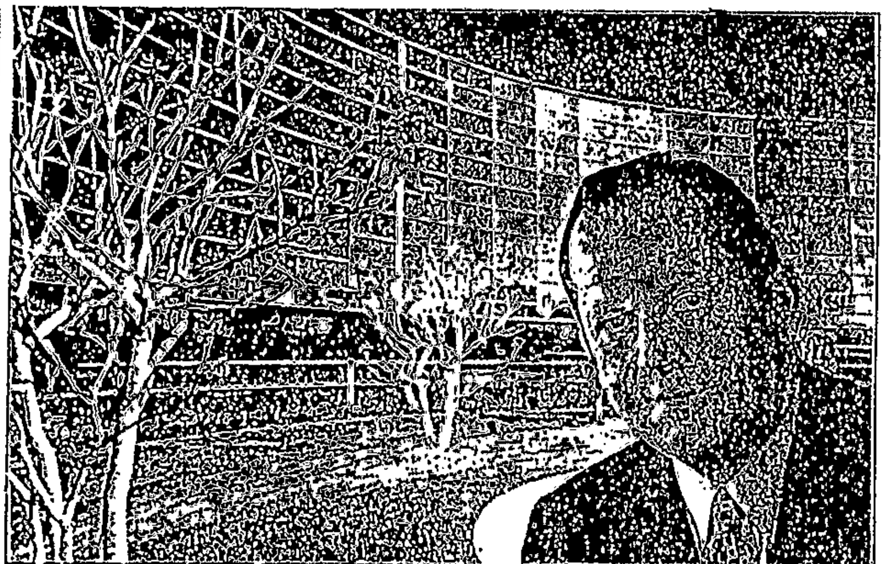
1675711

Slough Estates, founded in 1920, owns properties with a portfolio value of £1.8 billion, situated in the United Kingdom, Canada, the USA, Australia, Belgium, France and Germany.

The group is one of the largest owners and developers of industrial estates in Europe, and, together with its substantial portfolio of office and retail developments, manages 31.9 million square feet of space occupied by some 2,230 tenants.

Slough Estates' strategy is to acquire, develop, manage and own properties in the major business centres of the world and, using its considerable experience, backed by significant financial strength, to achieve long term growth for its shareholders in both earnings and assets.

As a major owner of urban property, Slough Estates is very conscious of its responsibilities to the community, the environment and the economy. This is achieved by maintaining high standards of design and property management.



Sir Nigel Mobbs
Chairman & Chief Executive

Financial Highlights

Year to 31 December	1991 £ million	1990 £ million
Profit before exceptional items and tax	68.3	86.4
Profit before tax	31.6	22.6
Profit attributable to ordinary shareholders	22.6	22.8
Total assets	2,044	2,074
Net assets	1,103	1,079
Earnings per share — basic	8.0p	8.1p
Dividends per share	11.55p	11.35p
Net assets per share — basic	339p	381p
— diluted	331p	375p
Debt to equity ratio	40%	43%

Directors and Officers

Executive Directors

Sir Nigel Mobbs DL
Chairman and Chief Executive

R W Carey *Managing*

D R Wilson *Managing*

D B F Simons

H L Thomson

Non-Executive Directors

P D Orchard-Lisle, CBE, TD, DL
Deputy Chairman

C R B Brooke

Sir Gordon Jewkes, KCMG

D Kramer (USA)

Sir Donald Maitland, GCMG, OBE

Secretary

J R Probert, FCIS

Senior Management

C J P Handford, *Guildhall Properties*
P N Jackson, *Utility Services*
J S P Keogan, *Property Development*
R D Kingston *Financial Controller*
B Rimmer, *Construction*
M L Taylor, *Retail*
N M White, *Administration and External Affairs*
J S Appleyard, *Canada*
R J Carter, *Australia*
W E Hens, *Belgium*
M D Lees, *USA*
P Loysel, *France*
U Titz, *Germany*

Group Information

Auditors
Coopers & Lybrand Deloitte

Solicitors
Lovell White Durrant
Turner Kenneth Brown

Merchant Bankers
S. G. Warburg & Co. Ltd

Principal Bankers
Barclays Bank PLC
National Westminster Bank PLC

Stockbrokers
S. G. Warburg Securities

Registrars and Transfer Office
National Westminster Bank PLC
Registrar's Department
PO Box 82, Caxton House, Redcliffe Way
Bristol BS99 7NH

Trustees for Debentu... nd Loan Stocks
Commercial Union Assurance Company plc
The Law Debenture Corporation plc
The Prudential Assurance Company Ltd

United Kingdom

Head Office and registered office
Slough Estates plc
234 Bath Road
Slough SL1 4EE, England
Telephone Slough (0753) 537171
Fax (0753) 820585

London office
40 Charles Street
London W1X 7PB, England
Telephone (071) 491 0177
Fax (071) 491 1118

Canada

Slough Estates Canada Limited
40 King Street West
Suite 4803, PO Box 303
Toronto, Ontario M5H 3Y2
Canada
Telephone (1) (416) 360 5950
Fax (1) (416) 360 7082

Belgium

Slough Management SA
Tollaan 107B-B. 1, B-1940 Sint Stevens
Woluwe, Belgium
Telephone (32) (2) 725 31 20
Fax (32) (2) 725 34 03

USA

Slough Parks Incorporated
33 West Monroe Street
Suite 2610, Chicago
Illinois 60603-2409, USA
Telephone (1) (312) 558 9100
Fax (1) (312) 558 9041

France

Slough Developments (France) SA
67 Avenue Marceau
75116 Paris, France
Telephone (33) (1) 47 20 44 25
Fax (33) (1) 47 20 42 77

Germany

Slough Commercial Properties GmbH
Elisabethstrasse 40
4000 Dusseldorf 1, Germany
Telephone (49) (211) 38 20 52/3
Fax (49) (211) 37 46 89

Australia

Slough Estates Australia Pty Limited
367 Collins Street, Melbourne 3000
Victoria, Australia
Telephone (61) (3) 629 6067
Fax (61) (3) 629 5941

DIRECTORS

SIR NIGEL MOBBS DL
Chairman and Chief Executive
Sir Nigel Mobbs, whose grandfather was a founder of the company, was educated at Marlborough and Christ Church, Oxford and joined Slough Estates in 1960. An executive director since 1963, he became Chairman and Chief Executive in 1976. He is a former President of the Council of the British Property Federation and a non-executive director of Barclays Bank PLC, Kingfisher plc and Cookson Group plc. He is a member of the Commonwealth War Graves Commission and Chairman of the DTI Advisory Panel on Deregulation. He is aged 54.

ROGER CAREY
Managing Director
A fellow of The Royal Institution of Chartered Surveyors, he gained his professional property qualification with local and central government. After 14 years with MEPC plc, he joined Slough Estates in 1983 as director responsible for the development and marketing of UK properties. He is British Property Federation visiting Fellow at Reading University and is also a member of the board of the Black Country Development Corporation. He is aged 47.

DEREK WILSON
Managing Director
Following a degree in Economics and Accounting at Bristol University, he qualified as a chartered accountant with Deloitte Haskins & Sells in London and Geneva. After 5 years with Cavenham Limited and 5 years with Wilkinson Sword, he joined Slough Estates from Cadbury Schweppes in 1986. He is aged 47.

DAVID SIMONS
Executive Director
Read Economics and Politics at Corpus Christi College, Cambridge. He subsequently qualified as a chartered accountant with Whinney, Smith & Whinney (now Ernst & Young). Following five years in industry and three years in management consultancy, joined Slough Estates in 1973 as General Manager of overseas operations and is currently responsible for operations in Europe and Australia. He is aged 51.

HUGH THOMSON
Executive Director
A fellow of The Royal Institution of Chartered Surveyors, he gained his professional qualifications at the College of Estate Management. After experience in private practice, English China Clays and Bracknell Development Corporation, he joined Slough Estates in 1976 and is responsible for the management of the UK investment portfolio. He is aged 46.

PAUL ORCHARD-LISLE, CBE, TD, DL
Non-Executive Deputy Chairman
A Chartered Surveyor and Senior Partner of Healey & Baker. He has held a number of public sector posts in his career and was President of the Royal Institution of Chartered Surveyors in 1985-86. He is a Member of the Council of Reading University and a Deputy Lieutenant for the County of Greater London. He has been a director of the company since 1980. He is aged 53

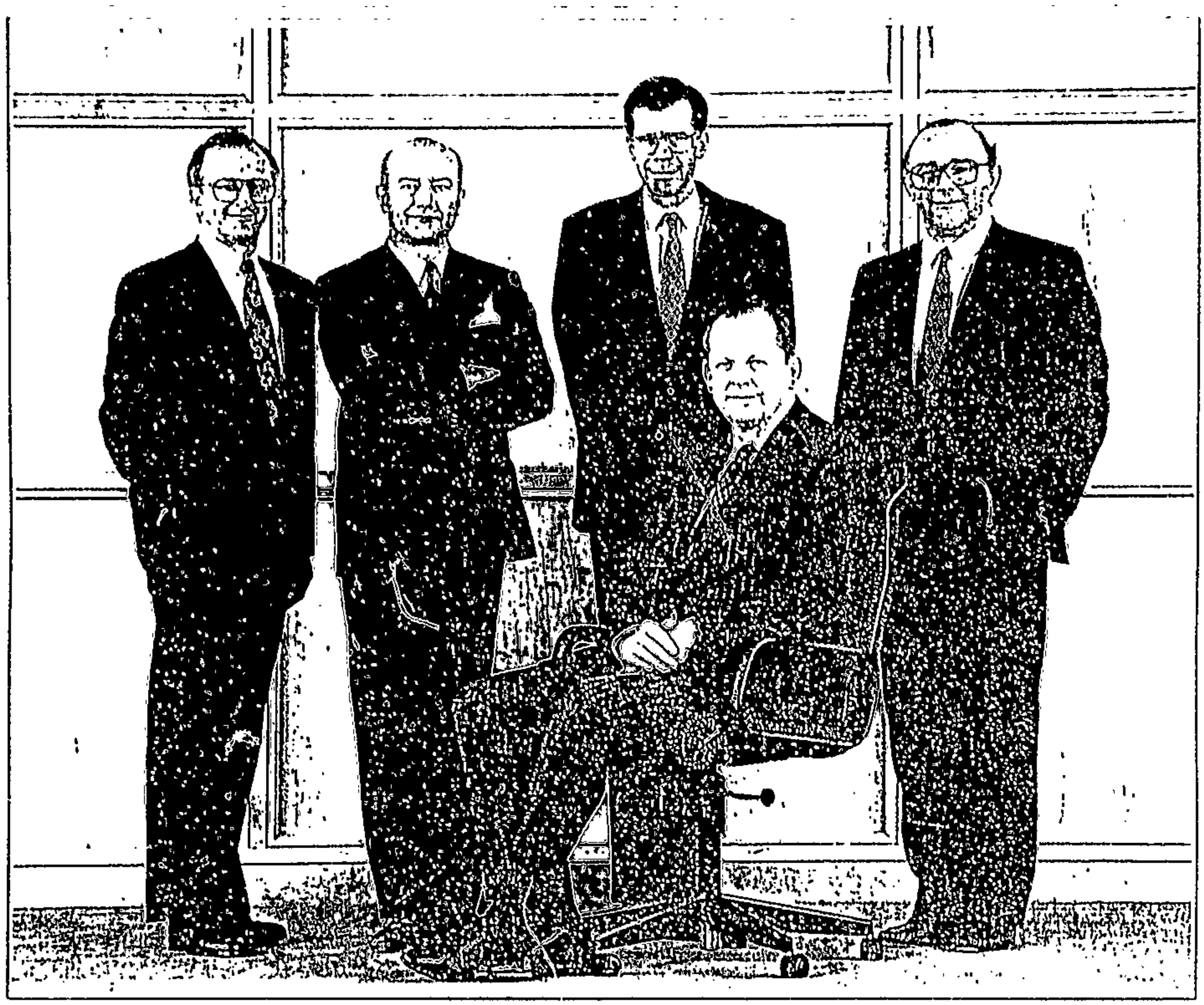
ROGER BROOKE
Non-Executive Director
After an early career in the Foreign Office, and appointments with the Industrial Reorganization Corporation, he was managing director of Scienta SA, which was involved in advance technology business in Europe. He was a director of the Pearson Group for 8 years and was group managing director of EMI in 1979-80. He was founding Chief Executive of Candover Investments and is now Chairman. He has been a director of the company since 1980. He is aged 61.

SIR GORDON JEWKES, KCMG
Non-Executive Director
He served as Director-General of British Trade and Investment, USA and HM Consul General, New York from 1989 to 1991 and earlier as Governor of the Falkland Islands, Consul-General in Chicago and Cleveland and as Finance Officer of the Diplomatic Service. He is a non-executive director of Hogg Group PLC and an adviser to other companies. He is aged 60.

