

ANNUAL
REPORT
1992



GROSVENOR
ESTATE
HOLDINGS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1992

The directors present their annual report on the affairs of the Group, together with the financial statements for the year ended 31 December 1992.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Group have continued to be property investment, management, development and trading. Despite the prolonged recession in the economy generally and the property industry in particular, the Group has returned to profit in 1992 and its balance sheet remains very strong. The directors are confident of the Group's progress in the future.

RESULTS AND DIVIDEND

The results for the year are set out in the consolidated profit and loss account. The directors recommend payment of a dividend of £471,600.

INVESTMENT PROPERTIES

Significant movements in investment properties during the year are included in note 9 to the financial statements. Substantially all investment properties held by the Group were revalued as at 31 December 1992 on an open market basis. The revaluation has been incorporated into the financial statements and the deficit arising has been deducted from reserves.

DIRECTORS

The directors of the Company who served during the year were as follows:—

The Duke of Westminster DL — chairman

Sir Richard Baker Wilbraham Bt DL — deputy chairman*

J N C James CBE — executive deputy chairman (non executive director from 1 April 1993)

J H M Newsum — chief executive

D R J de Broekert

G H B Carter*

H A C Edwards*

J O Hagger

M D T Loup*

J R Sclater*

Mr G I M Cockburn was appointed a director on 1 April 1993. He will retire at the forthcoming Annual General Meeting and, being eligible, will offer himself for re-election.

*non executive

DIRECTORS' INTERESTS IN SHARE AND LOAN CAPITAL

The interests of the directors who served during the year in the share and loan capital of the Company and its subsidiaries are shown in note 20 to the financial statements.

CHARITABLE CONTRIBUTIONS

Charitable contributions during the year amounted to £17,000.

EMPLOYEES

The Group gives full and fair consideration to applications by disabled persons for employment. Disabled employees and those who become disabled are afforded the same training, career development and promotion opportunities as other staff.

The directors recognise the importance of good communications and relations with employees in the Group. Each part of the Group maintains employee relationships appropriate to its own particular needs and environment.

AUDITORS

A resolution to re-appoint Saffery Champness as auditors will be placed before the Annual General Meeting of the Company.

By Order of the Board



W R Holland
Secretary

8 April 1993

AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY

We have audited the financial statements on pages 4 to 22 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 December 1992 and of the results and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness
Chartered Accountants
Registered Auditors
London



8 April 1993

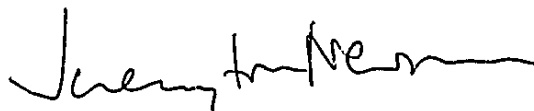
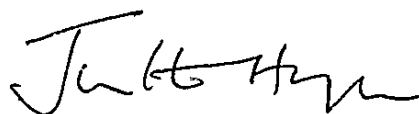
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1992

		1992	1991
	Notes	£000	£000
Turnover	2	91,542	97,070
Cost of sales		(49,639)	(60,757)
Gross profit		41,903	36,313
Administrative expenses		(14,444)	(15,828)
		27,459	20,485
Exceptional items			
Write down of development projects		(4,231)	(25,409)
Deficit on revaluation of investment properties		-	(5,045)
Profit on sale of investment property		-	844
		23,228	(9,125)
Share of (losses)/profits of associated undertakings		(6)	3,246
Operating profit/(loss)	2, 3	23,222	(5,879)
Interest	5	(19,940)	(22,913)
Profit/(loss) on ordinary activities before taxation	2	3,282	(28,792)
Taxation on profit/(loss) on ordinary activities	6	(882)	8,128
Profit/(loss) on ordinary activities after taxation		2,400	(20,664)
Minority interest		(290)	(266)
Dividends	7	(472)	-
Retained profit/(loss) for the year attributable to the members of Grosvenor Estate Holdings	8, 23	1,638	(20,930)

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1992

	Notes	1992 £000	1991 £000
Fixed assets			
Tangible assets			
Investment properties	9	596,751	742,248
Plant and machinery	9	6,233	6,774
Investments	10, 11	33,022	28,762
		<u>636,006</u>	<u>777,784</u>
Current assets			
Development projects	13	33,564	59,190
Other trading stocks		2,827	2,438
Debtors	14	28,600	24,627
Cash at bank and in hand		1,766	11,258
		<u>66,757</u>	<u>97,513</u>
Creditors: amounts falling due within one year	15	(34,811)	(33,572)
Net current assets		<u>31,946</u>	<u>63,941</u>
Total assets less current liabilities		667,952	841,725
Creditors: amounts falling due after more than one year	16	(162,553)	(197,553)
Provisions for liabilities and charges	17	(611)	(397)
Net assets	2	<u>504,788</u>	<u>643,775</u>
Capital and reserves			
Called up share capital	19	55,796	55,796
Share premium account		62,026	62,026
Revaluation reserve	21	339,716	485,169
Other reserves	22	19,929	15,391
Profit and loss account	23	23,809	22,171
Shareholders' funds		<u>501,276</u>	<u>640,553</u>
Minority interest		3,512	3,222
		<u>504,788</u>	<u>643,775</u>

