000
Cost:	
1st May 1999	386,474
Additions	211,300
Disposals	(127,998)
30th April 2000	<u>469,776</u>
Depreciation:	
1st May 1999	99,804
Charged to profit and loss account	107,577
Disposals	(69,193)
30th April 2000	<u>138,188</u>
Net book value:	
30th April 2000	<u>331,588</u>
30th April 1999	<u>286,670</u>

The net book value of the above vehicles which are held under hire purchase agreements amounts to £149,822,000 (1999 – £112,136,000).

10 Other fixed assets

Group	Land and buildings £000	Plant equipment & fittings £000	Motor vehicles £000	Total £000
Cost or valuation:				
1st May 1999	7,121	3,409	1,414	11,944
Additions	2,986	1,506	1,368	5,860
Disposals	—	(71)	(1,170)	(1,241)
30th April 2000	10,107	4,844	1,612	16,563
Depreciation:				
1st May 1999	886	2,027	411	3,324
Charged to profit and loss account	347	748	507	1,602
Disposals	—	(21)	(500)	(521)
30th April 2000	1,233	2,754	418	4,405
Net book value:				
30th April 2000	8,874	2,090	1,194	12,158
30th April 1999	6,235	1,382	1,003	8,620
Cost or valuation at 30th April 2000 is represented by:				
Valuation in 1992	795	—	—	795
Cost	9,312	4,844	1,612	15,768
	10,107	4,844	1,612	16,563
			2000 £000	1999 £000
Land and buildings by category:				
Freehold			7,826	5,332
Short leasehold			1,048	903
Net book value			8,874	6,235

Certain of the above freehold properties were valued as at 30th April 1992 by Jones Lang Wootton, Chartered Surveyors, on the basis of open market value for existing use.

At 30th April 2000, under the historical cost convention, land and buildings would have been stated at £10,401,000 and related accumulated depreciation at £1,281,000.

The gross amount of depreciable assets included in land and buildings is £6,382,000.

Notes on the Accounts (continued)

11 Fixed asset investments

Group	Own shares £000	Unlisted investments £000	Total £000
Cost:			
1st May 1999 and 30th April 2000	1,100	184	1,284
Provisions:			
1st May 1999 and 30th April 2000	859	24	883
Net book value:			
30th April 2000 and 30th April 1999	241	160	401

Own shares

At 30th April 2000, 155,819 ordinary shares in Northgate plc with a market value of £541,471 were held by Kleinwort Benson (Guernsey) Trustees Limited as a hedge against the group's obligation under the Long Term Incentive Plan ("the Plan"). All but a nominal dividend right in respect of these shares has been waived. Further details of the Plan are outlined in the Remuneration Report on pages 15 and 16.

Company	Shares in subsidiary undertakings £000	Loans to group undertakings £000	Total £000
Cost:			
1st May 1999	25,346	47,000	72,346
Disposal	(27)	—	(27)
30th April 2000	25,319	47,000	72,319
Provisions:			
1st May 1999	2,435	—	2,435
30th April 2000	2,435	—	2,435
Net book value:			
30th April 2000	22,884	47,000	69,884
30th April 1999	22,911	47,000	69,911

On 4th May 1999 Goode Durrant Finance Limited, a wholly owned subsidiary of Northgate plc, was dissolved. The disposal above represents the carrying value of the investment at the date of dissolution.

At 30th April 2000 the company's principal subsidiary undertaking was Northgate Motor Holdings Limited (Northgate), whose business is vehicle hire. Northgate is wholly and directly owned by the company, incorporated in Great Britain, registered in England and Wales and operates in the country of incorporation. A full list of the company's subsidiaries was included with the Annual Return filed with the Registrar of Companies.

12 Stocks

	Group	
	2000	1999
	£000	£000
Goods for resale and finished goods	5,817	3,653
Land held for resale	10	10
	<u>5,827</u>	<u>3,663</u>

13 Debtors

	Group		Company	
	2000	1999	2000	1999
	as restated (see note 21)			
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	37,538	29,660	—	—
Amounts owed by subsidiary undertakings	—	—	28,625	20,049
Corporation tax	6,609	13,617	—	—
Other debtors	3,197	3,876	1,266	—
Advance corporation tax recoverable	—	—	—	1,234
Prepayments and accrued income	5,346	6,147	530	780
	<u>52,690</u>	<u>53,300</u>	<u>30,421</u>	<u>22,063</u>
Amounts falling due after more than one year:				
Prepayments and accrued income	1,600	1,632	129	89
	<u>54,290</u>	<u>54,932</u>	<u>30,550</u>	<u>22,152</u>

14 Current asset investments

	Group	
	2000	1999
	£000	£000
Other investments	<u>10</u>	<u>15</u>

The excess of market value of current asset investments over the balance sheet amount is not material.

15 Other creditors

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade creditors	5,802	5,868	—	—
Amounts owed to subsidiary undertakings	—	—	5,358	4,484
Corporation tax	706	5,503	425	362
Social security and other taxes	2,575	2,442	—	—
Accruals and deferred income	7,180	7,042	56	129
Proposed dividends	5,486	5,131	5,486	5,131
	<u>21,749</u>	<u>25,986</u>	<u>11,325</u>	<u>10,106</u>

Notes on the Accounts (continued)