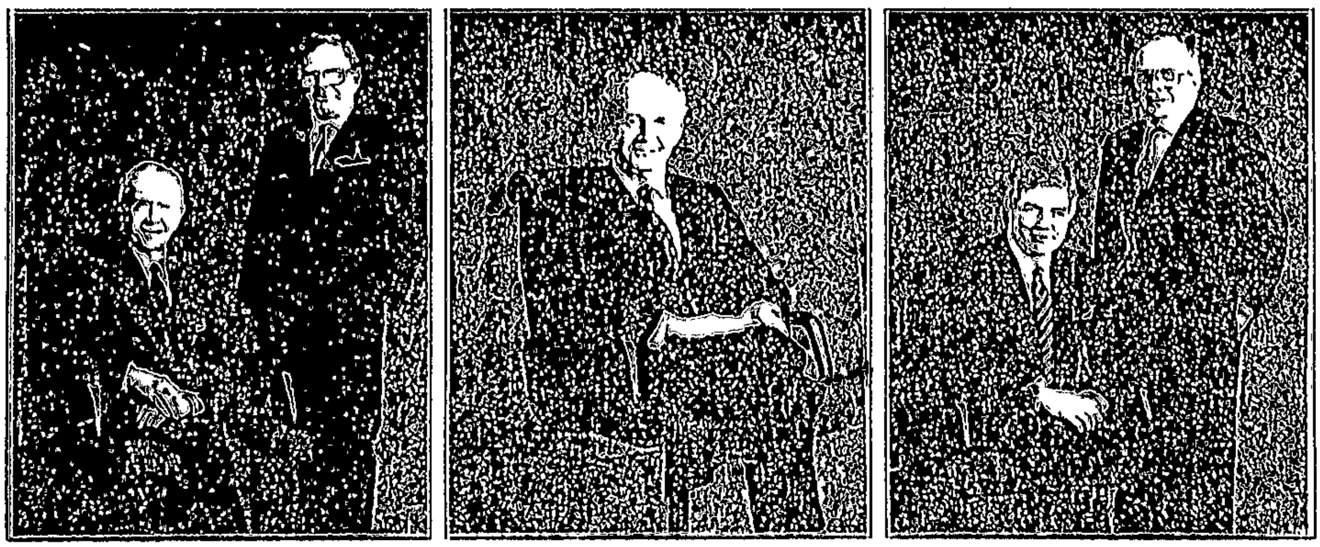
DOUGLAS KRAMER
Non-Executive Director
Citizen of the United States, he is President of Draper & Kramer Inc., a full service real estate company with its main office in Chicago. He has been a director of the company since 1981 and is a director of Kirke-Van Orsdel Inc., an insurance broking business in Iowa. Draper & Kramer have been partners with Slough Estates since its first venture into America in 1973. He is aged 55.

SIR DONALD MAITLAND, GCMG, OBE
Non-Executive Director
He served as Ambassador to Libya, Chief Press Secretary to the Prime Minister, UK Permanent Representative to the United Nations and to the European Community and was Permanent Under Secretary at the Department of Energy from 1980-82 and Deputy Chairman of the Independent Broadcasting Authority from 1986-89. He is Chairman of the Health Education Authority and has been a director of the company since 1983. He is aged 69.

Left to right *Roger Carey* *David Simons* *Hugh Thomson* *Sir Nigel Mobbs* *Derek Wilson*



Sir Donald Maitland *Roger Brooke* *Sir Gordon Jewkes* *Paul Orchard-Lisle* *Douglas Kramer*

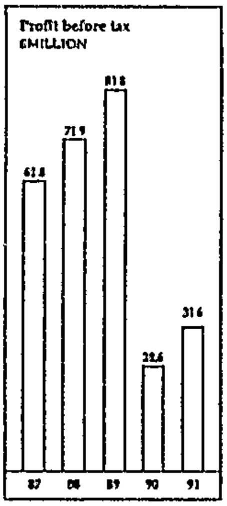


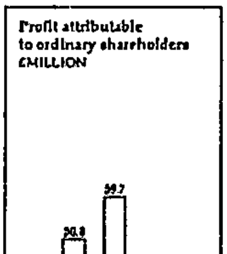
Chairman's Statement

1991 was another difficult year for the property investment and development sector but, despite adverse market conditions, the Group's core portfolio continued to produce a satisfactory result.

During the year, largely as a result of retrenchments and failures by businesses in general resulting from the recession, vacancies increased, particularly in the UK, and demand remained weak. Consequently estimated rental rates and property values declined, particularly for offices and recently developed properties, though the core industrial portfolio showed value growth against the 1990 year-end.

In 1991 we continued our policies of constraining new development and of consolidating the portfolio. Progress made in leasing new space both in the UK and overseas will enhance income in the years ahead.





Results

The pre-tax profit for 1991 amounted to £31.6-million compared with £22.6-million for 1990. Operating profit before exceptional provisions and interest declined to £98.7-million from £109.0-million, reflecting the absence of prope‹‹ : ding profits. In addition, income was ‹. .egone as a result of sales made in 1990 and 1991 of income-producing property.

Net interest of £27.4-million (1990 £24.5-million) was charged after capitalizing £52.3-million of interest (1990 £59.8-million).

The share of losses of associates was £3.0-million (1990 profit £1.9-million).

Exceptional provisions of £36.7-million (1990 £63.8-million) were made following a rigorous review of the Group's property trading activities and investments in associate property companies as a consequence of continuing poor performance of property markets, principally in the UK, Australia and the USA.

Taxation has been provided in the sum of £4.0-million (1990 £1.9-million), an effective rate of 13 per cent (1990 8 per cent).

Earnings per ordinary share after accruing for preference dividends were 8.0p per share (1990 8.1p per share).

Dividend

Your board recommends a maintained final dividend of 7.15p per share which, together with the increased interim dividend of 4.4p per share already paid, represents an increase of 1.8 per cent for the year. This distribution is not covered fully by earnings but reflects our continuing confidence in the future prospects of the Group.

Valuation

An external valuation of the Group's investment properties was carried out on an open market basis as at 31 December 1991. The gross value of investment properties as at 31 December 1991, taking into account the valuation, construction in progress at cost and exchange rates at that date amounted to £1,656-million (1990 £1,627-million).

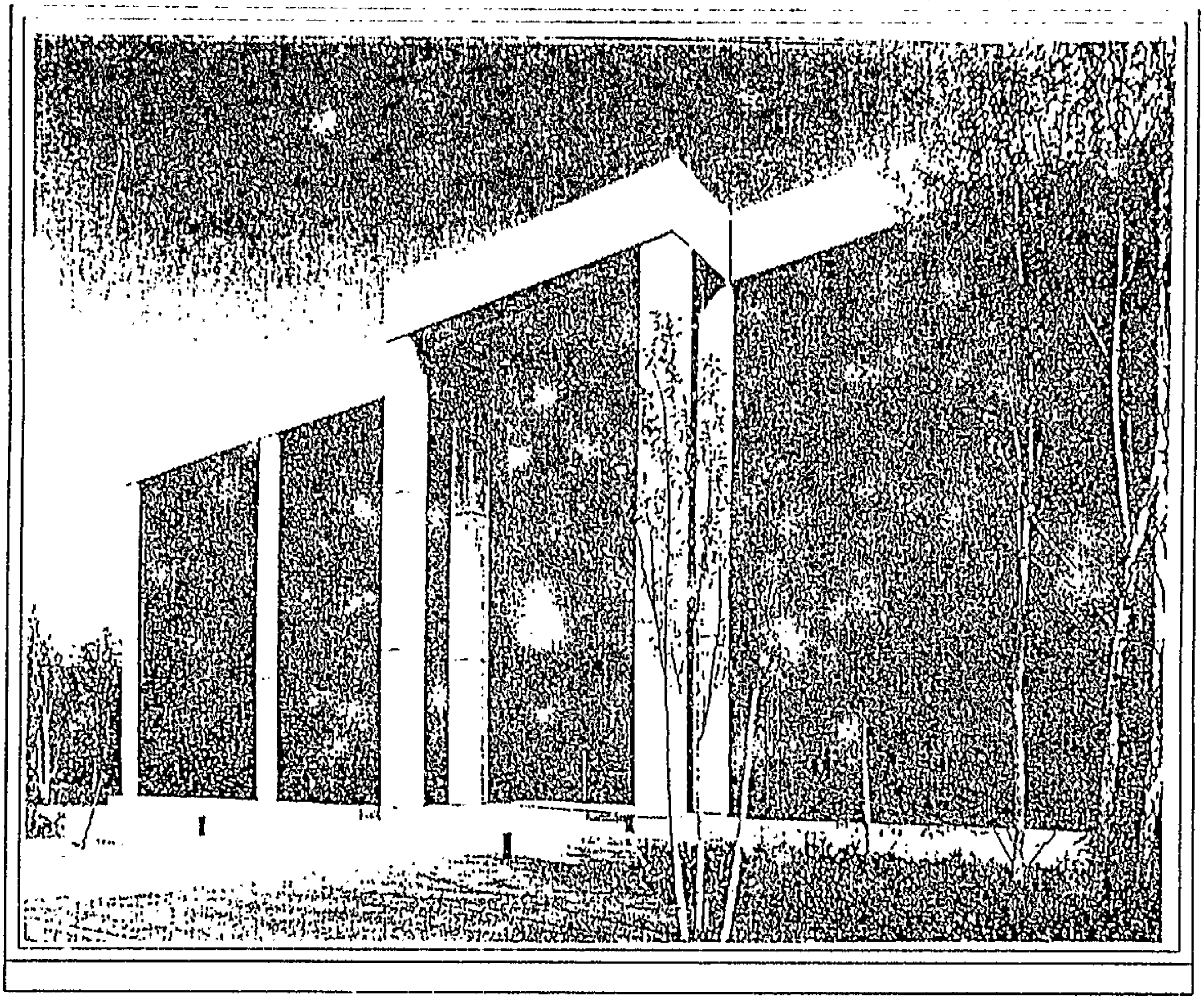
Diluted net assets per share as at 31 December 1991 amounted to 331p per share compared with 375p per share as at 31 December 1990, a decrease of 11.7 per cent.

In the UK, external valuations were undertaken by Richard Ellis and Hillier Parker who each valued part of the portfolio. These valuations resulted in an aggregate deficit of £28.6-million or 2.3 per cent and reflect the generally adverse market conditions which prevail.

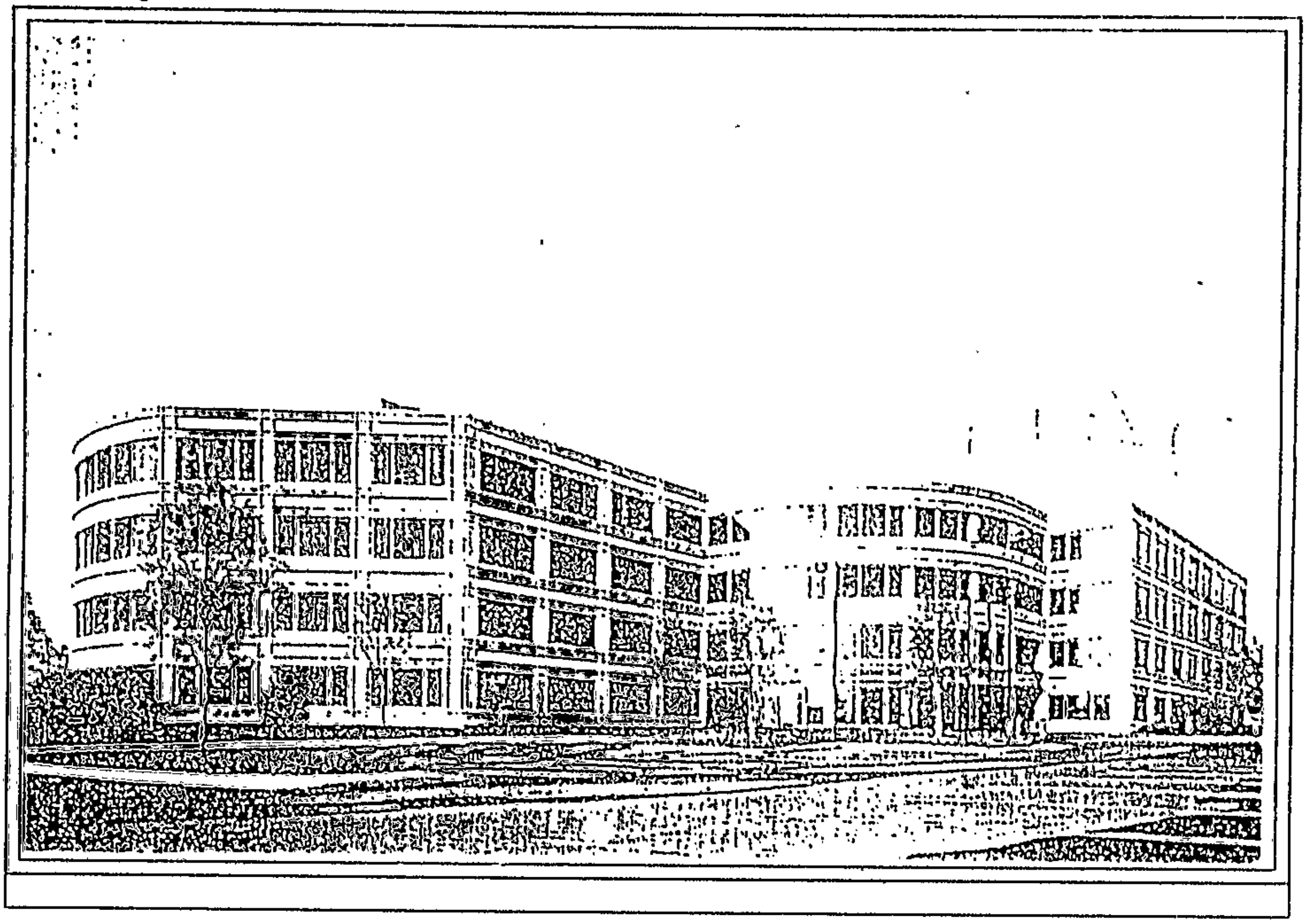
The core industrial content, which represents 65.1 per cent of the portfolio by value, in fact showed an improvement of 6.3 per cent and the retail content showed relative stability. However, the office element representing 21.4 per cent by value declined by 19.3 per cent and land held for development showed a decline in value of 17.2 per cent offsetting the improved industrial values.