Approved by the Board on 8 April 1993

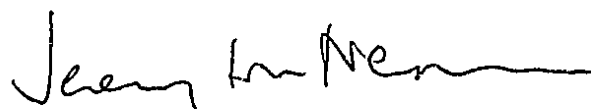
J H M Newsum
DirectorJ O Hagger
Director

PARENT COMPANY BALANCE SHEET AT 31 DECEMBER 1992

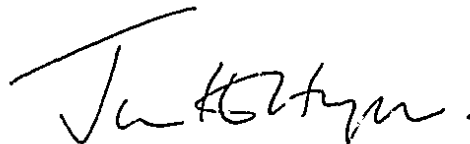
	Notes	1992 £000	1991 £000
Fixed assets			
Investments	10, 11, 12	158,738	158,738
Current assets			
Debtors	14	206,743	223,781
Cash at bank and in hand		250	10,250
		206,993	233,531
Creditors: amounts falling due within one year	15	(69,209)	(57,885)
Net current assets		137,784	175,646
Total assets less current liabilities		296,522	334,384
Creditors: amounts falling due after more than one year	16	(159,250)	(194,250)
Net assets		137,272	140,134
 Capital and reserves			
Called up share capital	19	55,796	55,796
Share premium account		62,026	62,026
Other reserves	22	377	426
Profit and loss account	23	19,073	21,886
Shareholders' funds		137,272	140,134

Approved by the Board on 8 April 1993

J H M Newsum
Director



J O Hagger
Director



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1992

	Notes	1992 £000	1991 £000
Net cash inflow from operating activities	25	36,070	34,535
Returns on investments and servicing of finance		237	398
Interest received		(20,177)	(23,311)
Interest paid		(19,940)	(22,913)
Net cash outflow from returns on investments and servicing of finance			
Taxation		3,060	(2,414)
Corporation tax recovered/(paid)			
Investing activities		(14,578)	(9,616)
Purchase of, and improvements to, property		1,120	2,135
Sale of property		15,254	10,232
Lease premiums received		(1,656)	(2,215)
Purchase of plant and machinery		785	990
Sale of plant and machinery		-	(21)
Other cash flows from investing activities		925	1,505
Net cash inflow from investing activities		20,115	10,713
Net cash inflow before financing			
Financing	26	25,000	12,000
Bank loans repaid	26	-	2,367
Loan repaid		25,000	14,367
Net cash outflow from financing	27	(4,885)	(3,654)
Change in cash and cash equivalents		20,115	10,713

NOTES TO THE FINANCIAL STATEMENTS

I. ACCOUNTING POLICIES

(a) Basis of accounting and consolidation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the provisions of the Companies Act 1985 and applicable accounting standards.

The Group financial statements incorporate the financial statements of the Parent Company and all of its subsidiary undertakings.

(b) Turnover

Turnover comprises gross income net of VAT.

Rents receivable are included in turnover in the year in which they fall due and are not apportioned over the period to which they relate.

(c) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling on the balance sheet date. The results of the overseas associated undertaking are translated using average rates. Unrealised exchange differences are taken directly to reserves.

(d) Investment properties

Investment properties are valued annually by independent surveyors or by the directors at open market value. Any surplus or deficit on revaluation is transferred to the revaluation reserve. The cost of major improvements, including attributable interest paid, where such interest is reflected in the value of the property, is added to the cost. Premiums received are deducted from net book value. Net profits and losses on the disposal of the freehold interest in investment properties are calculated by reference to book value and are included in the profit and loss account.

(e) Depreciation

No depreciation is provided on freeholds or on leasehold properties with an unexpired term exceeding twenty years. The directors consider that this results in the financial statements showing a true and fair view, since depreciation is reflected in the open market valuation and cannot be quantified separately.

Depreciation is provided on short leasehold properties with less than 20 years unexpired over the period of the lease. Plant and machinery are depreciated on a straight line basis so as to spread their cost over their expected useful lives at rates varying between 5% and 33½% per annum.

1. ACCOUNTING POLICIES (continued)

(f) Development projects

Development projects are stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, professional fees, construction costs and interest charges but excludes overheads.