16 Borrowings

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Amounts falling due within one year:				
Bank loans and overdrafts	244	369	103	342
Vehicle related bank loans and overdrafts	24,640	13,616	–	–
Vehicle related hire purchase	61,533	52,478	–	–
	<u>86,417</u>	<u>66,463</u>	<u>103</u>	<u>342</u>
Amounts falling due after more than one year:				
Bank loans and overdrafts	253	358	–	–
Vehicle related bank loans and overdrafts	82,280	81,649	–	–
Vehicle related hire purchase	60,295	43,280	–	–
	<u>142,828</u>	<u>125,287</u>	<u>–</u>	<u>–</u>
Total borrowings	<u>229,245</u>	<u>191,750</u>	<u>103</u>	<u>342</u>
Of the amounts falling due after more than one year, repayments fall due in the following periods:				
Due within one to two years				
Bank loans and overdrafts	253	358	–	–
Vehicle related bank loans and overdrafts	–	–	–	–
Vehicle related hire purchase	40,197	28,854	–	–
	<u>40,450</u>	<u>29,212</u>	<u>–</u>	<u>–</u>
Due within two to five years				
Bank loans	–	–	–	–
Vehicle related bank loans and overdrafts	82,280	81,649	–	–
Vehicle related hire purchase	20,098	14,426	–	–
	<u>102,378</u>	<u>96,075</u>	<u>–</u>	<u>–</u>

Vehicle related bank loans and overdrafts of £106,920,000 (1999 – £95,265,000) and £253,000 (1999 – £358,000) of the bank loans and overdrafts are secured by fixed and floating charges over the assets of the subsidiary undertakings. Vehicle related hire purchase of £121,828,000 (1999 – £95,758,000) is secured by a fixed charge over the vehicles to which it relates.

Analysis of net debt

	At 1st May 1999 £000	Cash flow £000	Other non- cash changes £000	At 30th April 2000 £000
Cash in hand, at bank	17,524	(3,434)	–	14,090
Bank overdraft due within one year	(13,985)	(11,004)	105	(24,884)
	<u>3,539</u>	<u>(14,438)</u>	<u>105</u>	<u>(10,794)</u>
Cash in hand, short term deposits	1,410	9	–	1,419
Bank loans and overdrafts due after one year	(82,007)	(421)	(105)	(82,533)
Hire purchase obligations	(95,758)	73,586	(99,656)	(121,828)
	<u>(172,816)</u>	<u>58,736</u>	<u>(99,656)</u>	<u>(213,736)</u>

16 Borrowings (continued)

At 30th April 2000 the gearing of the group amounted to 189% (1999 – 166%) which is represented by net borrowings of £213,736,000 (1999 – £172,816,000) as a percentage of shareholders' funds of £112,804,000 (1999 – £103,855,000). Net borrowings comprise borrowings less cash at bank.

Borrowing facilities

The group has various borrowing facilities available to it. The undrawn committed borrowing facilities at 30th April 2000 in respect of which all conditions precedent had been met at that date expire as follows:

	2000 £000	1999 £000
In one year or less	121,788	71,399
In more than two years	36,467	37,351
	<u>158,255</u>	<u>108,750</u>

The total amount permitted to be borrowed by the company and its subsidiaries in terms of the Articles of Association shall not exceed five times the aggregate of the issued share capital of the company and the group reserves, as defined in those Articles.

Financial instruments and their derivatives

Treasury policies and the management of risk

The function of Group Treasury is to reduce or eliminate financial risk, to ensure sufficient liquidity is available to meet foreseeable requirements, to secure finance at minimum cost and to invest cash assets securely and profitably. Treasury operations manage the group's funding, liquidity and exposure to interest rate risks within a framework of policies and guidelines authorised by the board.

The group uses derivative instruments for risk management purposes only. Consistent with group policy, Group Treasury do not engage in speculative activity and it is policy to avoid using the more complex financial instruments.

The policy followed in managing credit risk permits only minimal exposures with banks and other institutions meeting required standards as assessed normally by reference to the major credit agencies. Deals are authorised only with banks with which dealing mandates have been agreed and which maintain a Triple A rating. Individual aggregate credit exposures are limited accordingly.

Short term debtors and creditors have been excluded from the analysis below. At 30th April 2000 the group's total borrowings were £229,245,000 (1999 – £191,750,000). The increase reflects the growth in fleet numbers and funding thereof during the year. In all other respects the year end figures are consistent with the year as a whole.

Financing and interest rate risk

The group's policy is to finance operating subsidiaries by a combination of retained earnings, bank borrowings including medium-term loans and hire purchase finance.

Cash at bank and on deposit yield interest based principally on LIBOR rates applicable to periods of less than 3 months. The group's exposure to interest rate fluctuations on its borrowings and deposits is managed through the use of interest rate caps, collars and swaps. These derivatives are also used to manage the group's desired mix of fixed and floating rate debt. The policy is to fix or cap a substantial element of the interest cost on outstanding debt. At 30th April 2000, 35% of gross borrowings were at fixed or capped rates of interest. After taking into account the various interest rate swaps entered into by the group, the interest rate exposure of the net borrowings of the group as at 30th April 2000 was:

	Gross borrowings £000	Floating rate borrowings £000	Fixed rate borrowings £000	Fixed rate borrowings	
				Weighted average interest rate at year end %	Weighted average time for which rate is fixed Years
At 30th April 2000					
UK Sterling	229,245	194,245	35,000	7.37	5.13
At 30th April 1999					
UK Sterling	191,750	156,750	35,000	7.37	6.13

The analysis of weighted average interest rates and weighted average years to maturity is on fixed rate borrowings and after adjustments for interest rate swaps. The floating rate borrowings bear interest at relevant national LIBOR equivalents.

Notes on the Accounts (continued)

16 Borrowings (continued)

The interest rate exposure is further protected by interest rate caps at 8% set out as follows:

Cap amount (£m)	Finish date
5	June 2000
5	May 2002
5	June 2002
5	July 2003
5	April 2004
5	May 2004
5	December 2004
5	January 2005
5	April 2006
<u>45</u>	

In addition to the instruments reflected in the tables above, the group has further structures with forward starting dates. They constitute £20,000,000 of interest rate swaps with a weighted average time of 5 years for which the rate is fixed at a weighted average rate of 6.22% and £40,000,000 of interest rate collars maturing 5 years from 4 consecutive annual dates commencing 1st April 2002 with a cap strike of 7% and a floor strike of 5%.

