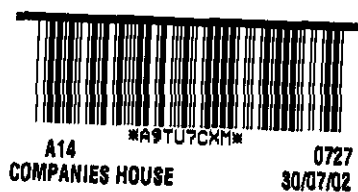


The Owners of the Middlesbrough Estate  
Limited

Annual report  
for the year ended 30 September 2001

Registered Number 22906



The Owners of the Middlesbrough Estate Limited  
Annual report  
for the year ended 30 September 2001  
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# **The Owners of the Middlesbrough Estate Limited**

## **Directors and Advisors for the year ended 30 September 2001**

### **Directors**

R H Dickinson

S Dickinson

A R Cunningham

G J Davis

### **Secretary and registered office**

G J Davis

Times Square

Newcastle upon Tyne

NE1 4EP

### **Auditors**

PricewaterhouseCoopers

89 Sandyford Road

Newcastle upon Tyne

NE99 1PL

### **Solicitors**

Dickinson Dees

St Ann's Wharf

112 Quayside

Newcastle upon Tyne

NE99 1SB

# The Owners of the Middlesbrough Estate Limited

## Directors' report for the year ended 30 September 2001

The directors present their report and the audited financial statements for the year ended 30 September 2001.

### Principal activities and review of the business

The principal activity of the company during the year was that of investments.

The directors consider the level of the group's activities to be satisfactory and expect it to continue to be so in future years.

### Results

The results for the year are set out on page 5.

### Dividends

The directors do not recommend the payment of a dividend (2000: £Nil). The profit for the financial year of £74,265 (2000: £6,786) will be transferred to reserves.

### Directors

The directors who served during the year and to the date of this report, unless otherwise stated were:

R H Dickinson

S Dickinson (Chairman)

A R Cunningham

G J Davis

The directors have no beneficial interest in the share capital of the company or any of its subsidiaries. The beneficial interests of Mr R H Dickinson, Mr S Dickinson and Mr A R Cunningham in the shares of the ultimate holding company, Grainger Trust plc, are shown in the annual report of Grainger Trust plc

The beneficial interests of the other director in the shares of Grainger Trust plc were as follows:

	30 September 2001	30 September 2000
	Number	Number
G J Davis	39,865	37,059

# The Owners of the Middlesbrough Estate Limited

## Director's share options at 30 September 2001

		Ordinary shares of 25p each Mr G J Davis	
Option price	Date exercisable	2001	2000
LTIP scheme			
267.1p	9 July 2001 to 9 July 2007	-	8,911
SAYE scheme			
214p	5 August 2002 to 5 February 2003	8,060	8,060
Total number of share options		8,060	16,971

During the year Mr G J Davis exercised options on 8,911 shares at an option price of 267.1p. At the date of exercise the mid-market price per share was 897.5p per share.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

### By order of the Board



G J Davis  
Secretary

24 April 2002

# **The Owners of the Middlesbrough Estate Limited**

## **Independent auditors' report to the members of The Owners of the Middlesbrough Estate Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
24 April 2002

# The Owners of the Middlesbrough Estate Limited

## Profit and loss account for the year ended 30 September 2001

	Note	2001 £	2000 £
<b>Turnover</b>		<b>5,609</b>	1,559
Other income		5,609	1,559
Profit on sale of fixed asset investments		101,236	-
<b>Profit on ordinary activities before interest and taxation</b>		<b>106,845</b>	1,559
Interest receivable		1,121	2,596
<b>Profit on ordinary activities before taxation</b>		<b>107,966</b>	4,155
Taxation	2	(33,701)	2,631
<b>Retained profit for the year</b>	7	<b>74,265</b>	6,786

All activities of the company are continuing.