Sales of development projects are recognised on exchange of contracts or, if exchange is conditional, on the date all material conditions have been satisfied. Credit is not taken for profit during the construction period. Provision is made for any foreseeable losses.

In the event that a development project is retained as an investment, it is transferred to the investment portfolio at the lower of cost and net realisable value at the date of transfer and any profit or loss dealt with in the profit and loss account.

(g) Capitalisation of interest

Interest relating to the financing of development projects and investment properties being improved is capitalised, subject to the resulting value being no higher than net realisable value or market value respectively. Interest capitalised is calculated by reference to the actual interest payable on borrowings made for development purposes or, where a project is financed out of general funds, to the average rate for all borrowings. Interest is capitalised from the date when the project is commenced until the earliest of the date of sale, full letting, the date when interest cost is exceeded by rental income, or six months after practical completion of the building.

(h) Other trading stocks

Stocks are stated at the lower of cost and market value except for the 'herd-basis' farming livestock, which is stated at directors' valuation.

(i) Deferred taxation

Provision for deferred taxation is made in respect of short term timing differences where the directors expect the timing differences to reverse in the foreseeable future. No provision has been made for any taxation which would become payable in the event of the sale of investment properties at their balance sheet values.

(j) Pension schemes

Pension costs are charged to the profit and loss account on a systematic basis over the period expected to benefit from the service of the employees concerned.

(k) Associated undertakings

Associated undertakings are those in which the Group holds a qualifying capital interest of at least 20%. The consolidated profit and loss account includes the Group's share of profits less losses of these undertakings and the taxation attributable thereto. In the consolidated balance sheet the investment is stated at cost (less amounts written off) plus the share of post-acquisition reserves attributable to the Group. In the case of Grosvenor International Holdings Limited the figures are drawn up in accordance with Canadian accounting practices: the major difference, compared with the Group's accounting policies, is that investment properties are included at cost and not at open market value.

2. SEGMENTAL ANALYSIS

	Turnover		Profit/(loss) before taxation		Net assets	
	1992	1991	1992	1991	1992	1991
	£000	£000	£000	£000	£000	£000
Property investment	37,970	33,754	24,829	21,675	585,841	723,960
Property development and trading	38,316	48,450	(1,849)	(26,282)	53,947	67,886
Other trading	15,256	14,866	248	(4,518)	9,531	25,720
Associated undertakings:						
UK	—	—	(1,459)	(41)	1,365	2,459
International	—	—	1,453	3,287	31,657	26,303
	91,542	97,070	23,222	(5,879)	682,341	846,328
Net interest/borrowings	—	—	(19,940)	(22,913)	(177,553)	(202,553)
	91,542	97,070	3,282	(28,792)	504,788	643,775

The business of Grosvenor Estate Holdings and its subsidiary undertakings is conducted within the United Kingdom. The profit before taxation and net assets of the overseas associated undertaking, Grosvenor International Holdings Limited, attributable to the Group are analysed geographically as follows:

	Profit before taxation		Net assets	
	1992	1991	1992	1991
	£000	£000	£000	£000
Canada	4,718	3,076	44,807	41,859
United States	2,669	3,720	28,908	24,338
Australia	376	1,044	14,274	13,014
	7,763	7,840	87,989	79,211
Net interest/borrowings	(6,310)	(4,553)	(56,332)	(52,908)
	1,453	3,287	31,657	26,303

3. OPERATING PROFIT/(LOSS)

	1992	1991
	£000	£000
Operating profit/(loss) is stated after charging:		
Auditors' remuneration:		
Audit	132	130
Non-audit services	55	29
Depreciation of tangible fixed assets	1,532	1,273
Operating lease payments:		
Plant and machinery	236	110
Land and buildings	803	941
Staff costs:		
Wages and salaries	7,725	7,397
Social security costs	708	760
Other pension costs	1,671	1,560
	10,104	9,717

3. OPERATING PROFIT/(LOSS) (continued)

The average number of persons employed by the Group during the year, including executive directors, was as follows:	1992 No.	1991 No.
Property investment	130	132
Property development and trading	27	40
Other	273	309
	<u>430</u>	<u>481</u>

	£000	£000
Directors' emoluments:		
Fees	51	50
Salaries and pension contributions	1,012	1,878
	<u>1,063</u>	<u>1,928</u>

Chairman	—	—
Highest paid director — excluding bonus	255	241
— including bonus in respect of the three year period 1989–1991	<u>255</u>	<u>451</u>