In value terms, the Group's portfolio has benefited from having a low exposure to

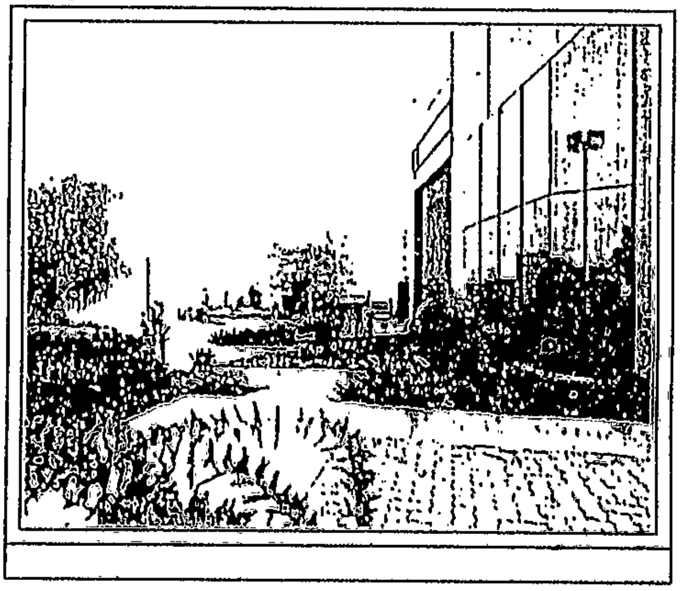
New office development, Bath Road, Slough



Oakmont, Chicago, USA



Scoresby, Melbourne, Australia



offices and in particular to central London property.

Analysis of the valuation assumptions would suggest that at the year-end, while capitalization rates had either stabilized or improved, in some locations rental values had declined against year-end 1990. This resulted in a largely neutral result for the income-producing segment of the UK portfolio. For vacant space and development land, development values were significantly discounted to reflect potential delays in obtaining income.

As a consequence of downward pressure on estimated rental rates, the excess of rental values for the UK portfolio (including current unoccupied space) over rental income currently receivable was 30.3 per cent compared to 44.5 per cent in 1990.

Overseas markets were affected by similar market conditions to the UK and valuation deficits were recorded in Canada 10.2 per cent, USA 14.8 per cent, and Belgium 8.2 per cent partially offset by increases in values in France 6.8 per cent and Germany 10.0 per cent. In Australia, where the property market is in severe recession, values were down by 31.1 per cent. Overseas the overall decline was £63.9-million or 13.1 per cent.

Finance

During the year a number of measures were undertaken to strengthen the balance sheet and reduce gearing.

- In June, the Group raised £137.7-million from the net proceeds of the Rights Issue of the 8.25p Convertible Preference shares.
- In Canada, C$40-million was raised by the issue of 20 year secured bonds yielding 11.4 per cent in order to reduce short-term debt.
- Property sales aggregating £60.3-million were made in the UK and overseas.

As a result of these measures and the containment of development expenditure, net borrowings at the year-end amounted to £739-million (1990 £825-million) and the gearing was reduced to 40 per cent (1990 43 per cent).

The Group continues to have substantial committed bank facilities available to it. These will enable it to continue with its programme of improving and developing the existing portfolio and, when conditions are right, to take advantage of the currently depressed market to acquire, with prudence, additional properties.

Summary of the Year

In 1991 all our businesses, both in the UK and overseas, faced unprecedented obstacles to success. The performance of our various activities is more particularly described in the Review of the Year on pages 19 to 29 supported by the tables of portfolio information on pages 30 to 33.

Significant achievements in the year included -

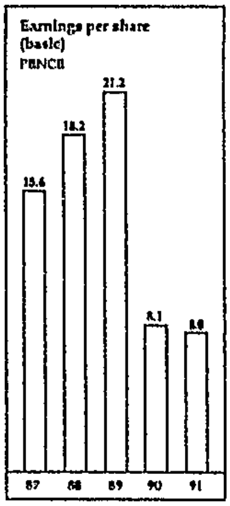
In the UK

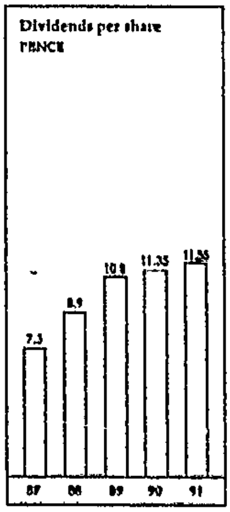
- the sale of over 1-million sq.ft. of property at Aylesbury, Crawley, Hertford, Oxford and Swindon at prices in excess of book values
- the leasing of 510,000 sq.ft. of new and existing space
- the construction of 339,000 sq.ft. of new space

Overseas

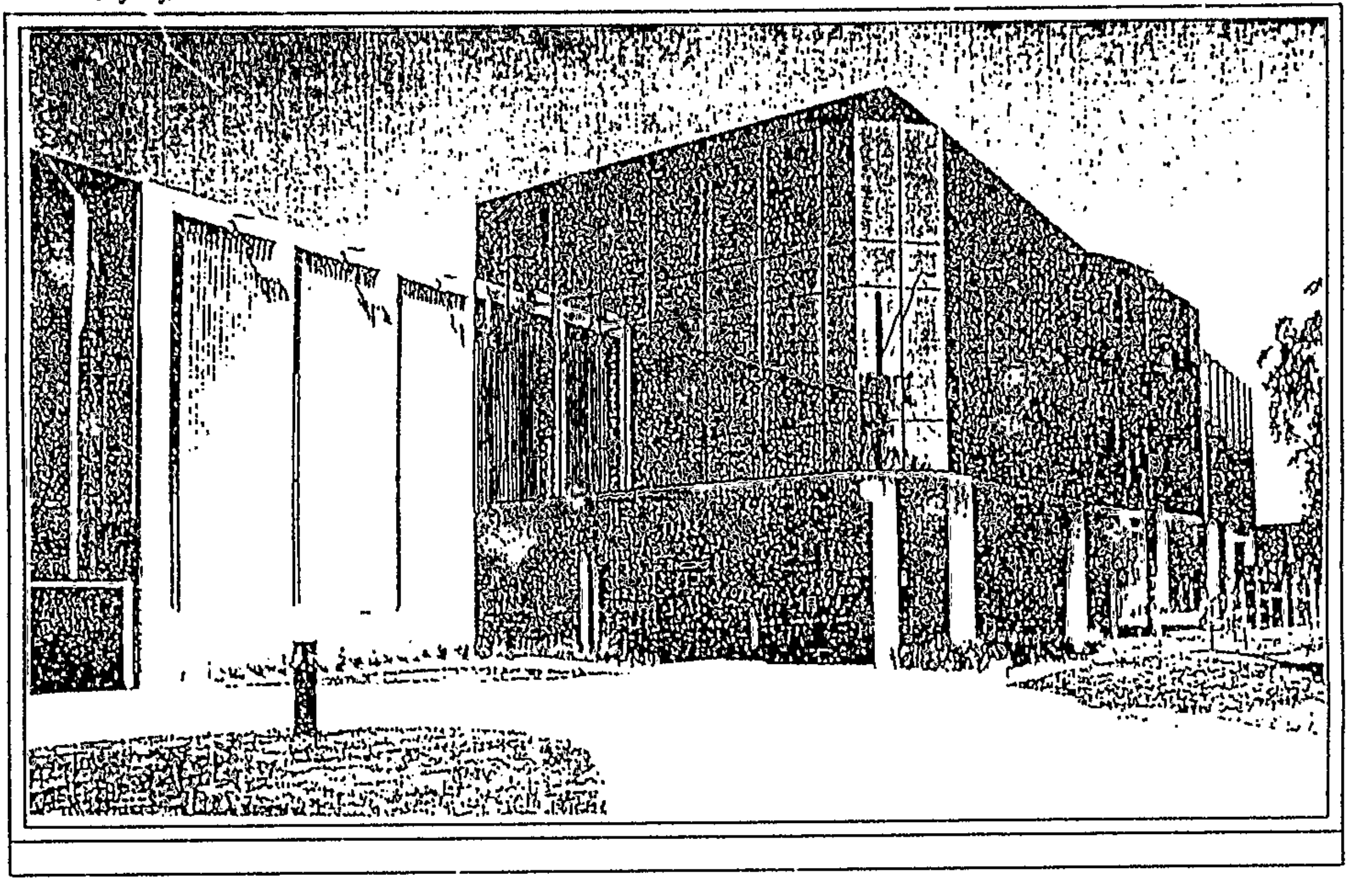
- the leasing of 2,400,000 sq.ft. of new and existing space
- the construction of 866,000 sq.ft. of new space
- the pre-leasing of 94,000 sq.ft. of new retail accommodation to Ludwig Beck in Cologne.

1991 was a year of consolidation. The world-wide new construction programme which amounted to 1.4-million sq.ft. at 1 January had been reduced to 467,000 sq.ft. of which at the year-end 326,000 sq.ft. had been pre-leased, thus reducing the development risk profile.

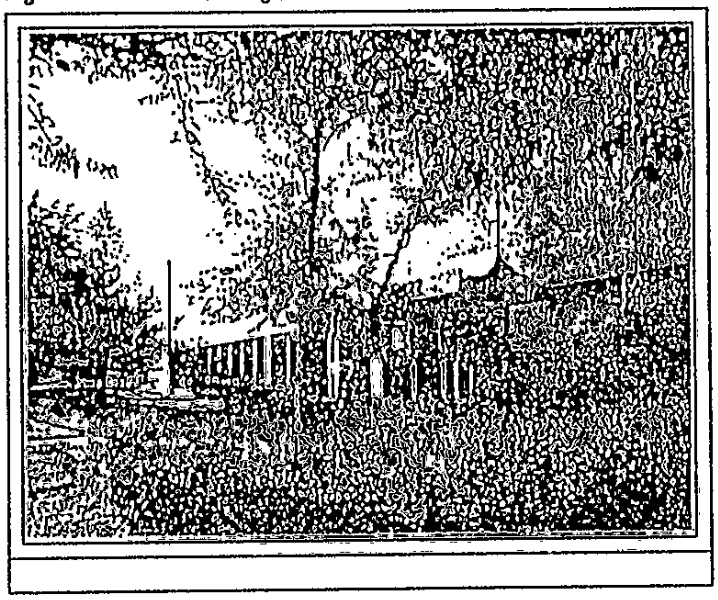




Silverwater, Sydney, Australia



Regent Industrial Center, Chicago, USA



In difficult market conditions emphasis has been given to leasing vacant property and, despite a marked increase in the amount of space being returned to the Group on the termination of leases or business retrenchment and failures resulting from the recession, the overall Group vacancy ratio was contained to 13.0 per cent (1990 12.3 per cent).

The quality of the portfolio is being maintained through a programme of modernization and refurbishment which involves lower capital expenditure and more potential for restoring rental income flow.

For 1992 our objectives are firmly set on continuing to maximize income from our properties, to reduce vacancies further, to limit risk and to restrict new construction until the demand for buildings markedly improves and increased returns on investment can be obtained.

The Group continues to own and manage an excellent portfolio of properties, well-located and built to a good specification best suited to business use.

Bredero Properties Plc

In December 1991 the company subscribed for a further £7.5-million of Cumulative Redeemable Preference Shares of £1 each issued by Bredero Properties Plc, thereby bringing to £10-million its total holding.

Bredero has reported a pre-tax loss of £4.5-million for the year compared to a profit of £1.6-million in 1990.

The Environment

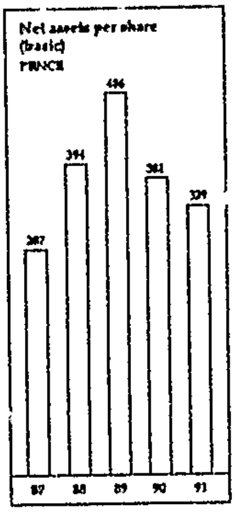
The public is becoming increasingly aware of, and concerned by, environmental issues and risks of contaminated land. The board of directors and management share these concerns and are taking steps to ensure that by its actions the Group avoids any harmful activities. Guidelines have been set and each sector of the business has a positive policy for its operations.

The management of our property investment portfolio continually monitors our properties and is working with our customers to promote good environmental standards.

The design of new buildings is being studied to improve specification by eliminating harmful materials, by the use of timber from sustainable resources and more efficient use of energy.

The Power Station on the Slough Trading Estate will with its new generation technology significantly reduce harmful flue gas emissions.

These are but a few of the measures which we will be adopting progressively to ensure that Slough Estates is in the vanguard of owning and developing environmentally acceptable buildings in the future.



Community Involvement

The Group continues to be involved in community activity by way of grants and practical support by management. Active support is given in particular to causes located in Buckinghamshire and Berkshire, close to the head office at Slough.

