

The Owners of the Middlesbrough
Estates Limited

Annual report

for the year ended 30 September 1994

Registered no: 22906

Coopers
& Lybrand



The Owners of the Middlesbrough Estates Limited

Annual report for the year ended 30 September 1994

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Directors and advisers

Directors

R H Dickinson
S Dickinson
G J Davis
P M Milburn

Secretary and registered office

P M Milburn
Chaucer Buildings
Grainger Street
Newcastle upon Tyne
NE1 5JE

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 1994

The directors present their report and the audited financial statements for the year ended 30 September 1994.

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 6.

Dividends

The directors do not recommend the payment of a dividend (1993: £850,000). The retained profit of £1,918 will be added to reserves.

Fixed assets

The movement in fixed assets is shown in note 6 to the financial statements.

Directors

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

R H Dickinson	(Chairman)
S Dickinson	
I J Dickinson	(Resigned 24 February 1994)
G J Davis	
P M Milburn	(Appointed 24 February 1994)

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 1994 Number	30 September 1993 Number
G J Davis	<u>9,034</u>	<u>9,034</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 1994 amounted to £384,128.

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 1994. 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.

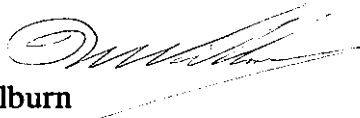
The Owners of the Middlesbrough Estates Limited

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Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the reappointment of Coopers & Lybrand as auditors to the company will be put to the Annual General Meeting.

By order of the board



P M Milburn

Secretary

31 January 1995

**Report of the auditors to the members of
The Owners of the Middlesbrough Estate Limited**

We have audited the financial statements on pages 6 to 11.

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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Coopers & Lybrand

Chartered Accountants and Registered Auditors
Newcastle upon Tyne
31 January 1995

**Profit and loss account
for the year ended 30 September 1994**

	Notes	1994 £	1993 £
Other income - continuing operations	2	2,448	15,306
- discontinued operations	2	-	75,718
		<u>2,448</u>	<u>91,024</u>
Operating profit - continuing operations		2,418	15,306
- discontinued operations		-	75,718
		<u>2,418</u>	<u>91,024</u>
Profit on ordinary activities before taxation	3	2,418	91,024
Taxation	5	(500)	(542)
		<u>1,918</u>	<u>90,482</u>
Profit on ordinary activities after taxation		1,918	90,482
Dividend proposed		-	(850,000)
		<u>-</u>	<u>(850,000)</u>
Retained profit/(loss) for the financial year	10	<u>1,918</u>	<u>(759,518)</u>

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 1994**

	Notes	1994 £	1993 £
Fixed assets			
Investments	6	<u>38,758</u>	<u>38,758</u>
Current assets			
Debtors: amounts falling due within one year	7	4,440,928	5,288,953
Creditors: amounts falling due within one year	8	<u>(57)</u>	<u>(850,000)</u>
Net current assets		<u>4,440,871</u>	<u>4,438,953</u>
Total assets less current liabilities		<u>4,479,629</u>	<u>4,477,711</u>
Net assets		<u>4,479,629</u>	<u>4,477,711</u>
Capital and reserves			
Called up share capital	9	496,752	496,752
Profit and loss account	10	2,793,083	2,791,165
Share premium	10	600	600
Other reserves	10	<u>1,189,194</u>	<u>1,189,194</u>
Equity shareholders' funds	11	<u>4,479,629</u>	<u>4,477,711</u>

The financial statements on pages 6 to 11 were approved by the board of directors on 31 January 1995 and were signed on its behalf by:

S Dickinson

Director



Notes to the financial statements for the year ended 30 September 1994

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 company prepares its annual financial statements on the historical cost basis of accounting.

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 of value.

2 Other income

	1994 £	1993 £
Continuing - listed investments	2,089	2,166
- other income	359	13,140
Discontinued - invoice discounting	-	75,718
	<u>2,448</u>	<u>91,024</u>

3 Profit on ordinary activities before taxation

	1994 £	1993 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	<u>Nil</u>	<u>Nil</u>

4 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.

5 Taxation

	1994 £	1993 £
UK corporation tax at 25% (1993: 25%):		
Current	82	-
Tax on franked investment income	<u>418</u>	<u>542</u>
	<u>500</u>	<u>542</u>

6 Fixed asset investments

	Subsidiary £	Other £	Total £
Investments at cost:			
At 1 October 1993 and 30 September 1994	<u>18,108</u>	<u>20,650</u>	<u>38,758</u>

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

Name of company	Proportion of nominal value of shares held
The Cleveland Car Company Limited	100%

In the directors' opinion, the aggregate value of the assets of the company consisting of shares in, or amounts owing from, the company's subsidiary undertaking is not less than the net book value shown above.

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At 30 September 1994 the company held 30,947 (1993: 30,947) 25p ordinary shares in its holding company, Grainger Trust p.l.c., which had a market value at that date of £79,534 (1993: £58,799).

7 Debtors

	1994 £	1993 £
Amounts falling due within one year:		
Amount owed by parent company and fellow subsidiaries	4,440,928	5,288,928
Corporation tax	-	25
	<u>4,440,928</u>	<u>5,288,953</u>

8 Creditors: amounts falling due within one year

	1994 £	1993 £
Dividends proposed	-	850,000
Corporation tax	57	-
	<u>57</u>	<u>850,000</u>

9 Called up share capital

	1994 £	1993 £
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

10 Reserves

	Share premium £	Other reserves £	Profit and loss account £
At 1 October 1993	600	1,189,194	2,791,165
Profit for the year	-	-	1,918
At 30 September 1994	<u>600</u>	<u>1,189,194</u>	<u>2,793,083</u>

11 Reconciliation of movements in equity shareholders' funds

	1994 £	1993 £
Profit for the financial year	1,918	90,482
Dividends	-	(850,000)
Net addition to/(reduction in) equity shareholders' funds	1,918	(759,518)
Opening equity shareholders' funds	4,477,711	5,237,229
Closing equity shareholders' funds	4,479,629	4,477,711

12 Contingent liabilities

The company, in conjunction with its fellow subsidiaries, has guaranteed mortgages and loans of £80,000,000 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 5JE.