Number of other directors with emoluments, excluding bonus, within the following bands:	No.	No.
£0–£5,000	4	4
£50,001–£55,000	1	1
£115,001–£120,000	—	1
£140,001–£145,000	—	1
£145,001–£150,000	1	—
£150,001–£155,000	2	1
£240,001–£245,000	—	1

Number of other directors with emoluments, including bonus in respect of the three year period 1989–1991, within the following bands:

£0–£5,000	4	4
£50,001–£55,000	1	1
£145,001–£150,000	1	—
£150,001–£155,000	2	—
£165,001–£170,000	—	1
£170,001–£175,000	—	1
£290,001–£295,000	—	1
£440,001–£445,000	—	1

4. PENSION SCHEMES

The Group's main pension scheme is the Grosvenor Estates Pension Scheme (GEPS), a defined benefit pension scheme. The funds of the scheme are administered by trustees and are separate from the Group. Independent qualified actuaries complete valuations at least every three years and, in accordance with their recommendations, annual contributions are paid to the scheme so as to secure the benefits set out in the rules and the periodic augmentation of pensions.

The latest formal actuarial valuation of this scheme was at 31 December 1990. The valuation was carried out using the projected unit funding method. The most important actuarial assumptions used were that investment returns would be 1% to 2% above the rate of salary increases and that present and future pensions would increase at 5% per annum. At 31 December 1990 the market value of the GEPS assets was £22.1m and the actuarial value of the assets was sufficient to cover 100% of the benefits that had accrued to members, after allowing for expected increases in earnings.

The Group's contributions to the scheme were £1,438,000 (1991 – £1,450,000).

The Group operates two additional pension schemes in order to satisfy pension commitments not catered for by the main scheme. The cost of these schemes to the Group was £233,000 (1991 – £110,000).

5. INTEREST

	1992	1991
	£000	£000
On loans and overdrafts:		
Repayable within five years other than by instalments	8,354	8,964
Repayable after more than five years	11,823	15,301
	<u>20,177</u>	<u>24,265</u>
Interest charged to investment and development projects	–	(954)
	<u>20,177</u>	<u>23,311</u>
Bank interest receivable	(237)	(398)
	<u>19,940</u>	<u>22,913</u>

Included in cost of sales is £1,586,000 (1991 – £483,000) of interest previously capitalised in respect of development projects sold in the year.

6. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1992	1991
	£000	£000
Corporation tax at 33% (1991 – 33.25%)	1,146	(6,521)
Deferred taxation	353	(3,116)
	<u>1,499</u>	<u>(9,637)</u>
Adjustment for prior years	(859)	157
	<u>640</u>	<u>(9,480)</u>
Associated undertakings:		
Overseas taxation	607	1,352
UK taxation	(365)	–
	<u>882</u>	<u>(8,128)</u>

7. DIVIDENDS

	1992 £000	1991 £000
Proposed dividend on 12% non-cumulative irredeemable preference shares of 8.45p per share	472	—

8. PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF GROSVENOR ESTATE HOLDINGS

The Parent Company has taken advantage of the dispensation under S.230 of the Companies Act 1985 not to publish its own profit and loss account. Of the consolidated results for the financial year attributable to the members of Grosvenor Estate Holdings, a loss of £5,620,000 (1991 profit – £6,442,000) has been dealt with in the profit and loss account of the Parent Company before taking account of £2,807,000 dividends from subsidiaries in respect of prior years (1991 – £2,276,000).

9. TANGIBLE FIXED ASSETS

	Investment properties £000	Plant and machinery £000	Total £000
Cost or valuation:	742,882	11,571	754,453
Balance at 1 January 1992	14,578	1,656	16,234
Additions	(1,120)	(1,694)	(2,814)
Disposals	(15,254)	—	(15,254)
Premiums received	(143,581)	—	(143,581)
Transfer to revaluation reserve	597,505	11,533	609,038
Balance at 31 December 1992	(634)	(4,797)	(5,431)
Depreciation:	(120)	(1,412)	(1,532)
Balance at 1 January 1992	—	909	909
Charge for the year	(754)	(5,300)	(6,054)
Disposals			
Balance at 31 December 1992	742,248	6,774	749,022
Net book value:	596,751	6,233	602,984
1 January 1992			
31 December 1992			
		1992 £000	1991 £000
Investment properties are analysed as follows:		373,958	533,441
Freehold			
Leasehold:		220,990	205,563
50 years or more unexpired		1,803	3,244
Less than 50 years unexpired		596,751	742,248
		595,759	740,481
Valuation		992	1,767
Depreciated cost		596,751	742,248

9. TANGIBLE FIXED ASSETS (continued)

With the exception of properties held on leases with an unexpired term of 20 years or less, investment properties were revalued to £596m as at 31 December 1992 on an open market basis, having regard to the terms of head-leases and subsisting underleases and to present uses as appropriate. Properties with a valuation of £591m were valued by Gerald Eve, Chartered Surveyors, London. The valuation represents their opinion of the open market value of the Group's interests and has been prepared in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors, save that individual lots have not been certified and save for the exclusion of any value which the interests might possess for the purposes of redevelopment or any change of use. Properties with a valuation of £5m were valued by the directors. The revaluation has been incorporated into the consolidated financial statements and the revaluation deficit of £144m has been deducted from the revaluation reserve.