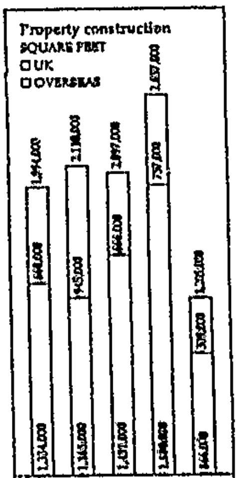
Examples of projects supported are occupational health at Slough, crime prevention on the Slough Trading Estate, environmental involvement through the Groundwork Foundation, training and employment initiatives and the education of property and other professionals at the City University and at the Universities of Reading and Buckingham.

During 1991 £222,200 was given in grants and other support to charitable causes.

Directors

Brief biographical notes for the Directors are set out on page 4.

During the year, Mr Wallace Mackenzie and Mr Joe Harding retired after 43 years and 23 years association with the Group



respectively. We wish each of them a long, healthy and happy retirement.

Mr Graeme Elliot, Executive Vice Chairman since 1986, has relinquished his appointments with the company. With the changing market-place, the role of Executive Vice Chairman has become redundant. During his 6½ years with the Group, Graeme Elliot has made a valuable contribution and I wish him well in his future career.

Consequent upon this change, Mr Paul Orchard-Lisle, senior partner of Healey & Baker and a non-executive director since 1980, has been appointed non-executive Deputy Chairman.

Mr Derek Wilson, formerly Finance Director, and Mr Roger Carey, formerly U.K. Development Director, have been made Group Managing Directors. Mr Wilson will continue to be responsible for Finance but will also have responsibility for North America, Utilities and other Head Office functions. Mr Carey will have the prime responsibility for our overall property development strategies in the UK and Europe, together with marketing, corporate promotion and acquisition.

The Board has also been strengthened by the appointments of Mr David Simons, who is responsible for operations in Europe and Australia and has been with the Group since 1973, and Mr Hugh Thomson who is responsible for the UK property investment portfolio and has been with us since 1976.

I believe that following these changes the Group has a powerful, competent and experienced management team at both Board and subsidiary levels, not just in the United Kingdom but also overseas. It is a team which will tackle the challenges ahead with vigour, energy and vision.

On 25 March 1992 Sir Gordon Jewkes KCMG was appointed a non-executive director. Until last year, Sir Gordon was Director-General of British Trade and Investment - USA and Consul General in New York. He has had extensive overseas experience especially in the USA.

At the annual general meeting, Sir Gordon Jewkes, Mr D E F Simons and Mr H L Thomson will retire and offer themselves for re-election in accordance with the Articles of Association.

Similarly Mr C R E Brooke, Mr R W Carey and Mr P D Orchard-Lisle will retire by rotation and offer themselves for re-election.

Within the Board, there are two committees. The Audit Committee comprises the non-executive directors only and reviews the accounts and accounting policies with the auditors. The chairman of the Audit Committee is Mr C R E Brooke. The Remuneration Committee comprises two non-executive directors — Mr P D Orchard-Lisle and Mr C R E Brooke — and myself. This committee determines the remuneration and benefits of the executive directors and senior management. My remuneration package is, of course, a matter determined solely by the non-executive directors.

Management and Staff

During the year there have been some changes amongst senior management.

Brigadier Neville White, who joined the Group in 1987, has assumed many of Mr Joe Harding's responsibilities as General Manager — Administration and External Affairs.

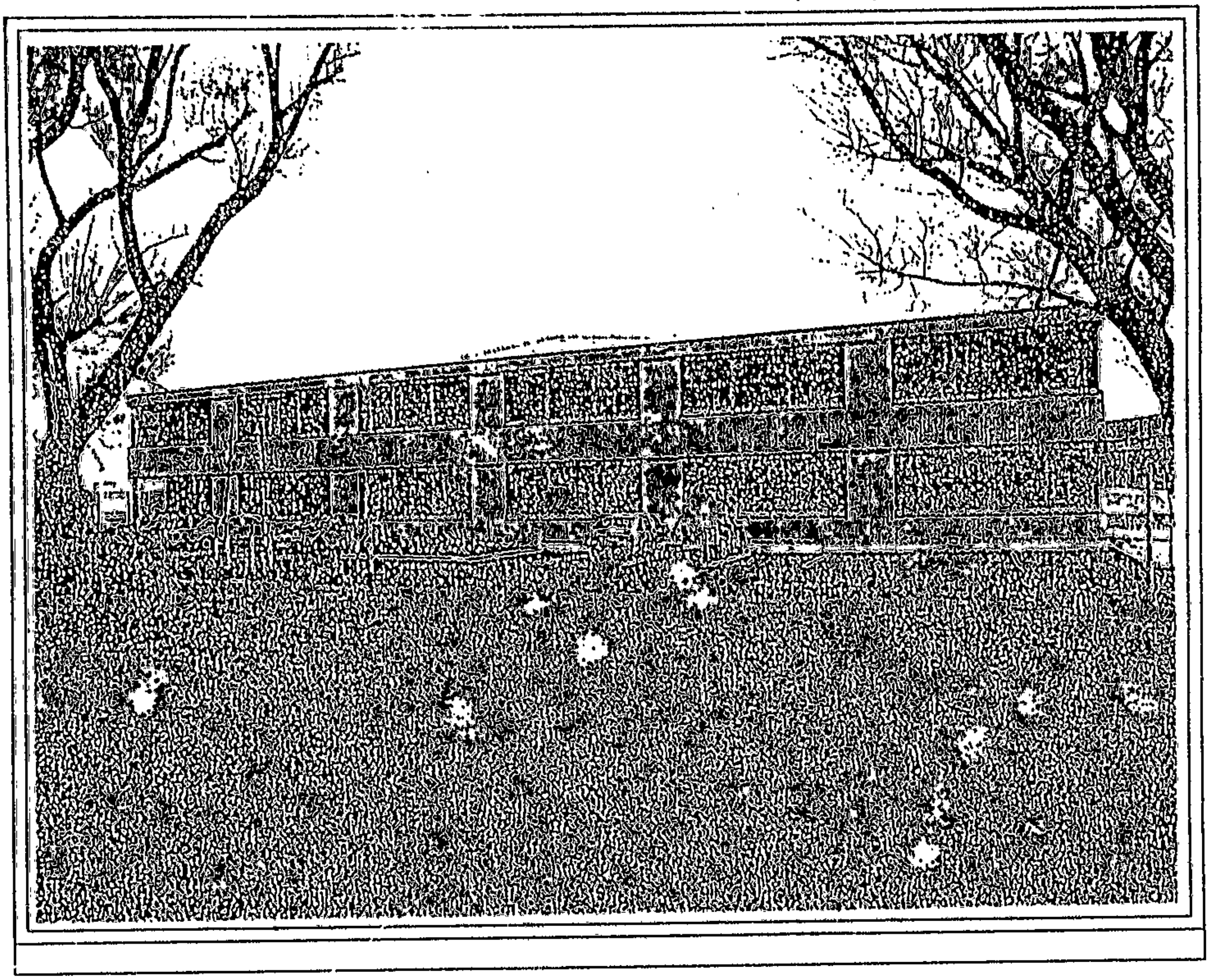
In Australia, Mr Alex Cameron resigned after 15 years service as Managing Director and has been succeeded by Mr Ray Carter.

1991 has not been an easy year for any of those employed within the Group but, as always, members of the staff have given great service and loyalty. On behalf of the Board, I would like to thank each and every one of our team, whether in the UK or overseas, for their contribution during the past twelve months.

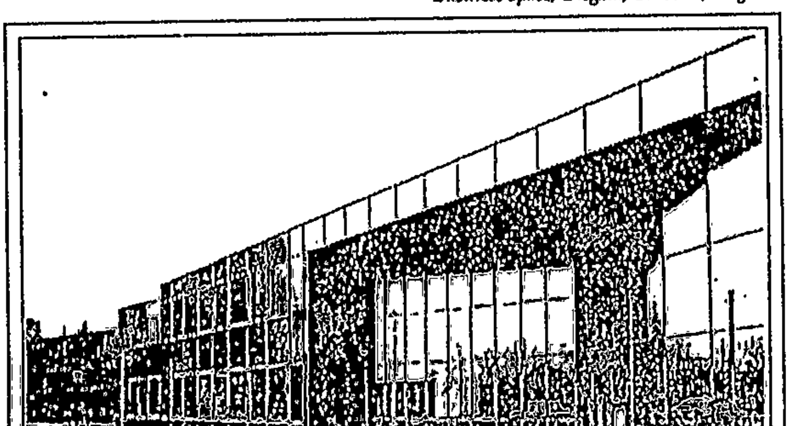
Market Conditions and Prospects

Last year I stated that the property market in 1990 was the worst I could remember. 1991

Weston-Super-Mare, production unit, pre-leased to Micrographics



Business space, Diegem, Brussels, Belgium



proved to be even more difficult in all the markets in which we operate.

The economic recessions in Britain, North America and Australia deepened and in continental Europe economic growth stalled. The consequent effects on business confidence, investment and prosperity were traumatic. Business failures increased, fixed capital investment declined and decisions on new space requirements were shelved. In the UK the year started with relatively high inflation and high interest rates and, despite ending with low inflation and lower interest rates, th . effectively resulted in higher real levels of interest which deterred investment confidence. The retail sector and housing market remained depressed as consumers husbanded their resources against the threat of unemployment and political uncertainty.

These are not the ingredients for a buoyant commercial and industrial property market. Consequently, the fact that current building supply greatly exceeds demand and that rental rates are moving downwards should come as no surprise. Apart from certain very contained markets, over-supply will restrict new speculative development for some years ahead and financial credit for new schemes will remain restricted as banks and other lending institutions recover from poor lending and restore their own balance sheets. As business recovers, absorption of the over-supply will occur though much of the inventory of vacant space is unlikely to be occupied again due to its age, inadequate specification or poor location. Environmental and health and safety at work considerations will also encourage the need for new and better space in the future.

Demand for property investment is beginning to re-emerge as investors recognise that values have reached a low point. Market reports suggest pent-up demand as investors sense more scope for recovery in direct property investment than in other investment media.

The key to a stable commercial and industrial property market must be sustainable economic growth and restored business prosperity. In parallel, real interest rates must fall and longer-term funds should be available to encourage investment. These conditions will encourage improved demand by both occupiers and investors, a recovery in rental rates and a stimulus to new development. Investors will also recognize that investment returns will be more attuned to realized cash-flow rather than unrealized capital appreciation.

The recent corrections of the market, uncomfortable as they are, may well provide a better foundation for future growth and opportunity.

Modern business, based upon enterprise, innovation and technology, will continue to require superior accommodation located in prime positions, well-served by modern transport and services. Skilled employees will also want to enjoy the ever-improving quality of life which in turn will call for a wide range of property.

Slough Estates has the resources of assets, skills and enterprise to continue to provide a range of modern industrial business and retail property for the successful businesses of the 1990's.

The Year Ahead

It is difficult to foresee significant economic recovery, though there are in some areas early signs of better times.

Slough Estates has come through a difficult year well with the core industrial portfolio being very resilient. For 1992, in view of the many economic, political and commercial uncertainties, we remain cautious in our expectations, but we continue to lease space and our inventory of available buildings is declining.

We remain optimistic as to the future of the Group in the years ahead.

Nigel Mobbs
Chairman and Chief Executive

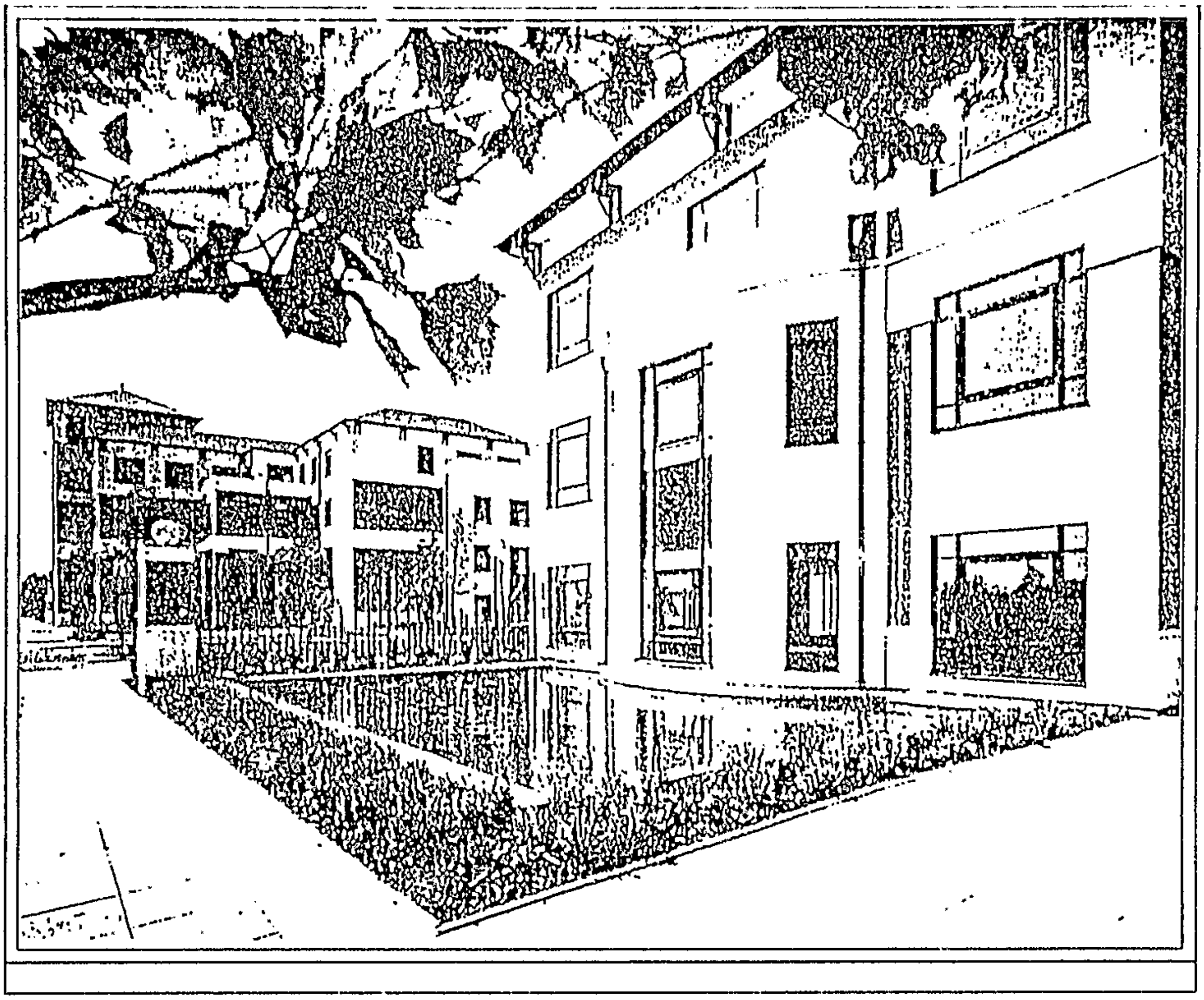
New business – industrial units at Winnersh Triangle, Reading

