

The Owners of the Middlesbrough  
Estates Limited  
Annual report  
for the year ended 30 September 1996

Registered no: 22906



Coopers  
& Lybrand

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

## **Annual report for the year ended 30 September 1996**

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## **Directors and advisers**

### **Directors**

R H Dickinson  
S Dickinson  
G J Davis  
P M Milburn

### **Secretary and registered office**

G J Davis  
Chaucer Buildings  
Grainger Street  
Newcastle upon Tyne  
NE1 5LE

### **Registered Auditors**

Coopers & Lybrand  
Hadrian House  
Higham Place  
Newcastle upon Tyne  
NE1 8BP

### **Solicitors**

Dickinson Dees  
Cross House  
Westgate Road  
Newcastle upon Tyne  
NE99 1SB

### **Bankers**

Barclays Bank Plc  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3PN

## **Directors' report for the year ended 30 September 1996**

The directors present their report and the audited financial statements for the year ended 30 September 1996.

### **Principal activities**

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

### **Review of business developments and prospects**

The directors consider the results for the year to be satisfactory and are confident that the current level of activity will be maintained.

### **Results**

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

### **Dividend**

The directors do not recommend the payment of a dividend (1995: £2,770,969). The profit for the financial year of £19,852 (1995: loss of £2,783,716) will be transferred to reserves.

### **Directors**

The directors who served during the year and to the date of this report were:

R H Dickinson            (Chairman)  
S Dickinson  
G J Davis  
P M Milburn

The directors have no beneficial interest in the share capital of the company. The beneficial interests of Mr R H Dickinson, Mr S Dickinson and Mr P M Milburn in the shares of the ultimate holding company, Grainger Trust p.l.c., are shown in the annual report of Grainger Trust p.l.c..

The beneficial interest of the other director in the shares of Grainger Trust p.l.c. was as follows:

	30 September 1996 Number	30 September 1995 Number
G J Davis	<u>11,746</u>	<u>10,262</u>

In January 1989 Mr G J Davis took up options under the group's Executive Share Option Scheme to purchase 20,000 25p ordinary shares in Grainger Trust p.l.c. at a price of £4.48 per share, exercisable until 3 January 1999. In July 1991 Mr G J Davis took up further options under the group's Executive Share Option Scheme to purchase 20,000 25p ordinary shares in Grainger Trust p.l.c. at a price of £1.284 per share, exercisable until 19 July 2001. None of these options have been exercised to date.

Mr R H Dickinson is a partner in Dickinson Dees, Solicitors. Total net payments, which have been made on normal commercial terms from Grainger Trust p.l.c. and its subsidiaries to Dickinson Dees for the year ended 30 September 1996 amounted to £453,966 (1995: £648,868).

## Statement of directors' responsibilities

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

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 1996. The directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditors

A resolution to reappoint Coopers & Lybrand, will be proposed at the Annual General Meeting.

By order of the board

  
Secretary

## Report of the auditors to the members of The Owners of the Middlesbrough Estates Limited

We have audited the financial statements on pages 5 to 10.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

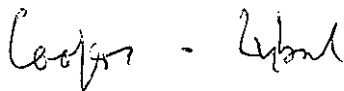
### Basis of opinion

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 1996 and of its profit and total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
Newcastle upon Tyne

11. 1. 97

## Profit and loss account for the year ended 30 September 1996

	Notes	1996 £	1995 £
Other income	2	28,310	6,381
Amounts written off investments		-	(18,108)
Administrative expenses		(17)	(527)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>28,293</b>	<b>(12,254)</b>
Taxation	4	(8,441)	(493)
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>19,852</b>	<b>(12,747)</b>
Dividend	5	-	2,770,969
<b>Retained profit/(loss) for the financial year</b>	10	<b>19,852</b>	<b>(2,783,716)</b>

All of the company's activities are continuing.

