

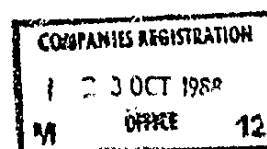
MALLINSON-DENNY (TRUSTEES) LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

31 DECEMBER 1987



The Directors, having changed the Company's Accounting Reference Date from 30 June to 31 December to coincide with that of its new ultimate holding company, Hilldown Holdings plc, have pleasure in submitting their report and financial statements for the extended Accounting Reference Period being the 18 months ended 31 December 1987.

ACTIVITIES

During the period the Company continued to act as trustee of the pension funds for the employees of Mallinson-Denny Group Limited and that company's subsidiaries.

The directors do not envisage initiating any material departure from these activities for the foreseeable future.

FINANCIAL

The Directors do not recommend the payment of a dividend on the ordinary share capital. The preference dividend for the period has been waived.

DIRECTORS

The Directors of the Company during the period were:

D.H.Allen
J.G. Dyke
C. Hoodless
D. Taylor
G.G.Williams

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors interests, if any, in the share capital and debentures of Group companies, to be stated in accordance with S.235(3) of the Companies Act 1985, were as follows:

		Mallinson-Denny Group Limited A' Ordinary Shares	Hunter PLC Ordinary Shares	Hilldown Holdings plc Ordinary Shares
C.Hoodless	31.12.1987		624	800
D.Taylor	1.7.1986	1,000		
	31.12.1987			1,300
G.G.Williams	1.7.1987	5,000		
	31.12.1987		7,548	800


AUDITORS

The Company's Auditors, KMG Thomson McLintock, have merged with Peat Marwick Mitchell & Co. and are now practising under the name of Peat Marwick McLintock, accordingly they have signed the audit report in their new name.

A resolution concerning the reappointment of Peat Marwick McLintock as auditors and their remuneration will be submitted to the annual general meeting.

By order of the Board

Malden House,
Radlett Road, Park Street,
St. Albans, Herts AL2 2JE
8 January 1988


J.G. Dyke
Secretary

AUDITORS' REPORT TO THE MEMBERS OF
MALLINSON-DENNY (TRUSTEES) LIMITED

We have audited the financial statements on pages 3 to 4 in accordance with approved Auditing Standards.

There were no transactions on revenue account during the period and in our opinion the balance sheet gives a true and fair view of the state of affairs of the company at 31 December 1987 and has been properly prepared in accordance with the provisions of the Companies Act 1985.

Peat Marwick McLintock

PEAT MARWICK McLINTOCK
Chartered Accountants
St. Albans
3 January 1988

MALLINSON-DENNY (TRUSTEES) LIMITEDBALANCE SHEETAs at 31 December 1987

	<u>Notes</u>	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
DEBTORS			
Amounts owed by holding company		3,263 =====	3,263 =====
CAPITAL AND RESERVES			
Called up share capital	3	⁴ <u>3,259</u>	⁴ <u>3,259</u>
Profit and loss account		3,263 =====	3,263 =====

D.H. Allen

D.H. ALLEN

Director

J.G. Dyke

J.G. DYKE

Director

MALLINSON-DENNY (TRUSTEES) LIMITEDNOTES

(Forming part of the financial statements)

31 December 1987

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The Company did not trade during the period 1 July 1986 - 31 December 1987 and therefore no profit and loss account has been prepared.

3. CALLED UP SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>			
	<u>1987</u>	<u>1986</u>	<u>1987</u>		<u>1986</u>	
	£	£	No.	£	No.	£
Ordinary shares of £1 each	98	98	2	2	2	2
5% non Cumulative Preference Shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	100	100	4	4	4	4
	====	====	===	===	===	===

4. ULTIMATE HOLDING COMPANY

At the year end the Company's ultimate holding company was Hillsgdown Holdings plc, which is incorporated in Great Britain.

5. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on 8 January 1988.