New business units at Acton, London W3

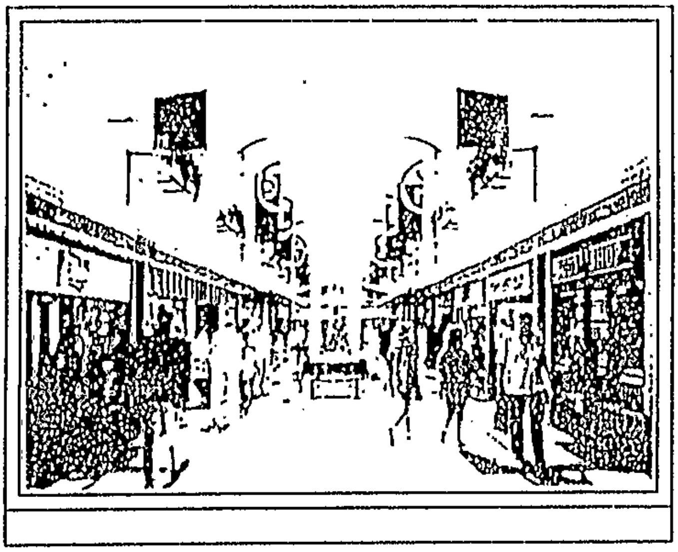
Five Year Financial Results

	1991	1990	1989	1988	1987
	£m	£m	£m	£m	£m
Rental income	128.5	117.8	101.1	84.6	75.7
Profit before taxation	31.6	22.6	81.8	71.9	6[illegible].8
Profit attributable to ordinary shareholders	22.6	22.8	59.7	50.8	[illegible]2.8
Capital (deficit)/surplus	(104.4)	(285.7)	236.6	283.0	150.7
Total return	(81.8)	(262.9)	296.3	333.8	193.5
Investment properties					
— Completed	1,512.0	1,471.6	1,579.7	1,193.6	843.1
— For or under development	143.7	155.0	286.4	214.5	154.5
Trading properties	123.9	211.4	269.7	151.6	104.9
Other investments	104.2	116.4	71.9	57.5	47.6
Other assets	131.9	109.1	94.0	78.3	77.6
Cash and deposits	28.0	10.4	99.3	185.2	50.9
Total assets	2,043.7	2,073.9	2,401.0	1,880.7	1,278.6
Borrowings	(766.7)	(835.1)	(803.1)	(622.9)	(348.8)
Other liabilities and minority interests	(174.0)	(159.5)	(224.0)	(152.8)	(133.8)
Shareholders' equity	1,103.0	1,079.3	1,373.9	1,105.0	796.0
Per ordinary share:					
Revenue earnings — basic	8.0p	8.1p	21.2p	18.2p	15.6p
Capital (deficit)/surplus — basic	(36.9p)	(101.0p)	84.1p	101.5p	54.9p
Total return	(28.9p)	(92.9p)	105.3p	119.7p	70.5p
Dividends	11.55p	11.35p	10.8p	8.9p	7.3p
Net assets — basic	339p	381p	486p	394p	287p
Net assets — diluted	331p	375p	464p	382p	284p
Ratios:					
Total return on shareholders' equity	(7.6%)	(19.1%)	26.8%	41.9%	31.2%
Interest cover	2.2	1.9	5.4	6.1	4.8
Dividend cover	0.7	0.7	2.0	2.1	2.1
Net borrowings as % of equity plus net borrowings	40%	43%	34%	28%	27%

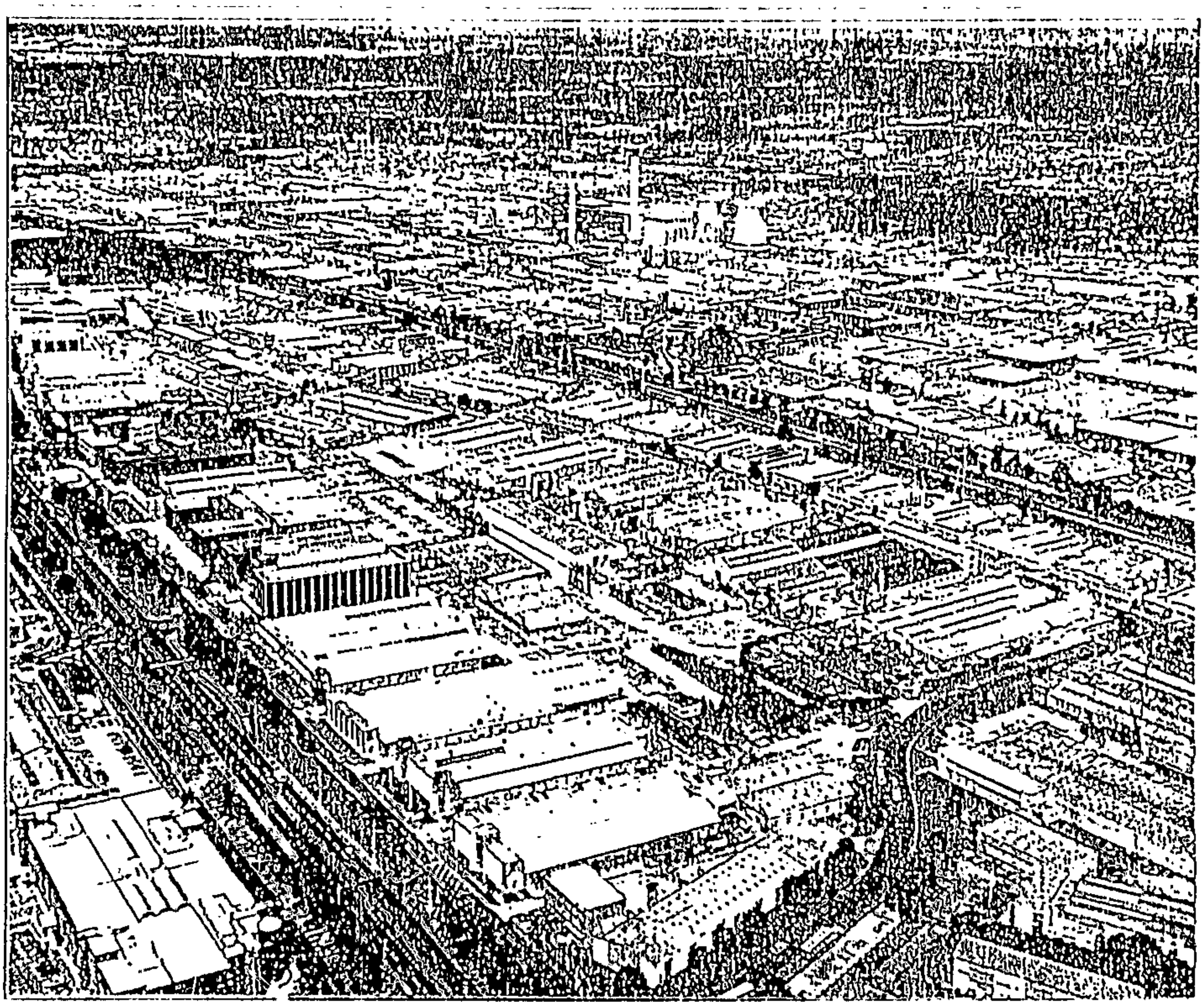
New office development at Wessex Fields, Bournemouth



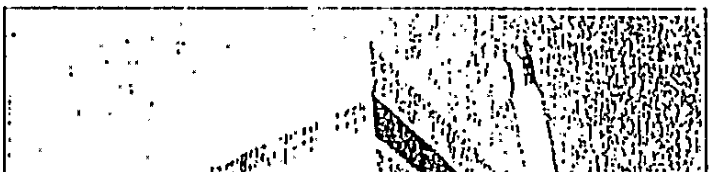
Lewisham Centre, Lewisham, London SE13



Aerial view of the Slough Trading Estate



Power station, Slough Trading Estate



Review of the Year

United Kingdom

Property Investment and Development

1991 remained a difficult year for both property investment and development. Demand for space was weak, particularly for offices and higher specification industrial buildings, though for good basic industrial buildings, the market was more stable. As a consequence, estimated rental values declined or remained static.

At the year-end, the UK investment portfolio comprised an aggregate floor space of 17.7-million sq.ft. consisting of 78 per cent industrial, 11 per cent office and 11 per cent retail. These properties produce an annual rent roll of £105.9-million from some 1246 tenancies.

Rental income received in 1991 increased by £4.2-million to £96.0-million. £6.7-million additional rent was obtained from rent reviews and lease renewals less vacancies and £4.9-million from new development, together with £3.0-million of rent from the Pentagon shopping centre at Chatham. These increases were offset by the £2.0-million of rent forgone as a result of property sales in 1990/1 and £8.4-million reduction from the de-consolidation of Bredero Properties Plc and the Lewisham shopping centre joint venture.

Vacancies overall amounted to 9.2 per cent (1990 6.4 per cent) by floor area; for the industrial portfolio 7.3 per cent (1990 4.2 per cent); offices 28.3 per cent (1990 21.0 per cent); and retail 4.0 per cent (1990 7.9 per cent).

During the year 1.06-million sq.ft. of mature properties were sold for an aggregate of £46.7-million, a figure slightly in excess of 1990 year-end values. These properties were located at Aylesbury, Crawley, Oxford, Swindon, Hertford, Chester, Waltham Forest and west London.

In mid-January 1992, an office property of 54,000 sq.ft. in Glasgow was sold for £7.65-million to an institutional investor.

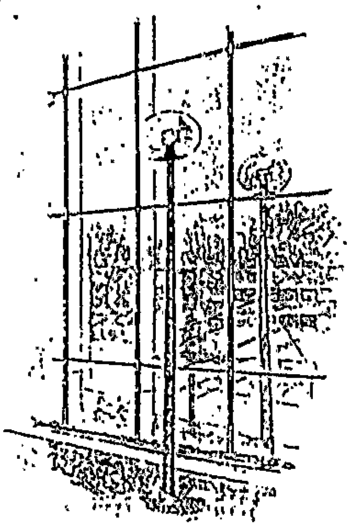
During the year, 339,000 sq.ft. of newly completed construction was added to the portfolio including 53,000 sq.ft. at Feltham pre-leased to Elliott Baxter, 21,000 sq.ft. at Oldbury pre-leased to Evered Bardon and 137,000 sq.ft. of industrial space at Winnersh of which 25 per cent has been leased.

At the year-end, only 73,000 sq.ft. of new space was under construction at Basingstoke and north-west London pre-leased to Honeywell Avionics and Barclays Bank respectively. Little new construction is contemplated in 1992 unless the market improves or secure pre-leasing can be obtained.

172,000 sq.ft. of fully or partially leased buildings were transferred to the investment portfolio from the property trading company, Guildhall Properties. This company sold an office property of 12,700 sq.ft. net at Worship Street, London EC2. Its operations have been reduced and now comprise an office project of 31,000 sq.ft. at Watford, a 23,000 sq.ft. substantially leased office refurbishment at Bedford Row, London and a site held for the development of 98,000 sq.ft. of business space at Ascot, Berkshire.

Letting success during the year was difficult to achieve but, despite adverse conditions, 510,000 sq.ft. was leased with encouraging activity being recorded on the Group's various retail schemes.

In difficult markets, it is important to maintain activity in all aspects of property management and quality of the portfolio. During the year, general estates and property refurbishment and improvements were made at Slough, Huddersfield, Reading and Sheffield. Measures have been introduced to improve the monitoring of environmental conditions within the portfolio. Considerable attention is being paid to maintaining and improving good relationships with our customers.