Fair values of financial instruments

The comparison of fair and book values of all the group's financial instruments as at 30th April 2000 is set out below. Market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting cash flows at prevailing interest rates.

	2000		1999	
	Book value £000	Fair value £000	Book value £000	Fair value £000
Cash at bank and in hand	15,509	15,509	13,434	13,434
Cash deposits on money markets at call	—	—	5,500	5,500
Debt	(229,245)	(229,245)	(191,750)	(191,750)
Net borrowings	(213,736)	(213,736)	(172,816)	(172,816)
Derivatives to manage interest rate	1,848	62	1,921	(3,145)
	<u>(211,888)</u>	<u>(213,674)</u>	<u>(170,895)</u>	<u>(175,961)</u>

17 Provisions for liabilities and charges

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Deferred tax provided				
Accelerated capital allowances	6,651	7,749	—	—
Other timing differences	(25)	(31)	61	82
	<u>6,626</u>	<u>7,718</u>	<u>61</u>	<u>82</u>
Movement in deferred tax				
1st May 1999	7,718		82	
Charged/(credited)				
in profit and loss account	(1,608)		(21)	
Adjustments to prior year	516		—	
30th April 2000	<u>6,626</u>		<u>61</u>	
The full potential liability for deferred tax including the amount provided above is as follows:				
Accelerated capital allowances	6,348	7,530	—	—
Other timing differences	(335)	(324)	61	82
	<u>6,013</u>	<u>7,206</u>	<u>61</u>	<u>82</u>

18 Accruals and deferred income

	2000	1999
	£000	£000
Deferred income	49,359	43,926

Deferred income relates to volume related bonuses received carried forward to future accounting years.
(See prior period adjustments – note 21).

19 Called up share capital

	2000	1999
	£000	£000
Authorised:		
73,000,000 ordinary shares of 5p each	3,650	3,650
1,300,000 5% cumulative preference shares of 50p each	650	650
	<u>4,300</u>	<u>4,300</u>
Allotted and fully paid:		
60,636,340 (1999 – 60,602,340) ordinary shares of 5p each	3,032	3,030
1,000,000 5% cumulative preference shares of 50p each	500	500
	<u>3,532</u>	<u>3,530</u>

During the year 34,000 ordinary shares with a nominal value of £1,700 were issued pursuant to the exercise of options under the GD scheme, for a cash consideration of £91,650.

The cumulative preference shares of 50p each entitle the holder to receive a cumulative preferential dividend at the rate of 5% on the paid up capital and the right to a return of capital at either winding up or a repayment of capital. The preference shares do not entitle the holders to any further or other participation in the profits or assets of Northgate plc. These shares have no voting rights other than in exceptional circumstances.

Options

At 30th April 2000 options outstanding for ordinary shares granted under the GD scheme were as follows:

Year of Grant	Number of Shares	Exercise Price	From	Exercisable To
1994	20,000	174.5p	February 1997	February 2004
1995	165,000	218.5p	January 1998	January 2005
1996	173,000	280.5p	January 1999	January 2006

There is no commitment to issue ordinary shares under the company's other share schemes.

20 Share premium account

	£000
1st May 1999	44,902
Premium on shares issued (net of expenses)	90
30th April 2000	<u>44,992</u>

Notes on the Accounts (continued)

21 Reserves

	Revaluation reserve £000	Merger reserve £000	Profit and loss account £000	Total reserves £000
Group				
Balance at 1st May 1999				
As previously reported	23	4,721	80,988	85,732
Prior period adjustment	—	—	(30,309)	(30,309)
As restated	23	4,721	50,679	55,423
Profit transferred to reserves	—	—	8,857	8,857
30th April 2000	23	4,721	59,536	64,280
Company				
1st May 1999		417	50,205	50,622
Profit transferred to reserves		—	3,878	3,878
30th April 2000		417	54,083	54,500

The cumulative amount of goodwill written off to reserves is £13,195,000 (1999 – £13,195,000).

Reconciliation of Movements in Shareholders' Funds for the 12 months ended 30th April 2000

	2000		1999 as restated (see below)	
	£000	£000	£000	£000
Profit for the financial year		16,896		11,443
Dividends		(8,039)		(7,561)
		8,857		3,882
Issue of ordinary share capital (net of expenses)		92		609
Net increase in shareholders' funds		8,949		4,491
Opening shareholders' funds				
As previously reported	134,164		122,155	
Prior period adjustment	(30,309)		(22,791)	
As restated		103,855		99,364
Closing shareholders' funds		112,804		103,855

Change of Accounting Policy

The restatement represents the effect of a change in the accounting policy for volume related bonus receipts following the issue in February 1999 of FRS 15 Tangible Fixed Assets by the Accounting Standards Board.

The group receives volume related bonuses from vehicle manufacturers. In the past, these receipts have been credited through turnover to the profit and loss account in the same period as the related vehicles were purchased. However, FRS 15 requires that these receipts be spread over the economic lives of the vehicles purchased. Accordingly, the accounting policy has been changed to credit the profit and loss account with volume related bonuses received over the expected holding period of the vehicles to which they relate on a basis consistent with the group's disposal policy. This change in accounting policy results in part of the volume related bonuses received that relate to vehicles purchased in a year now being carried forward to future accounting years as deferred income.

21 Reserves (continued)

The prior period adjustment gives rise to a cumulative debit adjustment to shareholders' funds of £30.3 million, of which £7.5 million relates to 1999 and the balance of £22.8 million relates to 1998 and prior periods and creates deferred income available for release in future accounting periods of £43.9 million. The comparative figures for 1999 have been restated in accordance with the new policy resulting in a decrease in profit before tax of £10.9 million and a decrease in the profit attributable to shareholders of £7.5 million. Had the new policy not been adopted in the current period, the profit before tax and the profit attributable to shareholders would have been £29.8 million and £20.6 million respectively. Net cash inflow from operating activities is unaffected.