Historic cost, less premiums received, net of taxation, amounted to £191m (1991 - £186m). The amount of taxation on capital gains which would be payable on the surplus arising on the revaluation of fixed assets, in the event of their sale at the amount of valuation, is estimated to amount to approximately £49m (1991 - £94m).

10. INVESTMENTS

	Associated undertakings £000
(a) Group	
Shares, at cost:	
Balance at 1 January 1992 and 31 December 1992	13,205
Loans:	
Balance at 1 January 1992 and 31 December 1992	1,000
Share of post-acquisition profits:	
Balance at 1 January 1992	14,557
Loss for the year	(248)
Exchange differences	4,508
Balance at 31 December 1992	18,817
Total at 31 December 1992	33,022

(b) Parent Company

	Shares in subsidiary undertakings £000	Shares in associated undertakings £000	Loans to associated undertakings £000	Total £000
Balance at 1 January 1992 and 31 December 1992	150,293	7,445	1,000	158,738

11. ASSOCIATED UNDERTAKINGS	Country of incorporation	Nature of business
Grosvenor International Holdings Limited	British Columbia, Canada	Property investment, property development, trading and asset management
Grosvenor Laing Urban Enterprise Limited	England	Property development and trading

No dividends were received from these companies in 1992.

Grosvenor International Holdings Limited (GIHL)

The Parent Company owns 605,835 'D' common shares, being all the issued shares in that class. These shares carry 49% of the voting rights and rank *pari passu* with the 'B' common shares except that they are not entitled to participate in the growth in value of the underlying assets between December 1982 and December 1987. A wholly owned subsidiary owns 74,578 'E' common shares, being the issued equity shares other than the 'B' shares and 'D' shares. These shares rank *pari passu* with 'B' shares except that they are non-voting and redeemable. £31.7m of the Group interest in associated undertakings at 31 December 1992 (1991 £26.3m) is in respect of GIHL. Abridged accounts of GIHL are set out in note 24.

Grosvenor Laing Urban Enterprise Limited

The Parent Company owns 50% of the issued share capital of Grosvenor Laing Urban Enterprise Limited.

12. SUBSIDIARY UNDERTAKINGS

The name and nature of business of each of the principal subsidiary undertakings of the Group, each of which is wholly owned and incorporated in England, are set out below:

	Nature of business
Grosvenor Investments Limited	Property investment and management
Grosvenor (Mayfair) Estate*	Property investment
Grosvenor (Belgravia) Estate*	Property investment
Eaton Square Properties Limited	Property investment
Grosvenor Precinct (Chester) Limited†	Property investment
Market Place Bolton Limited†	Property investment
Belgravia Estate Services Limited	Property management services
Grosvenor Estate Belgravia*†	Property management
Grosvenor Developments Limited	Property development and trading
Grosvenor Estate Restorations Limited	Property development and trading
Chester Grosvenor Hotel Company Limited	Hotel
Grosvenor Garden Centre*	Garden centre
Grosvenor Farms Limited	Farming
Realty Insurances Limited	Insurance management
Grosvenor Estate Management Limited	Management services

* Unlimited company.

† Not directly owned by Grosvenor Estate Holdings.

13. DEVELOPMENT PROJECTS

Capitalised interest included in development projects amounted to £18,000 (1991 – £1,604,000).

14. DEBTORS

	Group		Parent Company	
	1992	1991	1992	1991
	£000	£000	£000	£000
Trade debtors	21,296	12,709	–	–
Amounts owed by subsidiary undertakings [#]	–	–	206,606	219,412
Taxation recoverable	4,609	10,044	137	3,853
Other debtors	658	808	–	16
Prepayments and accrued income	2,037	1,066	–	–
	<u>28,600</u>	<u>24,627</u>	<u>206,743</u>	<u>223,281</u>

[#] Including £30m (1991 – £35m) due after more than one year.

