

The Owners of the Middlesbrough Estate
Limited
Annual report
for the year ended 30 September 2003

Registered Number 22906



The Owners of the Middlesbrough Estate Limited

Annual report

for the year ended 30 September 2003

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The Owners of the Middlesbrough Estate Limited

Directors and advisors for the year ended 30 September 2003

Directors

R H Dickinson

S Dickinson

A R Cunningham

G J Davis

Secretary and registered office

M L Glanville

Citygate

St James' Boulevard

Newcastle upon Tyne

NE1 4JE

Independent auditors

PricewaterhouseCoopers LLP

89 Sandyford Road

Newcastle upon Tyne

NE99 1PL

Solicitors

Dickinson Dees

St Ann's Wharf

112 Quayside

Newcastle upon Tyne

NE99 1SB

Bankers

Barclays Bank Plc

Barclays House

71 Grey Street

Newcastle upon Tyne

NE99 1JP

The Owners of the Middlesbrough Estate Limited

Directors' report for the year ended 30 September 2003

The directors present their report and the audited financial statements for the year ended 30 September 2003.

Principal activities and review of the business

The principal activity of the company during the year was that of an investment company.

The directors consider the level of the company'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 (2002: £Nil).

Directors

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

R H Dickinson (Chairman)
S Dickinson
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 2003 Number	30 September 2002 Number
G J Davis	37,772	40,553

The Owners of the Middlesbrough Estate Limited

Director's share options at 30 September 2003

		Ordinary shares of 25p each Mr G J Davis	
Option price	Date exercisable	2003	2002
SAYE scheme			
818p	8 August 2005 to 8 February 2006	1,161	1,161
Total number of share options		1,161	1,161

During the year no additional share options were granted and none exercised.

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 2003 and that applicable accounting standards have been followed.

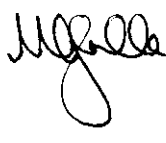
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue as auditors to the company. A resolution to reappoint them as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board

M L Glanville
Secretary
23 July 2004



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, the statement of accounting policies and the related notes.

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. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

23 July 2004

The Owners of the Middlesbrough Estate Limited

Profit and loss account for the year ended 30 September 2003

	Note	2003 £	2002 £
Turnover		118	4,634
Other income		118	4,634
Operating profit		118	4,634
Profit on sale of fixed asset investments		-	70,581
Profit on ordinary activities before interest and taxation		118	75,215
Interest receivable and similar income		-	108
Interest payable and similar charges		(19)	-
Profit on ordinary activities before taxation	2	99	75,323
Tax on profit on ordinary activities	3	(29)	(22,597)
Retained profit for the financial year	8	70	52,726

All activities of the company are continuing.

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

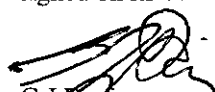
There is no difference between profit on ordinary activities before taxation and the retained profit for the financial year stated above, and their historical cost equivalents.

The Owners of the Middlesbrough Estate Limited

Balance sheet as at 30 September 2003

	Note	2003 £	2002 £
Fixed assets			
Investments	4	500	500
Current assets			
Debtors	5	1,884,541	1,895,745
Creditors: amounts falling due within one year	6	(15)	(11,289)
Net current assets		1,884,526	1,884,456
Net assets		1,885,026	1,884,956
Capital and reserves			
Called up equity share capital	7	496,752	496,752
Share premium	8	600	600
Other reserves	8	1,189,194	1,189,194
Profit and loss account	8	198,480	198,410
Equity shareholders' funds	9	1,885,026	1,884,956

The financial statements on pages 5 to 10 were approved by the board of directors on 23 July 2004 and were signed on its behalf by:


G L Davis
Director

The Owners of the Middlesbrough Estate Limited

Statement of 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 going concern basis, under the historical cost convention and in accordance with the Companies Act 1985.

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 (Revised 1996) from publishing a cash flow statement.

Turnover

Turnover comprises gross rentals, gross sale proceeds of trading properties. Sales of properties are only accounted for when 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.

Deferred taxation

Deferred taxation is recognised on all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

The Owners of the Middlesbrough Estate Limited

Notes to the financial statements for the year ended 30 September 2003

1 Segmental reporting

All of the activities of the company fall into the principal activities as stated within the directors' report. The activities arise solely in the United Kingdom.

2 Profit on ordinary activities before taxation

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.

The audit fee has been included in the overall audit fee for the Grainger Trust group, which has been paid for by Grainger Trust plc.

3 Tax on profit on ordinary activities

	2003	2002
	£	£
Analysis of charge in year		
Current tax:		
UK corporation tax on profits for the year	29	22,597
Tax charge	29	22,597

Factors affecting the tax charge for the year

The differences between the tax assessed for the year and the standard rate of corporation tax in the UK (30%) are shown below:

	2003	2002
	£	£
Profit on ordinary activities before taxation	99	75,323
Profit on ordinary activities before tax at a rate of 30%	29	22,597
Total current tax	29	22,597

There are no factors that are expected to significantly affect the taxation charge in future periods.

The Owners of the Middlesbrough Estate Limited

4 Investments

£

At 1 October 2002 and 30 September 2003

500

Investments comprise equity shares in a trade investment with a cost of £500 (2002: £500). The market value of the shares is greater than cost.

5 Debtors

2003

2002

£

£

Amounts falling due within one year:

Amount owed by group undertakings

1,884,541 1,895,745

6 Creditors: amounts falling due within one year

2003

2002

£

£

Corporation tax

15 11,289

7 Called up equity share capital

2003

2002

£

£

Authorised

500,000 ordinary shares of £1 each

500,000 500,000

Allotted, called up and fully paid

496,752 ordinary shares of £1 each

496,752 496,752

8 Reserves

Share
premium
£

Other
reserves
£

Profit and
loss
account
£

At 1 October 2002

600 1,189,194 198,410

Profit for the financial year

- - 70

At 30 September 2003

600 1,189,194 198,480

The Owners of the Middlesbrough Estate Limited

9 Reconciliation of movements in equity shareholders' funds

	2003	2002
	£	£
Profit for the year	70	52,726
Opening equity shareholders' funds	1,884,956	1,832,230
Closing equity shareholders' funds	1,885,026	1,884,956

10 Contingent liabilities

The company, in conjunction with certain of its fellow subsidiaries, has guaranteed mortgages and loans of £175,919,000 (2002: £124,331,000) of certain fellow subsidiaries by means of a floating charge over its assets and book debts.

11 Related party transactions

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

12 Ultimate parent undertaking

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, being the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Grainger Trust plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.