22 Contingent liabilities

Northgate plc has guaranteed borrowings by subsidiary undertakings of £24,640,000 as at 30th April 2000 (1999 – £13,616,000).

Performance bonds given to local authorities in respect of the group's former housebuilding activities at 30th April 2000 amounted to £38,740 (1999 – £38,740).

23 Commitments

Capital expenditure commitments:

Capital expenditure contracted for but not provided in the accounts is as follows:

	Group	
	2000 £000	1999 £000
Contracted for but not provided in the financial statements	199	279

Financial commitments:

In the year to 30th April 2000 the group has commitments to make payments under operating leases as follows:

	2000		1999	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Leases expiring:				
within one year	130	624	52	447
two to five years	241	533	79	669
over five years	430	41	686	18
	801	1,198	817	1,134

24 Pensions

The total pension cost for the group was £510,000 (1999 – £545,000).

With effect from 1st April 1997 the former defined benefit schemes were merged and converted into a single defined contribution plan. After full provision for all liabilities arising on conversion, independent qualified actuaries estimated that a surplus of £500,000 was attributable to the company. This surplus was taken to the profit and loss account for the year ended 30th April 1997 as an exceptional credit to employment costs. The surplus is being used to fund the group's contributions under the new defined contribution plan as they fall due. Accordingly an amount of £201,000 (1999 – £272,000) has been included as a pensions prepayment in the balance sheet.

During the year ended 30th April 2000 the group only operated defined contribution arrangements.

Five Year Financial Summary

based on the consolidated financial statements for 12 months ended 30th April and adjusted to reflect the effect of the change in accounting policy.

Profit and loss account	2000 £000	1999 £000	1998 £000	1997 £000	1996 £000
Turnover					
Continuing activities	260,794	218,623	177,734	117,576	88,298
Discontinued activities	–	–	14,815	12,953	11,196
	<u>260,794</u>	<u>218,623</u>	<u>192,549</u>	<u>130,529</u>	<u>99,494</u>
Operating profit before exceptional items					
Continuing activities	37,942	28,620	27,238	20,137	17,379
Discontinued activities	–	–	3,057	2,545	2,029
	<u>37,942</u>	<u>28,620</u>	<u>30,295</u>	<u>22,682</u>	<u>19,408</u>
Associated undertakings	–	–	–	174	202
Interest	(13,617)	(12,010)	(10,671)	(6,657)	(3,996)
	<u>24,325</u>	<u>16,610</u>	<u>19,624</u>	<u>16,199</u>	<u>15,614</u>
Profit before exceptional items and taxation					
Exceptional items	–	–	2,000	814	226
	<u>24,325</u>	<u>16,610</u>	<u>21,624</u>	<u>17,013</u>	<u>15,840</u>
Profit before taxation	24,325	16,610	21,624	17,013	15,840
Tax	(7,429)	(5,167)	(5,870)	(5,704)	(5,278)
	<u>16,896</u>	<u>11,443</u>	<u>15,754</u>	<u>11,309</u>	<u>10,562</u>
Profit for the financial year	16,896	11,443	15,754	11,309	10,562
Dividends	(8,039)	(7,561)	(7,066)	(5,480)	(4,681)
	<u>8,857</u>	<u>3,882</u>	<u>8,688</u>	<u>5,829</u>	<u>5,881</u>
Retained profit					
	<u>8,857</u>	<u>3,882</u>	<u>8,688</u>	<u>5,829</u>	<u>5,881</u>
Earnings per ordinary share					
Adjustment for exceptional items	27.9p	18.9p	27.1p	20.8p	19.5p
	–	–	(3.4p)	(1.2p)	(0.4p)
	<u>27.9p</u>	<u>18.9p</u>	<u>23.7p</u>	<u>19.6p</u>	<u>19.1p</u>
Adjusted earnings per ordinary share					
	<u>27.9p</u>	<u>18.9p</u>	<u>23.7p</u>	<u>19.6p</u>	<u>19.1p</u>
Dividends per ordinary share					
	<u>13.25p</u>	<u>12.5p</u>	<u>11.75p</u>	<u>10.0p</u>	<u>8.6p</u>
Balance sheet	2000 £000	1999 £000	1998 £000	1997 £000	1996 £000
Assets employed					
Fixed assets	344,147	295,691	231,015	180,076	126,118
Net current (liabilities)/assets	(32,530)	(14,905)	9,481	(2,118)	23,324
Creditors (after one year) and provisions	(149,454)	(133,005)	(108,102)	(90,071)	(74,141)
Deferred income (note 18)	(49,359)	(43,926)	(33,030)	(23,194)	(14,694)
	<u>112,804</u>	<u>103,855</u>	<u>99,364</u>	<u>64,693</u>	<u>60,607</u>
Financed by					
Share capital	3,532	3,530	3,516	3,222	3,210
Share premium account	44,992	44,902	44,307	21,477	21,261
Reserves	64,280	55,423	51,541	39,994	36,136
	<u>112,804</u>	<u>103,855</u>	<u>99,364</u>	<u>64,693</u>	<u>60,607</u>
Net asset value per ordinary share	186p	171p	165p	119p	112p

Notice of Annual General Meeting

Notice is hereby given that the one hundred and second Annual General Meeting of Northgate plc will be held at Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB at 11.30 am on 14th September 2000 for the following purposes:

1. To receive and adopt the directors' report and audited accounts of the company for the year ended 30th April 2000.
2. To declare a final dividend of 9.07p per ordinary share.
3. To re-appoint Deloitte & Touche as auditors of the company and to authorise the directors to fix their remuneration.
4. To re-elect Mr. P. J. Moorhouse as a director.
5. To re-elect Mr. S. J. Smith as a director.
6. To re-elect Mr. C. J. Spence as a director.