Utilities Services Division

This division generates and supplies electricity, steam and water to customers on the Slough Trading Estate. In addition to providing utility services to the 450 consumers on the trading estate, electricity only is supplied to a further 105 commercial, 10 industrial and 2,400 domestic consumers off the estate. Substantial quantities of electricity are also exported to the local regional electricity company, Southern Electric. Other activities undertaken by the division are electricity supplies to the Kings Norton Business Centre in Birmingham and property support services for mechanical and electrical equipment design.

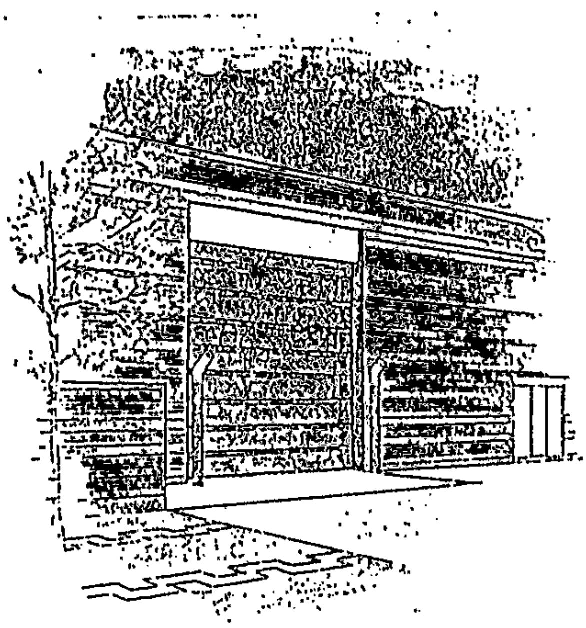
Despite the recession, sales of electricity remained strong with volumes up by 2.9 per cent. Exports to Southern Electric were approximately the same as for 1990. Sales of steam were down by 2.0 per cent mainly due to one major customer ceasing to trade.

Contractual hand-over of the new electricity generation plant has been delayed by commissioning problems with both the new turbine and the boiler equipment but it is expected that the plant will be operational by mid-summer 1992. This project is the largest the company has undertaken with the overall expenditure estimated to be £47.5-million which has been invested in one new Siemens 30MW steam turbine plus two computer controlled multi-solid fluidised bed boilers supplied by Foster Wheeler. These boilers are designed to burn coal, oil, gas and other solid fuels in an environmentally acceptable way and, in particular, virtually eliminate the emission of noxious gases such as sulphur dioxide and nitrous oxide.

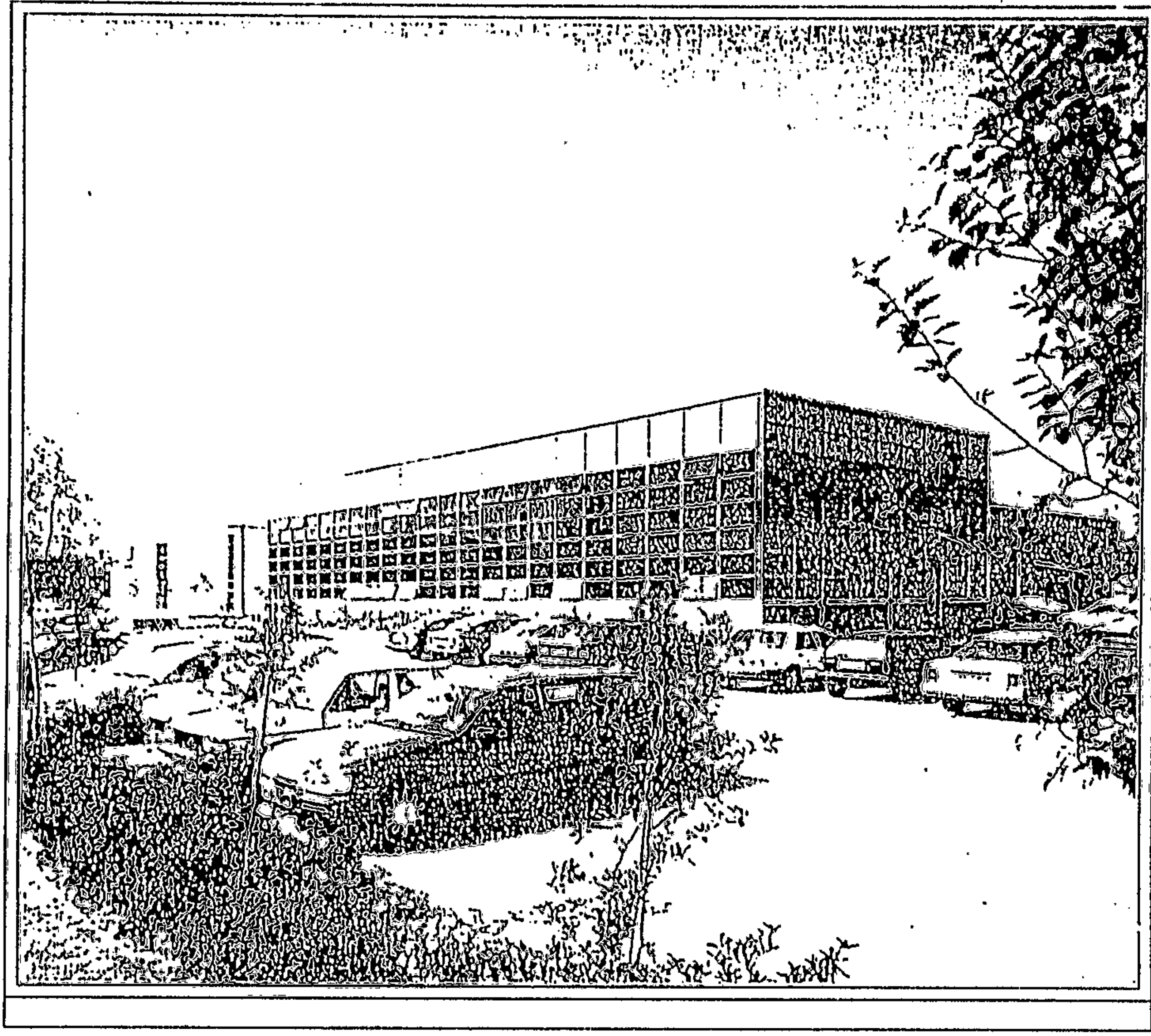
When the new investment is complete, the power station will have a total electricity generating capacity of 90MW and will be one of the largest and most environmentally friendly combined heat and power schemes in Europe.

The benefits of the new capability, which allows full flexibility in fuel usage and increased operating efficiency, will begin to be seen this year and will continue well into the next century.

Privatisation of the electricity supply industry has brought with it problems as well as opportunities and considerable effort has been expended in evaluating the technical, commercial and legal aspects. Extensive discussions with the Department of Energy, the Office of Electricity Regulation and Southern Electric have taken place and the status of independent generators within the wider electricity sector is becoming clearer.



New industrial building, Feltham, Middlesex — pre-leased to Elliott Baxter



New industrial units, Rochester, Kent

Goreway, Mississauga, Ontario, Canada

Nanterre, Paris

Overseas

Recession continued to affect results in North America and Australia and in continental Europe the strength noted in the last report waned during 1991. Demand for accommodation was weak generally but progress was made in reducing the inventory of vacant space.

Information on the overseas property interests is set out on pages 32 and 33.

Australia

Australia has seen the worst recession in living memory and property values have fallen significantly during the year in most markets. Interest rates fell sharply in 1991 however and the economy is showing some signs of re-kindling business confidence which will in turn encourage new occupancy demand.

In Sydney, the final phase of 225,000 sq.ft. of the development at Silverwater was completed and leasing has started.

In Melbourne, leases have been entered into with two Australian trades unions for 58,000 sq.ft. of the office building at 390 Lonsdale Street. Some leasing progress has been made on our other sites although the rate of tenant failure is uncomfortably high.

In total 398,000 sq.ft. was leased, resulting in a net absorption of 134,000 sq.ft. No new construction is underway in Australia.

Belgium

In Belgium two more phases of the development at Relegem near Brussels were completed amounting to 77,500 sq.ft. and this space was leased prior to the year-end.

At Diegem construction of an office building of 49,000 sq.ft. was completed and is 60 per cent leased.

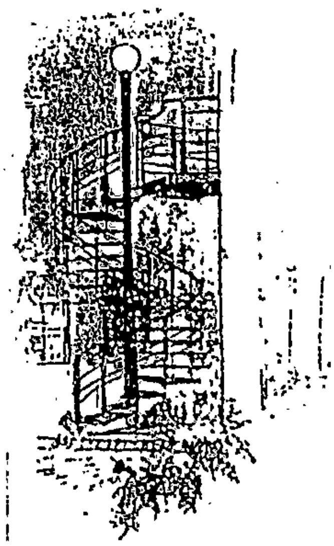
Overall in 1991 170,000 sq.ft. of new and existing space was leased.

France

In January 1991 a management office was opened in Paris under the direction of Mr Philippe Loysel.

At St. Ouen, Paris, the final phase of the 147,000 sq.ft. head office for Sony was completed. At Colombes, 81,000 sq.ft. of space was vacated during the year. 38,000 sq.ft. of this space has been re-leased and there are a number of active enquiries for the balance.

At St. Denis the remaining building of 32,000 sq.ft. was sold at a satisfactory price.



Germany

In Cologne, a leading Munich based retailer, Ludwig Beck, has entered into an agreement to lease a new 94,000 sq.ft. department store in Schildergasse, the city's prime retail location. An existing property has been demolished and construction has commenced on the new building with completion scheduled for the autumn of 1993.

At Krefeld construction continues on developing 112,000 sq.ft. of industrial and office space. To date 72,000 sq.ft. is leased.

Canada

In Canada conditions for business continued to be difficult, reflecting the recession in North America, a deteriorating trade balance resulting from the free trade agreement with the USA, and political concerns within Canada and its provinces.

Despite these difficult conditions, significant leasing of 1.08-million sq.ft. was achieved and the inventory of unlet space was reduced. The year-end vacancy rate was 9.3 per cent compared with 13.2 per cent at the end of 1990.

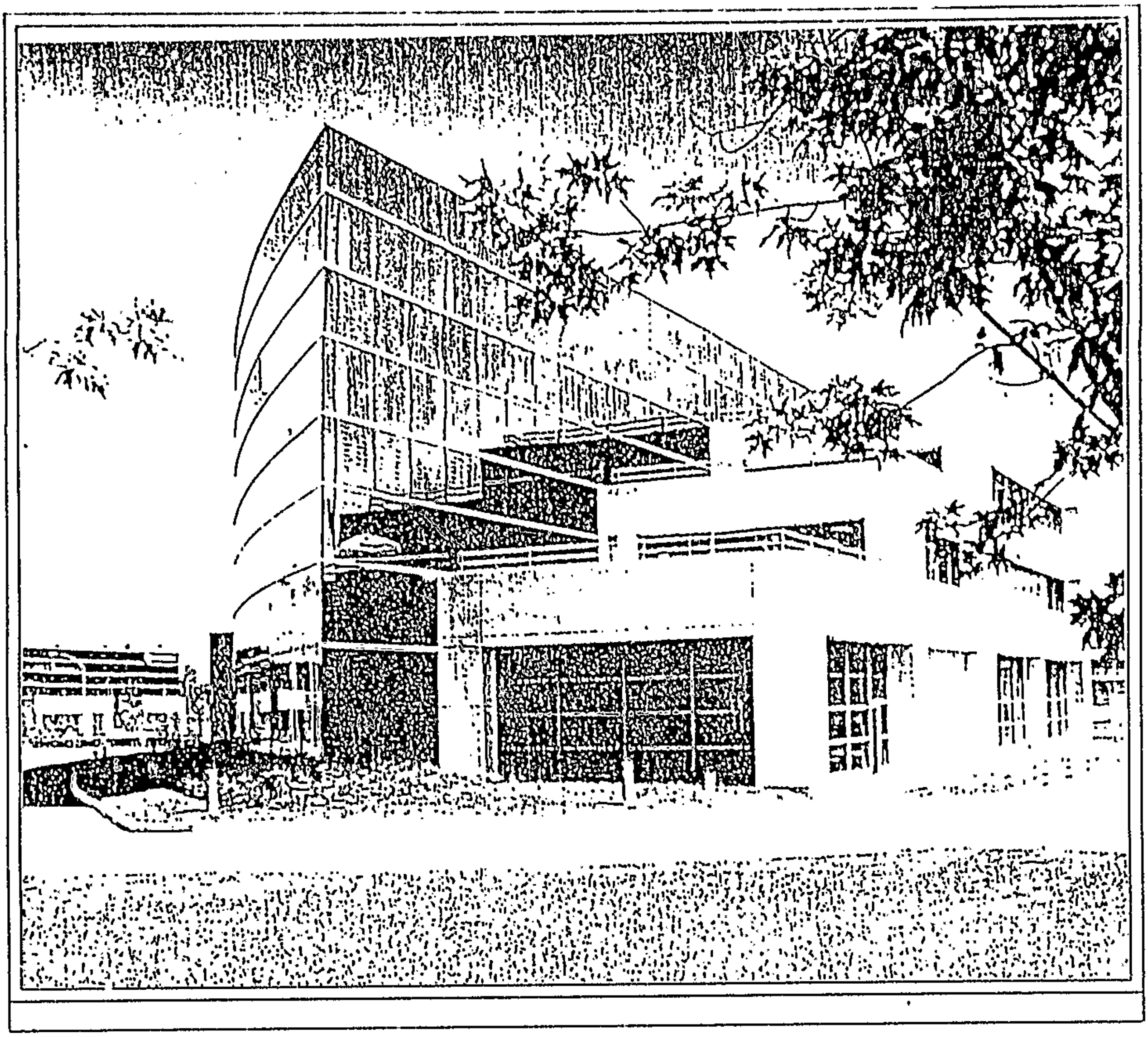
At the beginning of 1992, a building of 145,000 sq.ft. was completed at Burnaby, Vancouver. 88,000 sq.ft. of this building is leased to Dominion Directories. In addition, during 1991 a further building of 78,000 sq.ft. was completed on this estate and is substantially leased.