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

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

## Balance sheet at 30 September 1996

	Notes	1996 £	1995 £
<b>Fixed assets</b>			
Investments	6	21,150	21,150
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	2,711,382	2,683,152
Cash at bank		-	455
		2,711,382	2,683,607
<b>Creditors: amounts falling due within one year</b>	8	(1,016,767)	(1,008,844)
<b>Net current assets</b>		1,694,615	1,674,763
<b>Total assets less current liabilities</b>		1,715,765	1,695,913
<b>Net assets</b>		1,715,765	1,695,913
<b>Capital and reserves</b>			
Called up share capital	9	496,752	496,752
Profit and loss account	10	29,219	9,367
Share premium	10	600	600
Other reserves	10	1,189,194	1,189,194
<b>Equity shareholders' funds</b>	11	1,715,765	1,695,913

The financial statements on pages 5 to 10 were approved by the board of directors on 31.1.97 and were signed on its behalf by:

Director






**Notes to the financial statements  
for the year ended 30 September 1996****1 Principal 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 under the historical cost convention.

**Consolidated accounts**

The company does not prepare consolidated accounts as it is the wholly owned subsidiary of a parent undertaking established under the law of a member state of the European Economic Area into the accounts of which its results have been consolidated.

**Cash flow**

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

**Investments**

Investments in subsidiaries and other investments are included in the financial statements at cost less provisions for permanent diminution in value.

**2 Other income**

	1996 £	1995 £
Income from listed investments	2,166	2,340
Income from unlisted investments	425	1,216
Other income	25,719	2,825
	<u>28,310</u>	<u>6,381</u>

## 3 Directors and employees

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

No directors received any remuneration from the company during the year, or in the previous year.

## 4 Taxation

	1996 £	1995 £
UK corporation tax at 33% (1995: 33%):		
Current	7,348	-
Tax on franked investment income	518	468
Underprovision in respect of prior years	575	25
	<u>8,441</u>	<u>493</u>

## 5 Dividend

	1996 £	1995 £
Ordinary dividend paid	<u>-</u>	<u>2,770,969</u>

## 6 Fixed asset investments

	Subsidiary £	Other £	Total £
Cost:			
At 1 October 1995 and 30 September 1996	<u>18,108</u>	<u>21,150</u>	<u>39,258</u>
Amounts written off:			
At 1 October 1995 and 30 September 1996	<u>18,108</u>	<u>-</u>	<u>18,108</u>
Net book value			
At 30 September 1996 and 30 September 1995	<u>-</u>	<u>21,150</u>	<u>21,150</u>

The following information relates to the company's wholly owned dormant subsidiary which is registered in England and Wales:

The Cleveland Car Company Limited

All shares held are ordinary £1 shares.

At 30 September 1996 the company held 30,947 (1995: 30,947) 25p ordinary shares in its holding company, Grainger Trust p.l.c., which had a market value at that date of £89,592 (1995: £80,153).

## 7 Debtors

	1996 £	1995 £
Amounts falling due within one year:		
Amount owed by parent company and fellow subsidiaries	<u>2,711,382</u>	<u>2,683,152</u>

## 8 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts owed to parent company and fellow subsidiaries	1,009,419	1,008,844
Corporation tax	7,348	-
	<u>1,016,767</u>	<u>1,008,844</u>

## 9 Called up share capital

	1996 £	1995 £
<b>Authorised</b>		
500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
<b>Allotted, called up and fully paid</b>		
496,752 ordinary shares of £1 each	<u>496,752</u>	<u>496,752</u>

## 10 Reserves

	Share premium	Other reserves	Profit and loss account
	£	£	£
At 1 October 1995	600	1,189,194	9,367
Profit for the year	-	-	19,852
At 30 September 1996	<u>600</u>	<u>1,189,194</u>	<u>29,219</u>

## 11 Reconciliation of movements in equity shareholders' funds

	1996 £	1995 £
Profit/(loss) for the financial year	19,852	(12,747)
Dividends	-	(2,770,969)
Net addition to/(reduction in) equity shareholders' funds	<u>19,852</u>	<u>(2,783,716)</u>
Opening equity shareholders' funds	1,695,913	4,479,629
Closing equity shareholders' funds	<u>1,715,765</u>	<u>1,695,913</u>

## 12 Contingent liabilities

The company, in conjunction with its fellow subsidiaries, has guaranteed mortgages and loans of £68,565,000 of certain fellow subsidiaries by means of a floating charge over its assets.

## 13 Ultimate holding company

The directors regard Grainger Trust p.l.c., a company registered in England and Wales, as the ultimate parent company. Copies of the parent's consolidated financial statements may be obtained from Chaucer Buildings, 57 Grainger Street, Newcastle upon Tyne, NE1 5LE.