

Globe Brothers Estates Limited
Annual report
for the year ended 30 September 1995

Registered no: 242985

Coopers
& Lybrand



Globe Brothers Estates Limited

Annual report for the year ended 30 September 1995

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Directors and advisers

Directors

R H Dickinson
S Dickinson
P M Milburn
G J Davis
B A Crumbley

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 1995**

The directors present their report and the audited financial statements for the year ended 30 September 1995.

Principal activities and review of business

The principal activity of the company was investment in properties. This was discontinued in the year.

Results

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

Dividend

A dividend of £1,328,105 was paid during the year (1994: £Nil). The loss for the financial year of £2,086,649 will be transferred from reserves.

Directors

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

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

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 interests of the other directors in the shares of Grainger Trust p.l.c. were as follows:

	30 September 1995 Number	30 September 1994 Number
G J Davis	10,262	9,034
B A Crumbley	13,975	12,747

In January 1989 Mr G J Davis and Mr B A Crumbley took up options under the group's Executive Share Option Scheme to each 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 and Mr B A Crumbley took up further options under the group's Executive Share Option Scheme to each 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 1995 amounted to £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 1995. 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

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



Secretary

31 January 1996

Report of the auditors to the members of Globe Brothers Estates Limited

We have audited the financial statements on pages 5 to 9.

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 1995 and of its loss and total recognised losses 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 1996

Profit and loss account for the year ended 30 September 1995

	Notes	1995 £	1994 £
Net interest receivable/(payable)	2	676	(2,127)
Operating profit		676	(2,127)
Loss on disposal of subsidiary	3	(759,069)	-
Loss on ordinary activities before taxation	4	(758,393)	(2,127)
Taxation	6	-	(4,821)
Loss on ordinary activities after taxation		(758,393)	(6,948)
Dividends	7	(1,328,105)	-
Loss for the financial year	11	(2,086,498)	(6,948)

All activities of the company are continuing.

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

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

Balance sheet at 30 September 1995

	Notes	1995 £	1994 £
Current assets			
Debtors	8	3,503	4,003,232
Creditors: amounts falling due within one year	9	(3,503)	(1,916,734)
Net current assets		-	2,086,498
Total assets less current liabilities		-	2,086,498
Net assets		-	2,086,498
Capital and reserves			
Called up share capital	10	759,069	759,069
Profit and loss account	10	(759,069)	1,327,429
Equity shareholders' funds	12	-	2,086,498

The financial statements on pages 5 to 9 were approved by the board of directors on 31 January 1996 and were signed on its behalf by:

Director



Notes to the financial statements for the year ended 30 September 1995

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.

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.

2 Net interest receivable/(payable)

	1995 £	1994 £
Interest receivable	676	2,332
Less: interest payable		
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	-	(4,459)
Other interest payable	(151)	-
	<u>525</u>	<u>(2,127)</u>

3 Loss on sale of subsidiary

In 1995, the company sold Bartoglo Limited, a wholly owned subsidiary, for £1,144,124 making a loss of £759,069. Bartoglo Limited was acquired in 1995 and did not trade in the period to 30 September 1995.

4 Profit on ordinary activities before taxation

	1995 £	1994 £
Profit on ordinary activities before taxation is stated		
after charging:		
Auditors' remuneration	-	-
	<u>-</u>	<u>-</u>

5 Directors and employees

There are no persons holding service contracts with Globe Brothers Estates Limited.

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

6 Taxation

	1995 £	1994 £
UK corporation tax at 25% (1994: 25%):		
Current	-	583
Under-provision in respect of prior years:		
Current	-	4,238
	<u>-</u>	<u>4,821</u>

7 Dividend

	1995 £	1994 £
Ordinary dividend paid	<u>1,328,105</u>	<u>-</u>

8 Debtors

	1995 £	1994 £
Amounts falling due within one year:		
Trade debtors	3,503	5,383
Amounts owed by parent company and fellow subsidiaries	-	3,997,849
	<u>3,503</u>	<u>4,003,232</u>

9 Creditors: amounts falling due within one year

	1995 £	1994 £
Amounts owed to parent company and fellow subsidiaries	3,503	1,916,151
Corporation tax	-	583
	<u>3,503</u>	<u>1,916,734</u>

10 Called up share capital

	1995 £	1994 £
Authorised		
800,000 ordinary shares of £1 each	<u>800,000</u>	<u>800,000</u>
Allotted, called up and fully paid		
759,069 ordinary shares of £1 each	<u>759,069</u>	<u>759,069</u>

11 Profit and loss account

	£
At 1 October 1994	1,327,429
Loss for the year	<u>(2,086,498)</u>
At 30 September 1995	<u><u>(759,069)</u></u>

12 Reconciliation of movements in equity shareholders' funds

	1995 £	1994 £
Loss for the financial year	(758,393)	-
Dividends	<u>(1,328,105)</u>	-
Net (reduction in)/addition to equity shareholders' funds	<u>(2,086,498)</u>	-
Opening equity shareholders' funds	<u>2,086,498</u>	<u>2,086,498</u>
Closing equity shareholders' funds	<u><u>-</u></u>	<u><u>2,086,498</u></u>

13 Contingent liabilities

The company, in conjunction with certain of its fellow subsidiaries, has guaranteed mortgages and loans of £82,750,000 of certain fellow subsidiaries by means of a floating charge over its assets.

14 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 consolidated financial statements for that company may be obtained from Chaucer Buildings, 57 Grainger Street, Newcastle upon Tyne, NE1 5LE.