As special business to consider, and if thought fit, to pass the following resolutions which are to be proposed in the case of resolutions 7, 8, 11, 12 and 13 as Ordinary Resolutions and in the case of resolutions 9 and 10 as Special Resolutions:

7. That the authorised share capital of the company be and it is hereby increased from £4,300,000 to £4,650,000 by the creation of 7,000,000 new Ordinary shares of 5p each.
8. That the directors be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the company to allot relevant securities (within the meaning of the said Section 80) up to an aggregate nominal amount of £950,283 during the period commencing on the date of the passing of this Resolution and expiring on 14th September 2005 (both dates inclusive) but so that this authority shall allow the company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and notwithstanding such expiry the directors may allot relevant securities in pursuance of such offers or agreements.
9. That, subject to the passing of Resolution 8, the directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 ("the Act"), to allot equity securities (within the meaning of Section 94 of the Act) for cash, pursuant to the authority given in accordance with Section 80 of the Act by Resolution 8 as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with an offer of securities, open for acceptance for a period fixed by the directors, by way of rights to holders of ordinary shares and such other equity securities of the company as the directors may determine on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or otherwise howsoever);
 - (b) the allotment of equity securities in connection with any employees' share scheme approved by the members in general meeting; and
 - (c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £150,000.

and shall expire at the conclusion of the Annual General Meeting of the company to be held in 2001 or, if earlier, fifteen months after the passing of this resolution except that the company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and notwithstanding such expiry the directors may allot equity

securities in pursuance of such offers or agreements.

10. That the company be generally and unconditionally authorised to make market purchases (as defined in Section 163, Companies Act 1985) of its ordinary shares of 5p each provided that:
 - (a) the company does not purchase under this authority more than 6,000,000 ordinary shares;
 - (b) the company does not pay less than 5p for each share;
 - (c) the company does not pay more for each share than 5% over the average of the middle market price of the ordinary shares according to the Daily Official List of the London Stock Exchange for the ten business days immediately preceding the date on which the company agrees to buy the shares concerned;
 - (d) this authority shall expire at the conclusion of the Annual General Meeting of the company to be held in 2001 unless such authority is renewed prior to such time; and
 - (e) the company may agree before the aforesaid authority terminates to purchase ordinary shares where the purchase will or may be executed (either wholly or in part) after the authority terminates. The company may complete such a purchase even though the authority has terminated.
11. That, for the purposes of Article 100, the maximum aggregate sum that the board may from time to time determine to award the directors by way of fees for their services as directors shall not exceed £200,000 per annum.
12. That the Northgate Share Option Scheme to be constituted by the Rules produced in draft to this meeting marked 'A' and for the purposes of identification signed by the Chairman thereof, the principal terms of which are described on pages 42 and 43 of the 2000 Report and Accounts, be and it is hereby approved and the directors be and they are hereby authorised to cause such Rules to be adopted in the form of such draft and to do all acts and things which they may consider necessary or expedient for implementing and giving effect to the same.
13. That the Northgate All Employee Share Scheme, to be constituted by the Rules produced in draft to this meeting marked 'B' and for the purposes of identification signed by the Chairman thereof, the principal terms of which are described on pages 44 and 45 of the 2000 Report and Accounts, be and it is hereby approved and the directors be and they are hereby authorised to cause such Rules to be adopted in the form of such draft and to do all acts and things which they may consider necessary or expedient for implementing and giving effect to the same.

Dated 4th July 2000
D. Henderson
Secretary

By Order of the Board

Registered Office:
Northgate House
Darlington
Co. Durham DL1 1XA

NOTES

1. Only the holders of ordinary shares registered in the register of members of the company as at 6.00 pm on 12th September 2000 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the right of any person to attend and vote at the meeting.
2. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) vote instead of him. A proxy so appointed need not also be a member. A two-way proxy card for this purpose is enclosed.

Summary of the proposed Northgate Share Option Scheme ('the Scheme')

1. General

The Scheme is divided into two parts, of which one will be approved by the Inland Revenue under the Income and Corporation Taxes Act 1988 (which will confer certain tax relief on participants) and one not. The two parts are identical in all material respects unless indicated to the contrary in this summary.

It is intended that the Board's functions under the Scheme, other than administrative ones, will be discharged by the Remuneration Committee.

It is anticipated that, for the time being at least, the Scheme will be used to grant options over shares purchased in the market by the Company's employee trust. However it will enable the grant of options to subscribe for new shares and there are provisions relating to this.

2. Eligibility

Employees of the Company and its subsidiaries and directors of such companies who are obliged to work at least 25 hours a week in one or more group companies, who are not within 2 years of their contractual retirement age and who are not otherwise excluded by the relevant legislation, will be eligible to participate in the Scheme.

However, it is the Board's current intention that directors of the Company and certain other senior executives within the group will not participate in this Scheme.

3. Grant of options

Options (which may relate to new and/or existing shares) may be granted within the six weeks following either the approval of the Scheme by shareholders; or (in the case of Revenue-approved options) its approval by the Inland Revenue; or the announcement by the Company of its results for any period. They may also be granted at other times which the Board considers to be sufficiently exceptional.

No options may be granted later than 5 years after the adoption of the Scheme.

No payment will be required for the grant of an option. Options are not transferable other than where, by virtue of a participant's death, they may be exercised by his personal representatives.

4. Limits on the Issue of shares under the Scheme

These limits are designed to correspond with those in the Executive Incentive Scheme ("EIS") approved by shareholders on 14th September 1999.