At Brampton, Toronto, construction is scheduled to commence shortly on a 60,000 sq.ft. facility for Chembond, a long established tenant at Malton.

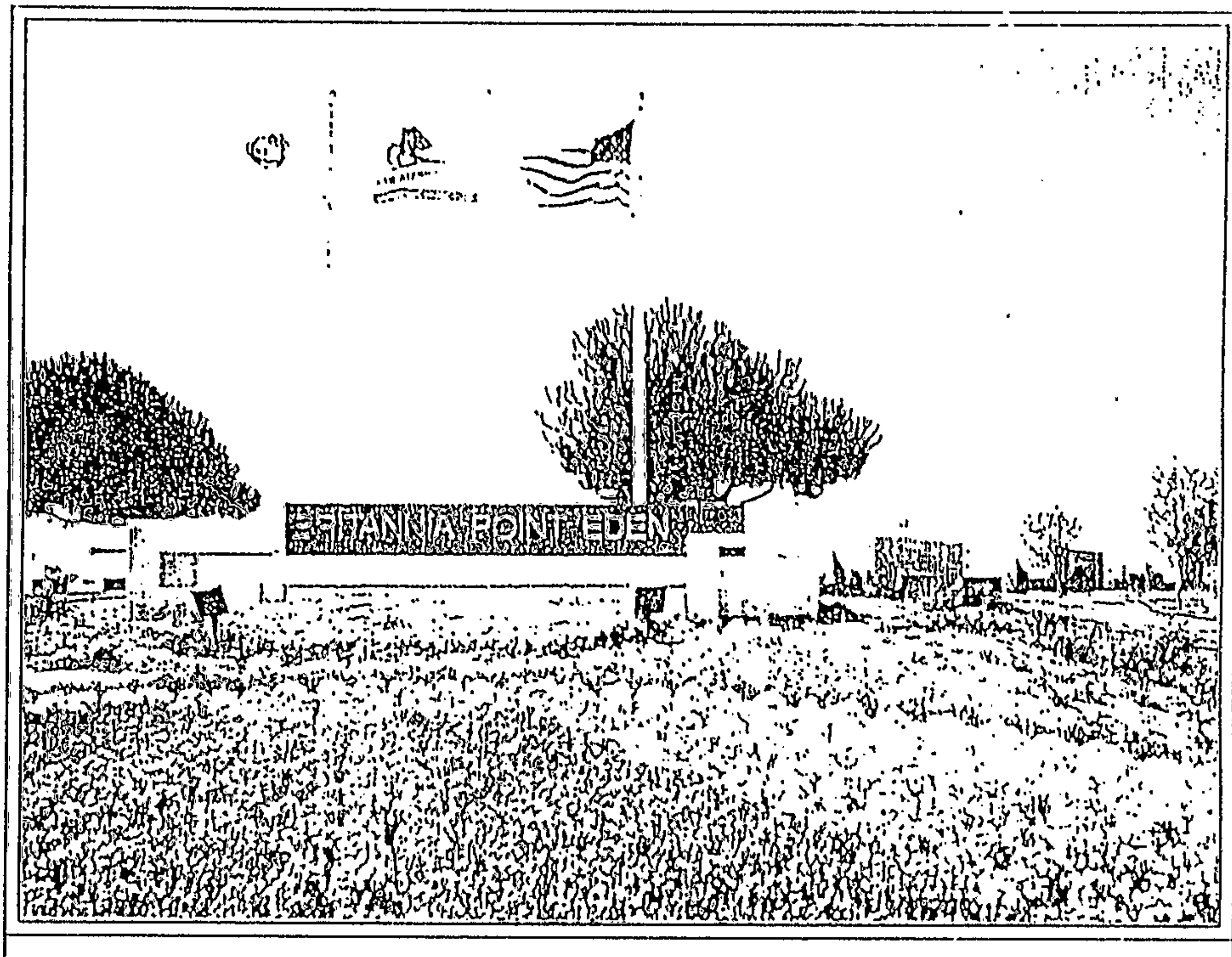
In Montreal, progress has been made in leasing the 100,000 sq.ft. office building at St. Laurent. At Kirkland the land has been serviced and it is expected that construction on the first phase of development will commence during 1992, subject to favourable market conditions. Early indications of interest in this location are encouraging.

During the year two new directors were appointed to the Canadian Board of Directors. These were Mr Latham Burns, Honorary Chairman of Burns Fry, and the Hon. Donald S Macdonald P.C. who was the former High Commissioner for Canada to the United Kingdom and now practices law in Toronto with McCarthy Tetrault.

Burnaby, Vancouver, Canada



Hayward, California, USA



USA

Market conditions continue to be difficult with a considerable over-supply of all categories of property. Institutional investment demand has been very low and even with interest rates falling, longer-term finance, whilst available, is focused on high quality projects, leased to sound covenants.

In 1991 substantial progress was made in leasing the buildings completed in recent years. In all there was a net absorption in excess of 500,000 sq.ft.

In Chicago, the Oakmont Business Park continued to attract good tenants, but progress was slower at Bradley Place and West Meadows.

In California, demand weakened in San Diego as a result of the decline in the defence industries located there. In Northern California demand was more buoyant and satisfactory leasing was achieved at both the Hacienda and Point Eden properties near San Francisco.

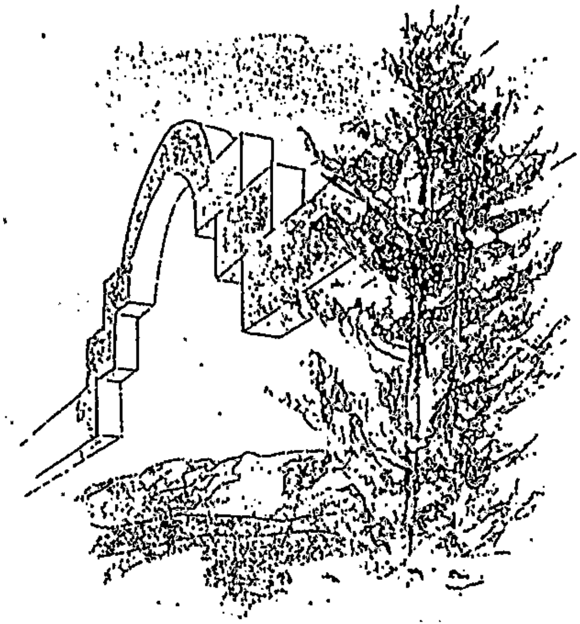
In Florida excellent leasing progress was achieved on the office projects at Commercial Place, Fort Lauderdale and at Live Oak, Sarasota where both office schemes are now more than 90 per cent leased. At Boynton Beach the shopping centre comprising 179,000 sq.ft. is more than 90 per cent leased and is trading satisfactorily.

In Naples, Florida, the Group has made a 50 per cent equity participation of $6-million in an 850 acre, 27-hole residential golf course development. The first 18 holes are now complete. The clubhouse is under construction and the marketing of the first phase of 60 building lots out of 450 lots is progressing well. The Group's partner in this venture has previously developed two very successful similar schemes in Naples.

The new shopping centre of 203,000 sq.ft. at Augusta, Georgia has been completed. 150,000 sq.ft. of the space has been leased to three major retailers and a cinema complex. The first two stores aggregating 84,000 sq.ft. are open and trading satisfactorily. Leasing of the smaller units is progressing well.

In North Virginia, the 90,000 sq.ft. first phase of development at Westfields near Dulles International Airport was completed during the year and is 60 per cent leased.

Draper & Kramer Inc. continue to be our principal development partners in these schemes and provide professional and technical management.



Capital Investment Division

United Kingdom

Bredero Properties Plc.

Bredero, in which the company has a 49.5 per cent interest, made a pre-tax loss for the year of £4.5-million (1990 profit £1.6-million). These disappointing results reflect the difficult trading conditions in the markets in which Bredero operates.

Net asset value as at 31 December 1991 amounted to 196p per ordinary share (1990 219p).

The development of Phase 1 of the 300,000 sq.ft. Centre West, Hammersmith office and retail scheme continues on schedule.

The 80,000 sq.ft. St. Martin's Walk, Dorking, retail development opened for trading in October 1991. This scheme was pre-sold to Equitable Life and letting progress has been good.

The 175,000 sq.ft. Paisley Centre is nearing completion and trading is expected to commence in May 1992. This development has attracted good demand from prominent retailers and is substantially pre-leased.

Bredero's investment portfolio comprising Bon Accord Centre, Aberdeen, and interests in the Ashley Centre, Epsom and the Hart Centre, Fleet, continues to trade well.

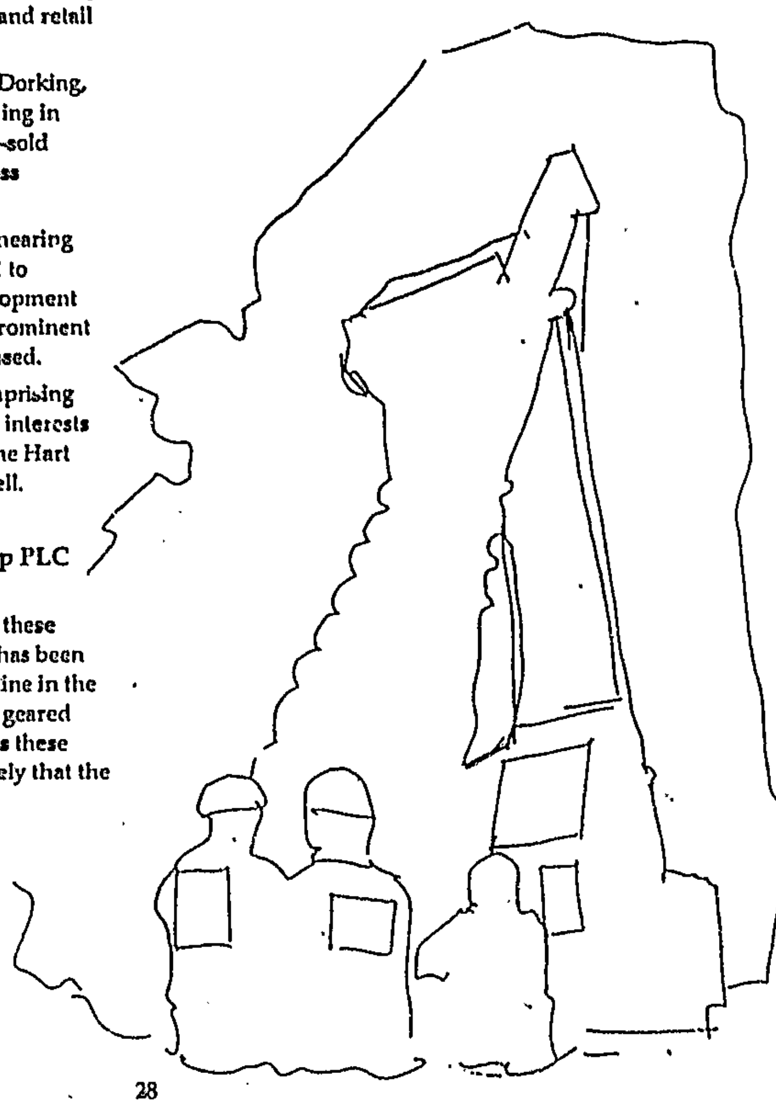
London & Paris Property Group PLC and Property Equity Fund Ltd.

The Group's investment in both of these property development companies has been written down to nil value. The decline in the UK property market has hit highly geared property trading companies such as these particularly severely and it is unlikely that the Group will recover its investment.

The Candover 1989 Fund

The £319-million Candover 1989 Fund, in which the company has committed to invest a total of £25-million, made four investments in 1991. Slough's contribution to these was £6.5-million. No disposals were made during the year from either the 1989 Fund or the previous Electra Candover Fund.

The total book value of these investments is now £14.5-million with commitments of £10.3-million outstanding.



USA

THC Holdings Corporation

The performance of the buildings acquired at Ballston and Woodmont in Washington DC failed to achieve expectations during the year, though both buildings have an occupancy of over 90 per cent which is good by market standards. As a consequence, a capital restructuring is being negotiated with the lenders and shareholders to restore viability to the business. Management of the business and properties has also been re-assigned. Although a full provision has been made for the investment in this venture, there could be some recovery in the future.