The company has no recognised gains and losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

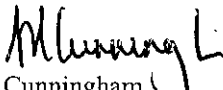
There is no difference between profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

# The Owners of the Middlesbrough Estate Limited

## Balance sheet as at 30 September 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Investments	3	6,513	17,996
<b>Current assets</b>			
Debtors	4	1,859,994	1,739,969
<b>Creditors: amounts falling due within one year</b>	5	(34,277)	-
<b>Net current assets</b>		1,825,717	1,739,969
<b>Total assets less current liabilities</b>		1,832,230	1,757,965
<b>Net assets</b>		1,832,230	1,757,965
<b>Capital and reserves</b>			
Called up share capital	6	496,752	496,752
Share premium	7	600	600
Other reserves	7	1,189,194	1,189,194
Profit and loss account	7	145,684	71,419
<b>Equity shareholders' funds</b>	8	1,832,230	1,757,965

The financial statements on pages 5 to 10 were approved by the board of directors on 24 April 2002 and were signed on its behalf by:

  
A R Cunningham  
Director



# **The Owners of the Middlesbrough Estate Limited**

## **Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently, is set out below.

### **Accounting convention**

The financial statements have been prepared on the historical cost basis of accounting.

FRS 17 'Retirement Benefits' and FRS 18 'Accounting Policies' have been adopted during the year. There is no impact on the accounts.

### **Cash flow**

The company is a wholly owned subsidiary of Grainger Trust plc and the cash flows of the company are included in the consolidated cash flow statement of Grainger Trust plc. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

### **Turnover**

Turnover comprises gross rentals, gross sale proceeds of trading properties and land, and sundry other income.

Sales of land and properties are only accounted for when the cash proceeds are received in full or the company has entered into a legally binding undertaking.

### **Investments**

Investments are included in the financial statements at cost less provisions for impairment in value.

# The Owners of the Middlesbrough Estate Limited

## Notes to the financial statements for the year ended 30 September 2001

### 1 Directors and employees

There are no persons holding service contracts with The Owners of the Middlesbrough Estates Limited.

None of the directors received any remuneration from the company during the year, or in the previous year.

### 2 Taxation

	2001	2000
	£	£
UK corporation tax at 30%		
Current	33,389	1,247
Under/(over) provision in respect of prior years	312	(3,878)
	33,701	(2,631)

### 3 Fixed asset investments

	£
<b>Cost and net book value</b>	
At 1 October 2000	17,996
Disposals	(11,483)
At 30 September 2001	6,513

At 30 September 2001 the company held 9,011 (2000: 26,220) 25p ordinary shares in its holding company, Grainger Trust plc, which had a market value at that date of £68,258 (2000: £150,765), and cost of £6,513 (2000: £17,996).

# The Owners of the Middlesbrough Estate Limited

## 4 Debtors

	2001	2000
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	-	1,527
Amount owed by group undertakings	1,859,994	1,738,442
	1,859,994	1,739,969

## 5 Creditors: amounts falling due within one year

	2001	2000
	£	£
Corporation tax	34,277	-

## 6 Called up share capital

	2001	2000
	£	£
<b>Authorised</b>		
500,000 ordinary shares of £1 each	500,000	500,000
<b>Allotted, called up and fully paid</b>		
496,752 ordinary shares of £1 each	496,752	496,752

## 7 Reserves

	Share premium £	Other reserves £	Profit and loss account £
At 1 October 2000	600	1,189,194	71,419
Profit for the year	-	-	74,265
At 30 September 2001	600	1,189,194	145,684

# The Owners of the Middlesbrough Estate Limited

## 8 Reconciliation of movements in equity shareholders' funds

	2001	2000
	£	£
Profit for the year	74,265	6,786
Opening equity shareholders' funds	1,757,965	1,751,179
Closing equity shareholders' funds	1,832,230	1,757,965

## 9 Contingent liabilities

The company, in conjunction with certain of its fellow subsidiaries, has guaranteed mortgages and loans of £105,144,000 of certain fellow subsidiaries by means of a floating charge over its assets and book debts.

## 10 Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard No.8 and has not disclosed transactions with companies that are part of the Grainger Trust plc group.

## 11 Controlling parties

The directors regard GIP Limited, a company registered in England and Wales, as the immediate controlling party and parent company by virtue of its 100% shareholding in the company.

The directors regard Grainger Trust plc, a company registered in England and Wales, as the ultimate controlling party and parent company by virtue of its majority shareholding. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Grainger Trust plc, Times Square, Newcastle upon Tyne, NE1 4EP.