- (a) No options may be granted under the Scheme in any year which would cause the number of shares issued or issuable under all share options granted in the 10 calendar years ending with that year, or issued in that period otherwise than in pursuance of options, under the Scheme or any other employees' share scheme adopted by the Company to exceed 10 per cent of the Company's issued ordinary share capital at that time.
- (b) No options may be granted under the Scheme in any year which would cause the number of shares issued or issuable under all share options granted in the 5 calendar years before and 5 calendar years after the EIS was approved by shareholders, under the Scheme or any other executive share option scheme adopted by the Company, to exceed 5 per cent of the Company's issued ordinary share capital at that time.
- (c) No options may be granted during the 3 calendar years beginning with 1999, nor any successive 3 year period, which would cause the number of shares issued or issuable under all share options granted in the 3 year period in question, under the Scheme or any other executive share option scheme adopted by the Company, to exceed 3 per cent of the Company's issued ordinary share capital at that time.
- (d) No options may be granted during the 5 calendar years beginning with 1999 which would cause the number of shares issued or issuable under all share options granted in that period, or issued in that period otherwise than in pursuance of options, under the Scheme or any other employees' share scheme adopted by the Company, to exceed 5 per cent of the Company's issued ordinary share capital at that time.

5. Limit on Individual Participation

No option may be granted to an individual if, at the time it is granted, it would cause the aggregate market value of the shares which he may acquire pursuant to options granted in the preceding 10 years, under the Scheme or any other executive share option scheme adopted by the Company, to exceed 4 times his annual earnings. Options which have been released or exercised continue to count against the individual's entitlement.

The aggregate market value (as at the date of grant) of shares under option to an individual at any given moment pursuant to the Revenue-approved part of the Scheme or any other approved executive share option scheme established by the Company or an associated company shall not exceed £30,000.

6. Exercise Price

The price per ordinary share payable on the exercise of an option will not be less than the higher of:

- (a) the middle-market quotation for an ordinary share as derived from the Daily Official List of the London Stock

Exchange on the dealing day before the option was granted or some other day agreed with the Inland Revenue (in the case of Revenue approved options) or (otherwise) within 30 days before the grant and determined by the Board; or
(b) the nominal value of an ordinary share (if the option is expressed to relate solely to new ordinary shares).

7. Exercise of Options

An option will not normally be exercisable until 3 years from its grant. Options will lapse 5 1/2 years from the date granted.

The Board intends to set performance conditions on the exercise of options. Initially these will be that an option may not be exercised unless the Company's earnings per share has, over a period of at least 3 years, grown by at least 3% per annum above inflation.

Options will normally lapse on cessation of employment. However, exercise will be permitted:

- (a) following cessation of employment in certain compassionate circumstances; otherwise only at the Board's discretion; and
- (b) on a reconstruction, takeover or winding-up of the Company, or if the individual's employing company or business is transferred out of the group.

In such cases the performance conditions will cease to apply except that they will continue to apply in the case of normal retirement and the Board will have discretion as to whether they shall continue to apply in the cases referred to in (b) above.

8. Rights attaching to Shares

All ordinary shares allotted under the Scheme will rank equally with all other ordinary shares of the Company for the time being in issue (except for any rights arising by reference to a record date before the date of allotment).

9. Variation of Capital

In the event of any increase or variation of share capital, or (except in the case of Revenue-approved options) of the payment of a capital or special dividend or of any other circumstances similarly affecting options, the Board may make such adjustments as it considers appropriate to the number of shares subject to options and the price payable on their exercise.

10. Alterations to the Scheme

The Board may at any time alter or add to the Scheme in any respect, provided that the prior approval of the Company in general meeting is obtained for alterations or additions to the advantage of participants to the rules governing eligibility,

limits on participation, terms of exercise, non-assignability of options and adjustment of options. Such prior approval is not required for minor amendments for administrative advantage, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or group companies. Also, the above does not restrict the ability of the Board to adjust performance conditions to take account of supervening events (e.g. a variation of share capital).

The Board may make such amendments and additions to the Scheme as they consider appropriate up to the forthcoming Annual General Meeting provided these do not conflict in any material respect with this summary of the rules.

11. Pensionability

No benefits received under the Scheme will be pensionable.

Summary of the Northgate All Employee Share Scheme ('the All Employee Scheme')

1. General

The Company intends to obtain Inland Revenue approval for the rules and the Trust Deed for the All Employee Scheme under the Finance Act 2000. The trustees of the Scheme will be either a subsidiary company within the group or a firm of professional trustees ('the Trustees').

2. Operation

The All Employee Scheme contains three elements and the Company will decide each year which (if any) of these elements will be offered to employees, provided that the All Employee Scheme may not be operated more than 10 years after its approval by shareholders.

"Free Shares", which may be allocated to an employee by the Company.

The market value of Free Shares allocated to an employee in any tax year may not exceed £3,000 or such higher limit as may be permitted by the relevant legislation. Free Shares may be allocated equally, or on the basis of salary, length of service or hours worked, or on the basis of the performance of the Company, one or more business units and/or individual performance, within the limits specified by the relevant legislation.

"Partnership Shares", which an employee may purchase out of his or her pre-tax earnings.

The market value of Partnership Shares which an employee can agree to purchase in any tax year may not exceed £1,500 (or 10 per cent of an employee's salary if lower), or such higher limit as may be permitted by the relevant legislation. Partnership Shares are purchased on behalf of an employee by the Trustees. The funds used to purchase shares will be deducted from the employee's salary. The intervals at which deductions will take place will be communicated to employees prior to the commencement of their participation in the All Employee Scheme. Funds deducted from salary will be held on the employee's behalf until they are used to buy Partnership Shares.

"Matching Shares", which may be allocated to an employee by the Company following a purchase of Partnership Shares.

Matching Shares are additional free shares. The maximum number of Matching Shares which the Company can allocate to an employee following a purchase of Partnership Shares by the employee is two Matching Shares for every one Partnership Share purchased by the employee, or such higher limit as may be permitted by the relevant legislation. There is no minimum ratio of Matching Shares which the Company must provide following a purchase of Partnership Shares. The same ratio will apply to all employees who purchase Partnership Shares under the Plan at that time.