Other debtors include a secured loan to Mr D R J de Broekert, who became a director on 1 January 1991. The loan was made in 1977 and is repayable in 1993. The balance remained at £24,500 throughout 1992.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent Company	
	1992	1991	1992	1991
	£000	£000	£000	£000
Bank overdrafts	1,435	6,042	–	2,500
Bank loans	15,000	5,000	15,000	5,000
Trade creditors	7,200	10,223	–	–
Amounts owed to subsidiary undertakings	–	–	50,188	47,894
UK corporation tax on profits	137	–	1,210	–
Other taxes	1,798	1,186	758	758
Other creditors	3,474	2,321	–	–
Accruals and deferred income	5,295	8,800	1,581	1,733
Proposed dividend	472	–	472	–
	<u>34,811</u>	<u>33,572</u>	<u>69,209</u>	<u>57,885</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	Group		Parent Company	
	1992	1991	1992	1991
	£000	£000	£000	£000
Bank loans repayable other than by instalments – unsecured :				
Amounts falling due after one year but within five years	50,000	55,000	50,000	55,000
Amounts falling due after more than five years	54,000	84,000	54,000	84,000
	<u>104,000</u>	<u>139,000</u>	<u>104,000</u>	<u>139,000</u>
Other loans repayable other than by instalments:				
7.0% Mortgage 1994 – secured*	2,275	2,275	–	–
7.0% Debenture 1994 – secured #	928	928	–	–
Redeemable loan stock 1996–2010 – unsecured	5,250	5,250	5,250	5,250
Loan stock 2034 – unsecured	50,000	50,000	50,000	50,000
4.5% Mortgage – no repayment date – secured*	100	100	–	–
	<u>58,553</u>	<u>58,553</u>	<u>55,250</u>	<u>55,250</u>
	<u>162,553</u>	<u>197,553</u>	<u>159,250</u>	<u>194,250</u>

* Secured on land and buildings.

Secured on a holding in a subsidiary undertaking by a fellow subsidiary.

Of the Group's total external unsecured borrowings outstanding at 31 December 1992, £145m (1991 – £140m) was on fixed rate terms at an average of 10.6% (1991 – 11.0%) and the balance was subject to variable market rates of interest.

17. PROVISIONS FOR LIABILITIES AND CHARGES	Deferred	Deferred	Pension	Total
	taxation	repairs	obligations	
	£000	£000	£000	
Balance at 1 January 1992	–	397	–	397
Profit and loss account	353	61	98	512
Tax losses	(353)	–	–	(353)
Other	–	–	55	55
Balance at 31 December 1992	<u>–</u>	<u>458</u>	<u>153</u>	<u>611</u>

18. COMMITMENTS

	1992 £000	1991 £000
Investment properties:		
Contracted but not provided for	139	11,977
Authorised but not contracted	132	276
	<u>271</u>	<u>12,253</u>
Development projects:		
Contracted but not provided for	1,343	3,712
Authorised but not contracted	—	560
	<u>1,343</u>	<u>4,272</u>

	1992		1991	
	Land and buildings £000	Other assets £000	Land and buildings £000	Other assets £000
Annual commitments under operating leases which expire:				
Within one year	268	48	268	—
Within two to five years	—	152	—	91
After five years	612	3	752	3

The Parent Company had no commitments.

19. SHARE CAPITAL

	Authorised £000	Called up and fully paid £000
At 1 January 1992 and 31 December 1992:		
Ordinary shares of £1	8,000	5,580
Non-voting ordinary shares of £1	64,000	44,636
12% Non-cumulative irredeemable preference shares of £1	8,000	5,580
	<u>80,000</u>	<u>55,796</u>

20. DIRECTORS' INTERESTS IN SHARE AND LOAN CAPITAL

	Ordinary shares	Non-voting ordinary shares	12% Non- cumulative irredeemable preference shares
Grosvenor Estate Holdings			
At 1 January 1992 and 31 December 1992:			
Beneficial			
The Duke of Westminster DL	5,579,541	44,636,328	5,579,541
Non-beneficial			
Sir Richard Baker Wilbraham Bt DL	5,076,998	40,615,984	5,076,998
J N C James CBE	4,484,274	35,874,192	4,484,274
H A C Edwards	5,232,083	41,856,664	5,232,083
M D T Loup	3,788,654	30,309,232	3,788,654
J R Slater	2,659,781	21,278,248	2,659,781

Where joint interests are involved, the amount of the relative holding has been included against the name of each director interested.

The other directors who served during the year had no interests.