It is not intended that any award under the All Employee Scheme will be pensionable, other than the Partnership Share award which is purchased from the employee's normal salary.

3. Eligibility

The Company must offer all UK tax-resident employees the opportunity to participate in the All Employee Scheme whether they work full or part time. The Company can require employees to have completed a minimum qualifying period of employment before they can participate but that period must not be more than, broadly, 18 months prior to shares being awarded.

4. Limits on the Issue of Shares under the Scheme

Shares may either be issued by the Company or purchased in the market for the purposes of the All Employee Scheme. In the case of shares being issued by the Company these limits are designed to correspond with those in the Executive Incentive Scheme approved by shareholders on 14th September 1999 which are relevant to the All Employee Scheme.

- (a) No shares may be issued under the All Employee Scheme in any year which would cause the number of shares so issued in the 10 calendar years ending with that year, or issued or issuable under all share options granted in that period, or issued in that period otherwise in pursuance of options, under the All Employee Scheme or any other employees' share scheme adopted by the Company, to exceed 10 per cent of the Company's issued ordinary share capital at that time.
- (b) No shares may be issued during the 5 calendar years beginning with 1999 which would cause the number of shares so issued in that period, or issued or issuable under all share options granted in that period, or issued in that period otherwise than in pursuance of options, under the All Employee Scheme or any other employees' share scheme adopted by the Company, to exceed 5 per cent of the Company's issued ordinary share capital at that time.

5. Retention of Shares

The Trustees will initially hold all Free Shares or Matching Shares allocated to employees and any Partnership Shares acquired on the employees' behalf. Employees can withdraw Partnership Shares from the Trust at any time. Free Shares and Matching Shares held by employees will be subject to a requirement that the shares are held by the Trustees for a period after the initial allocation. This period will be notified to the employees at the time of allocation and will not normally be for less than 3 years or more than 5 years.

The All Employee Scheme may provide that if an employee ceases to be employed by a group company within 3 years of being allocated Free Shares or Matching Shares (or such shorter period as the Company may specify), his rights to those shares will be forfeited. However, in certain circumstances, for

example death, injury, redundancy, transfer of the employing business or company or retirement on reaching age 65, employees will retain any Free Shares and Matching Shares.

The All Employee Scheme may similarly provide that Matching Shares will be forfeited if the corresponding Free Shares are withdrawn within up to 3 years.

6. Dividends on Shares held by Trustees

Where ordinary shares are held by the Trustees, employees will be treated as the beneficial owners of the shares. Any dividends received in respect of shares held by the Trustees may be used to acquire additional shares for employees or may be distributed to employees.

7. Alterations to the All Employee Scheme

The All Employee Scheme may at any time be altered by the Directors in any respect, provided that the prior approval of shareholders is obtained for alterations or additions (to the advantage of participants) to the rules governing eligibility, the limits on participation, the basis for determining a participant's entitlement to shares and the treatment of a variation of capital, except for minor alterations to benefit the administration of the All Employee Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control, or regulatory treatment for participants or group companies.

The Directors may make such amendments and additions to the All Employee Scheme as they consider appropriate up to the forthcoming Annual General Meeting, provided that these do not conflict in any material respect with this summary of the rules.

No alteration to the terms of the All Employee Scheme or to the Trust Deed may be made while the All Employee Scheme is approved by the Inland Revenue without their approval.

Locations

3 Counties Self Drive Limited

Ward Road
Mount Farm
Blitchley
Milton Keynes
MK1 1JA
Tel: 01908 632100
Fax: 01908 368956

Acorn Self Drive Limited

Works Road
Barrow Hill
Chesterfield
S43 2PR
Tel: 01246 477644
Fax: 01246 280188

Adrian Truck Hire Limited

Deacon Way
Tilehurst
Reading
RG30 6AZ
Tel: 0118 941 2041
Fax: 0118 945 2463

Anchor Self Drive Limited

Richardshaw Road
Grangefield Industrial Estate
Pudsey
Leeds
LS28 6QW
Tel: 0113 255 0441
Fax: 0113 257 1116

Anglian Self Drive Limited

Raeburn Road South
Cliff Quay
Ipswich
IP3 0ET
Tel: 01473 270022
Fax: 01473 270033

Autorentals (Cleveland) Limited

Fleming Road
Skippers Lane Industrial Estate
South Bank
Middlesbrough
TS6 6TT
Tel: 01642 469000
Fax: 01642 464475

Beeston Van Hire Limited

Bridge Avenue
Chilwell
Nottingham
NG9 4AP
Tel: 0115 925 5088
Fax: 0115 943 6302
Branch in Lincoln

Belfast Self Drive Limited

30-32 Duncrue Street
Belfast
BT3 9AR
Tel: 028 9035 6655
Fax: 028 9035 1145

Bristol Self Drive Limited

Vale Lane
off Hartcliffe Way
Bedminster
Bristol
BS3 5RY
Tel: 0117 953 0777
Fax: 0117 953 5361
Branches in Exeter and Gloucester

Caledonian Self Drive Limited

Chainbridge Road
Blaydon
Tyne & Wear
NE21 5ST
Tel: 0191 499 0611
Fax: 0191 499 0612

Cartrux Rental Limited

Armoury Road
Small Heath
Birmingham
B11 2RJ
Tel: 0121 753 3377
Fax: 0121 753 3232

Cymru Self Drive Limited

Rhymney River Bridge Industrial
Estate
Cardiff
CF23 9AF
Tel: 029 2049 9900
Fax: 029 2049 9911
Branch in Swansea

Delta Self Drive Limited

Beta Way, Crabtree Road
Thorpe Industrial Estate
Egham
Surrey
TW20 8RX
Tel: 01784 438899
Fax: 01784 439577

Don Valley Self Drive Limited

Norflex House
Sheffield Airport Business Park
Europa Link
Sheffield
S9 1XU
Tel: 0114 243 5888
Fax: 0114 243 6238