21. REVALUATION RESERVE

	Subsidiary undertakings £000
Balance at 1 January 1992	485,169
Deficit on revaluation of investment properties	(143,581)
Taxation on premiums:	
Current year	(1,882)
Overprovision in prior years	10
Balance at 31 December 1992	339,716

22. OTHER RESERVES

	Parent Company £000	Subsidiary undertakings £000	Associated undertakings £000	Total £000
(a) Surplus on disposal of investment properties				
Balance at 1 January 1992 and 31 December 1992	—	1,053	—	1,053
(b) Exchange differences				
Balance at 1 January 1992	426	(835)	298	(111)
Unrealised gain/(loss) during the year	(49)	79	4,508	4,538
Balance at 31 December 1992	377	(756)	4,806	4,427
(c) Reserve arising on consolidation				
Balance at 1 January 1992 and 31 December 1992	—	14,449	—	14,449
Total other reserves at 31 December 1992	377	14,746	4,806	19,929

23. PROFIT AND LOSS ACCOUNT

	Parent Company £000	Subsidiary undertakings £000	Associated undertakings £000	Total £000
Balance at 1 January 1992	21,886	(13,974)	14,259	22,171
Profit/(loss) for the year	(5,620)	7,871	(613)	1,638
Dividends paid to Parent Company	2,807	(2,807)	—	—
Balance at 31 December 1992	19,073	(8,910)	13,646	23,809

24. ABRIDGED ACCOUNTS OF GROSVENOR INTERNATIONAL HOLDINGS LIMITED

	1992	1991
	£000	£000
Consolidated balance sheet		
Assets		
Properties at cost	107,435	93,397
Associated undertakings	86,040	74,162
Other assets	13,730	20,406
	<u>207,205</u>	<u>187,965</u>
Liabilities and preference shares		
Mortgages and loans	(14,150)	(107,636)
Other creditors and provisions	(21,281)	(20,369)
Minority interests	(7,614)	(6,452)
Preference shares	(528)	(472)
	<u>(143,573)</u>	<u>(134,929)</u>
Net assets attributable to equity shareholders	<u>63,632</u>	<u>53,036</u>
Equity shareholders' interests		
Share capital	12,620	11,282
Retained earnings	51,113	44,241
Exchange differences	(121)	(2,487)
	<u>63,632</u>	<u>53,036</u>
Consolidated profit and loss account		
Turnover	<u>22,405</u>	<u>26,357</u>
Operating profit	16,989	14,231
Share of earnings of associated undertakings	4,520	2,465
Interest payable	(12,417)	(8,772)
Profit before property write downs	9,092	7,924
Property write downs	(5,564)	—
Profit before taxation	3,528	7,924
Taxation	(1,536)	(3,259)
Profit after taxation	1,992	4,665
Minority interests	(433)	(937)
Retained profit for the year	<u>1,559</u>	<u>3,728</u>

GIHL's principal subsidiaries are as follows:

	% Holding	Nature of business
Grosvenor International Canada Limited	100%	Property investment, property development, trading and asset management.
Grosvenor International Investments (IFP) Limited	100%	
Grosvenor International (USA) Limited	77%	
Grosvenor International Australia Pty Limited	100%	

25.	RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES	1992	1991
		£000	£000
	Operating profit/(loss)	23,222	(5,879)
	Depreciation	1,532	1,273
	Deficit on revaluation	—	5,045
	Provisions	214	25
	Share of losses/(profits) of associated undertakings	6	(3,246)
	Decrease in development projects and other trading stocks (excluding transfer to investment properties)	25,237	35,304
	(Increase)/decrease in debtors	(9,408)	576
	(Decrease)/increase in creditors	(4,763)	1,226
	Exchange differences	30	211
	Net cash inflow from operating activities	36,070	34,535
26.	ANALYSIS OF CHANGES IN FINANCING	1992	1991
		£000	£000
	Bank loans repaid	(25,000)	(12,000)
	Mortgage loan repaid	—	(2,367)
		(25,000)	(14,367)
	Bank and other loans brought forward	202,553	216,920
	Bank and other loans carried forward	177,553	202,553
	Amounts falling due — after more than one year	162,553	197,553
	— within one year	15,000	5,000
	Bank and other loans carried forward	177,553	202,553
27.	ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS	1992	1991
		£000	£000
	Cash at bank and in hand	1,766	11,258
	Bank overdrafts	(1,435)	(6,042)
		331	5,216
	Less: balance brought forward	(16)	(8,870)
	Change in year	(4,885)	(3,654)

PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

Grosvenor Investments Limited

The Grosvenor Office, 53 Davies Street, London W1Y 1FH

Directors

J H M Newsum FRICS Chairman,
G I M Cockburn ARICS Managing Director,
C J Redman FRICS, R C Williams FCCA,
J G Wright FRICS, D R J de Broekert MICE,
J O Hagger FCA FCT, G Hammond FRICS,
R S Handley FCA