East Midlands Vehicle Hire Limited

Chester Park
Alfreton Road
Derby
DE21 4AS
Tel: 01332 292727
Fax: 01332 385325
Branch in Leicester

Ember Rental Limited

Whitacre Street, off Leeds Road
Deighton
Huddersfield
HD2 1LY
Tel: 01484 533516
Fax: 01484 425554

Imperial Self Drive Limited

Norflex House
Anchor Business Park
102 Beddington Lane
Croydon
Surrey
CR0 4YX
Tel: 020 8686 8088
Fax: 020 8686 2280

Lancashire Vehicle Rental Limited

Charnley Fold Industrial Estate
School Lane
Bamber Bridge
Preston
PR5 6PS
Tel: 01772 696666
Fax: 01772 696688

Lothian Self Drive Limited

1 Liggat Syke Place
East Mains Industrial Estate
Broxburn
West Lothian
EH52 5LS
Tel: 01506 858508
Fax: 01506 858507

M&G Self Drive Limited

Norflex House
Wiltshire Road
Hull
HU4 6PA
Tel: 01482 575777
Fax: 01482 575712

Maincrest Hire Limited

64 Spofforth Road
Liverpool
L7 6JY
Tel: 0151 733 3201
Fax: 0151 733 4444
Branch in Warrington

Meridian Self Drive Limited

Mid Kent Business Park
Snodland
Kent
ME6 5UA
Tel: 01634 244400
Fax: 01634 244499

Noble Self Drive Limited

Allington Way
Yarm Road Business Park
Darlington
Co. Durham
DL1 4QB
Tel: 01325 461125
Fax: 01325 356530
Branch in Carlisle

Norcom Vehicle Remarketing

Arkwright Road
Willowbrook North Industrial Estate
Corby
Northants
NN17 5AE
Tel: 01536 200055
Fax: 01536 202 828

Northgate Central Reservations Limited

Armoury Road
Small Heath
Birmingham
B11 2RJ
Tel: 0121 753 1170
Fax: 0121 772 0741

Northgate Vehicle Sales Limited

Allington Way
Yarm Road Business Park
Darlington
DL1 4QB
Tel: 01325 356667
Fax: 01325 356530
Also located in Kent

NTR Vehicle Rental Limited

102-104 Throckley Way
Middlefield Industrial Estate
South Shields
Tyne & Wear
NE34 0NU
Tel: 0191 455 1179
Fax: 0191 455 7827

Orbital Self Drive Limited

New Ford Road
Waltham Cross
Hertfordshire
EN8 7PD
Tel: 01992 714545
Fax: 01992 714644

Sigma Self Drive Limited

Kingsbridge Road
Kingsbridge Wharf
Barking
Essex
IG11 0BD
Tel: 020 8507 8900
Fax: 020 8507 8989

Signal Vehicle Hire Limited

Winghay Close, off Cross Street
Longbridge Hayes
Stoke-on-Trent
Staffordshire
ST6 4DU
Tel: 01782 810333
Fax: 01782 810444

Solent Self Drive Limited

Oundas Spur
Blueprint Industrial Estate
Portsmouth
PO3 5QA
Tel: 023 9262 1600
Fax: 023 9263 9696

Spinelink Self Drive Limited

The Crescent
Willenhall
West Midlands
WV13 2QR
Tel: 0121 526 5353
Fax: 0121 526 4784

Strathclyde Self Drive Limited

337-341 Bogmoor Road
Shieldhall
Glasgow
G51 4SJ
Tel: 0141 300 4500
Fax: 0141 300 4501

Swift Vehicle Rental Limited

Springkerse Road
Springkerse Industrial Estate
Stirling
FK7 7SN
Tel: 01786 471555
Fax: 01786 474822

Transline Vehicle Hire Limited

Breamish Street
Newcastle upon Tyne
Tyne & Wear
NE1 2BY
Tel: 0191 261 0421
Fax: 0191 261 6188

Transmore Van Hire Limited

Bowesfield Crescent
Bowesfield Riverside Industrial Estate
Stockton-on-Tees
TS18 3BL
Tel: 01642 603732
Fax: 01642 601966

TrukVan Rental Limited

87 Rochdale Road
Manchester
M4 4HY
Tel: 0161 832 2781
Fax: 0161 839 3305
Branches in Stockport and Bolton

UK Vehicle Rental Limited

Parham Drive
Eastleigh
Hants
SO50 4NU
Tel: 023 8064 1333
Fax: 023 8061 8392

Information for Shareholders

Classification

Information concerning day to day movements in the price of the company's ordinary shares is available on Cityline (0891 123456) code 2722. The company's listing symbol on the London Stock Exchange is NTG.

Market-makers

The following companies have informed the London Stock Exchange that they make a market in the company's shares:

Altium Capital Ltd.
Credit Suisse First Boston Equities Ltd.
HSBC Securities Ltd.
Kleinwort Benson Securities Ltd.
WestLB Panmure Ltd.

Ex dividend date

The ex dividend date for the final dividend on the ordinary shares recommended for payment on 18th September 2000 is 17th July 2000.

Secretary and registered office

D Henderson FCI

Northgate House
Darlington
Co. Durham DL1 1XA

Tel: 01325 467558

Financial advisers

Lazard Brothers & Co., Limited

Capital gains tax

The market value of the company's shares at 31st March 1982 for capital gains tax purposes following the change in the base date in the Finance Act 1988 is as follows:

5p ordinary	34.5p
5% preference	12.5p

Financial calendar

January	Announcement of interim results
February	Payment of interim dividend
July	Announcement of year end results Report and accounts posted to shareholders
September	Annual general meeting Payment of final dividend

Registrars

IRG plc
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 020-8639 2000

Auditors

Deloitte & Touche
Chartered Accountants and Registered Auditors