Associate Directors

Mrs S-J Curtis ARICS, N A Hughes ARICS,
J H Lindgren FRICS, J R Milne ARICS, I A Sowton,
J G C Taylor ARICS

Grosvenor Developments Limited

26-28 Mount Row, London W1Y 5DA

Directors

D R J de Broekert MICE
Chairman and Managing Director,
M Aldred FCA, W J A Bullough ARICS,
G Hammond FRICS, J E Irvine ARICS, N C Miller FRICS,
G I M Cockburn ARICS, J O Hagger FCA FCT,
J H M Newsum FRICS

Associate Director

M L Galloway MICE

ASSOCIATED UNDERTAKING**Grosvenor International Holdings Limited**

2100 The Grosvenor Building, 1040 West Georgia Street,
Vancouver, British Columbia V6E 4H1

Directors

R G P Styles Chairman*,
D J A Delmotte ARICS Group Chief Executive and President,
R W Hayward ARICS, D A N Murray, D A Taylor CA,
N E Gibson FRICS*, J H M Newsum FRICS*, Ms B J Rae*

CHESTER AND OTHER ACTIVITIES**Chester Grosvenor Hotel Company Limited**

Eastgate Street, Chester CH1 1LT

Directors

C B Bond FCA Chairman*,
J W Slater Managing Director,
J O Hagger FCA FCT, I M P Staines FCA*,
G R Wigginton*

Grosvenor Garden Centre

Wrexham Road, Belgrave, Chester CH4 9EB

Directors

I M P Staines FCA Chairman*,
R H Dougal CA Managing Director,
Dr H Bodsworth*, B S Bowden ARICS,
J O Hagger FCA FCT, R M Scott*

Grosvenor Farms Limited

Woodhouse Farm, Aldford, Chester CH3 6JD

Directors

J H Parker Chairman*,
T J Heywood Managing Director,
B S Bowden ARICS, J O Hagger FCA FCT, J Kerr*,
I M P Staines FCA*

Realty Insurances Limited

31 Davies Street, London W1Y 1FN

Directors

J O Hagger FCA FCT Chairman,
M P L Tompsett FCI Managing Director,
C M D Hague, A B Roberts

*non executive

FIVE YEAR SUMMARY 1988 TO 1992

	1988	1989	1990	1991	1992
	£m	£m	£m	£m	£m
Assets Employed					
Investment properties	442.9	966.0	859.5	742.2	596.8
Other tangible fixed assets	4.2	5.3	6.8	6.8	6.2
Investments	20.6	27.5	26.1	28.8	33.0
Development projects	78.8	113.6	128.2	59.2	33.6
Other net current assets/(liabilities)	1.8	(15.0)	7.5	9.8	13.4
Provisions for liabilities and charges	(6.5)	(3.8)	(3.5)	(0.4)	(0.6)
	<u>541.8</u>	<u>1,043.6</u>	<u>1,024.6</u>	<u>846.4</u>	<u>682.4</u>
Financed by					
Share capital	55.8	55.8	55.8	55.8	55.8
Reserves	357.6	861.7	748.9	584.8	445.5
Loans	125.9	173.4	216.9	202.6	177.6
Minority interest	2.5	2.7	3.0	3.2	3.5
	<u>541.8</u>	<u>1,093.6</u>	<u>1,024.6</u>	<u>846.4</u>	<u>682.4</u>
Turnover					
Property investment	21.7	23.9	31.3	33.8	38.0
Property development and trading	77.3	37.9	26.1	48.4	38.3
Other trading	10.0	16.3	14.3	14.9	15.2
	<u>109.0</u>	<u>78.1</u>	<u>71.7</u>	<u>97.1</u>	<u>91.5</u>
Profit/(loss) on ordinary activities before taxation					
Property investment	12.7	17.4	19.7	21.7	24.8
Property development and trading	10.6	6.3	2.7	(26.3)	(1.8)
Other trading	(0.6)	(1.7)	0.3	(4.5)	0.2
Associated undertakings	6.2	2.2	7.2	3.2	—
Operating profit/(loss)	<u>28.9</u>	<u>24.2</u>	<u>29.9</u>	<u>(5.9)</u>	<u>23.2</u>
Finance charges (net)	(6.4)	(15.0)	(21.9)	(22.9)	(19.9)
	<u>22.5</u>	<u>9.2</u>	<u>8.0</u>	<u>(28.8)</u>	<u>3.3</u>