Charterhouse USA (CHUSA)

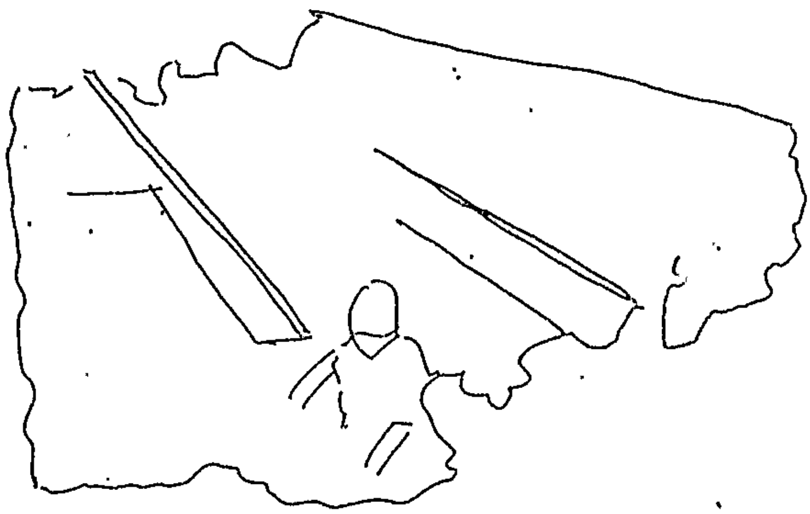
CHUSA is an experienced leveraged buy-out management business founded in 1973 and based in New York, specializing in investing in mature, high cash-flow businesses in the USA. CHUSA provides experienced financial and management support to these businesses. The Group owns 20 per cent of the equity capital of CHUSA.

The Group has £11.1-million invested in CHUSA and its related funds, including £5.1-million in Charterhouse Equity Partners (CEP), a fund to which a further £8.6-million is committed and which will be wound up as investments are realized.

The investments in CHUSA and CEP are performing satisfactorily in the light of the difficult economic conditions. In particular, the value of the investments in Fleer Corporation, Del Monte Corporation and Del Monte Foods International has been growing significantly.

Energy and Gas Investments

The Group's remaining interest in energy is in Tipperary Inc., a Denver-based oil and gas company trading profitably. The market value of this interest is comfortably in excess of its £5.9-million book value.



UK Property Portfolio

as at 31 December 1991

LOCATION	LAND AREA *Acres*	LAND FOR DEVELOPMENT *Acres*	INDUSTRIAL/ WAREHOUSING *000 sq ft*	BUSINESS/ OFFICES *000 sq ft*	RETAIL *000 sq ft*	TOTAL *000 sq ft*	UNDER CON-STRUCTION *000 sq ft*	NUMBER OF TENANTS	RENT ROLL *£'000*
Slough	486	3	7133	713	74	7920	—	418	45966
London	162	2	2986	520	122	3628	14	217	20161
South East *North of Thames*	88	39	330	26	26	382	—	40	2155
South East *South of Thames*	154	17	1573	279	17	1869	—	68	11418
South	69	17	673	74	—	747	59	78	2367
Midlands & North	100	10	1130	244	195	1569	—	132	6915
Retail	92	—	—	22	1545	1567	—	293	16963
Total	1151	88	13825	1878	1979	17682	73	1246	105945
Percentage mix by use:	—	—	78	11	11	100	—	—	—

Slough	486	3	7133	713	74	7920	—	418	45966

London									
Inner	53	1	926	222	122	1270		90	8367
Outer	109	1	2060	298	—	2358	14	127	11794
Total	162	2	2986	520	122	3628	14	217	20161

South East									
NORTH OF THAMES									
Aldenham	66	39	—	—	—	—	—	—	—
High Wycombe	15	—	227	26	—	253	—	16	1245
Welwyn Garden City	5	—	103	—	—	103	—	23	727
Waltham Forest†	2	—	—	—	26	26	—	1	183
Total	88	39	330	26	26	382	—	40	2155

South East									
SOUTH OF THAMES									
Epsom	4	—	74	—	—	74	—	3	300
Rochester	18	4	254	—	17	271	—	8	880
Bracknell	2	1	3	3	—	6	—	1	8
Old Woking	2	—	—	36	—	36	—	1	46
Winnersh	66	6	382	157	—	5[illegible]9	—	6	3868
Camberley	7	—	148	—	—	148	—	3	583
Reading	55	6	712	83	—	795	—	46	5733
Total	154	17	1573	279	17	1869	—	68	11418

† Long leasehold

LOCATION	LAND AREA *Acres*	LAND FOR DEVELOPMENT *Acres*	INDUSTRIAL/ WAREHOUSING *000 sq ft*	BUSINESS/ OFFICES *000 sq ft*	RETAIL *000 sq ft*	TOTAL *000 sq ft*	UNDER CON-STRUCTION *000 sq ft*	NUMBER OF TENANTS	RENT ROLL *£'000*
South									
Basingstoke†	10	2	57	—	—	57	59	6	312
Yate	22	—	341	—	—	341	—	30	988
Weston-super-Mare	21	3	275	—	—	275	--	41	1039
Bournemouth	16	12	—	74	—	74	—	1	28
Total	69	17	673	74	—	747	59	78	2367
Midlands & North									
Birmingham	58	7	771	35	—	806	—	58	2678
Huddersfield	19	—	165	—	97	262	—	25	860
Oldbury	5	3	—	21	—	21	—	1	246
Chester	6	—	120	—	—	120	—	5	307
Salford†	5	—	74	—	—	74	—	18	265
Walsall	6	—	—	—	82	82	—	2	368
Sheffield	1	—	—	110	16	126	—	16	1307
Glasgow	—	—	—	54	—	54	—	4	596
Leeds	—	—	—	24	—	24	—	3	288
Total	100	10	1130	244	195	1569	—	132	6915
Retail Centres									
Howard Centre, Welwyn Garden City †	4	—	—	—	232	232	—	34	1709
Pentagon Centre, Chatham†	9	—	—	—	318	318	—	68	3383
Haymarket, Newcastle	1	—	—	12	19	31	—	20	430
Lewisham Centre, Lewisham (50%)	12	—	-	10	275	285	—	81	4626
Surrey Quays, Rotherhithe (50%)	22	—	—	—	255	255	—	27	2841
Clifton Moor, York (50%)	21	—	—	—	227	227	—	8	1548
Beaumont Leys, Leicester (50%)	23	—	—	--	219	219	—	55	2447
Total	92	—	—	22	1545	1567	—	293	16963

† Long leasehold. Percentages refer to ownership interest.

Overseas Investment and Development Portfolio

as at 31 December 1991

LOCATION	LAND AREA Acres	LAND FOR DEVELOPMENT Acres	INDUSTRIAL/ WAREHOUSING 000 sq ft	BUSINESS/ OFFICES 000 sq ft	RETAIL 000 sq ft	TOTAL 000 sq ft	UNDER CON-STRUCTION 000 sq ft	NUMBER OF TENANTS
Australia	163	51	2897	237	18	3152	—	171
Belgium	83	42	358	333	47	738	42	87
France	21	—	399	214	—	613	—	7
Germany	6	—	—	—	—	—	206	—
Canada	510	176	4674	634	—	5308	145	460
U.S.A.	345	88	1652	2055	670	4377	—	258
Total	1128	357	9980	3473	735	14188	393	983
Percentage mix by use	—	—	70	25	5	100	—	—

LOCATION	LAND AREA Acres	LAND FOR DEVELOPMENT Acres	INDUSTRIAL/ WAREHOUSING 000 sq ft	BUSINESS/ OFFICES 000 sq ft	RETAIL 000 sq ft	TOTAL 000 sq ft	UNDER CON-STRUCTION 000 sq ft	NUMBER OF TENANTS
Australia								
Melbourne								
Notting Hill	45	22	480	36	—	516	—	60
Scoresby †	36	29	153	—	—	153	—	6
King St.	—	—	—	67	5	72	—	1
Lonsdale St.	—	—	—	64	9	73	—	4
Sydney								
Alexandria 1	15	—	467	—	—	467	—	21
Alexandria 2 (70%)	4	—	159	—	—	159	—	5
Silverwater	24	—	763	—	1	764	—	26
Silverwater Triangle	5	—	109	—	—	109	—	14
Smithfield	14	—	343	—	3	346	—	15
Regents Park	4	—	97	—	—	97	—	6
North Ryde (70%)	2	—	13	70	—	83	—	1
Seven Hills (70%)	4	—	30	—	—	30	—	1
Northmead (70%)	10	—	283	—	—	283	—	11
Total	163	51	2897	237	18	3152	—	171
Belgium								
Brussels								
Woluwe St Stevens	10	—	141	73	—	214	—	23
E5	4	—	48	—	32	80	—	6
Horizon	13	8	—	73	—	73	—	3
Nossegem	8	—	—	138	—	138	—	21
Kortenberg	33	33	—	—	—	—	—	—
Relegem	8	—	157	—	—	157	—	20
Diegem	4	—	12	49	—	61	42	5
Others	3	1	—	—	15	15	—	9
Total	83	42	358	333	47	738	42	87
France								
Paris								
Colombes	8	—	192	—	—	192	—	4
Bures Orsay	9	—	207	—	—	207	—	1
St. Ouen (60%)	3	—	—	147	—	147	—	1
Nanterre (66%)	1	—	—	67	—	67	—	1
Total	21	—	399	214	—	613	—	7
Germany								
Cologne Schildergasse	—	—	—	—	—	—	94	—
Krefeld-Oppum	5	—	—	—	—	—	112	—
Hannover	1	—	—	—	—	—	—	—
Total	6	—	—	—	—	—	206	—

† Long leasehold. Percentages refer to ownership interest.

LOCATION	LAND AREA *Acres*	LAND FOR DEVELOPMENT *Acres*	INDUSTRIAL/ WAREHOUSING *000 sq ft*	BUSINESS/ OFFICES *000 sq ft*	RETAIL *000 sq ft*	TOTAL *000 sq ft*	UNDER CON-STRUCTION *000 sq ft*	NUMBER OF TENANTS
Canada								
Toronto								
Malton	123	—	1612	28	—	1640	—	143
Markham	37	—	416	290	—	706	—	80
Rexdale †	34	5	516	—	—	516	—	13
Queensway	21	—	333	—	—	333	—	30
American Drive	35	5	441	56	—	497	—	71
Matheson	8	—	145	—	—	145	—	9
Morningside	4	—	65	—	—	65	—	2
Bentley	20	—	353	—	—	353	—	29
Brampton	21	13	150	—	—	150	—	6
Goreway	50	30	248	—	—	248	—	10
Mississauga	40	35	109	—	—	109	—	5
Oakville	49	49	—	—	—	—	—	—
Montreal								
Saint Laurent	22	—	286	133	—	419	—	50
Kirkland	23	23	—		—	—	—	—
Vancouver								
Burnaby	23	16	—	127	—	127	145	12
Total	510	176	4674	634	—	5308	145	460
U.S.A.								
ILLINOIS								
Chicago:								
Elk Grove (80%)	68	—	976	33	—	1009	—	70
Schaumberg (80%)	7	—	109	—	—	109	—	5
Rolling Meadows	10	—	—	134	—	134	—	11
33 West Monroe (25%)	1	—	—	844	—	844	—	9
Bradley Place (80%)	9	—	152	—	—	152	—	3
West Meadows (80%)	19	7	154	—	—	154	—	7
Oakmont (80%)	23	12	112	118	—	230	—	14
Peoria:								
Washington/Cherrytree (25%)	18	—	—	—	181	181	—	19
Pekin Courtside (40%)	10	—	—	—	79	79	—	16
CALIFORNIA								
San Diego:								
Viewridge (32%)	6	—	—	124	—	124	—	1
Ruffpeake (40%)	2	—	—	46	—	46	—	—
Nancy Ridge (40%)	2	—	35	—	—	35	—	2
Mercury Village (40%)	2	—	—	—	28	28	—	11
Balboa Avenue (40%)	3	—	—	70	—	70	—	1
San Francisco:								
Hacienda, Pleasanton (64%)	9	—	114	—	—	114	—	6
Cabot Blvd, Hayward (64%)	23	23	—	—	—		—	—
Point Eden, Hayward (64%)	29	9	—	270	—	270	—	22
FLORIDA								
Commercial Place, Ft Lauderdale (80%)	11	5	—	90	—	90	—	11
800 Fairway Drive, Ft Lauderdale (80%)	9	—	—	173	—	173	—	9
Live Oak, Sarasota (80%)	10	5	—	63	—	63	—	11
Boynton Beach (80%)	19	—	—	—	179	179	—	24
GEORGIA								
Augusta (40%)	33	11	—	—	203	203	—	4
NORTH VIRGINIA								
Westfields (68%)	22	16	—	90	—	90	—	2
Total	345	88	1,652	2,055	670	4,377	—	258

† Long leasehold. Percentages refer to ownership interest.

Report and Accounts 1991

SLOUGH
ESTATES

Directors' Report

The directors submit their annual report together with the audited accounts for the year ended 31 December 1991 which were approved by the board on 25 March 1992.

Business of the Group

The principal activities of the Group continued throughout 1991 to be industrial and commercial property development, construction and investment, the supply of utility services and the provision of services associated with such activities.

A review of the development of the business of the company and its subsidiary undertakings during the year, their position at the end of it and likely future developments in their business are set out in the Chairman's Statement on pages 6 to 14 and the Review of the Year on pages 19 to 29.

Results

The results for the year are set out in the Group profit and loss account on page 42. The Group's pre-tax profits were £31.6-million (1990 £22.6-million) after providing for exceptional items amounting to £36.7-million (1990 £63.8-million). After allowing for preference dividends paid and accrued since their date of issue of £6.7-million, earnings attributable to ordinary shareholders were £22.6-million (1990 £22.8-million). Basic earnings per share amounted to 8.0p (1990 8.1p).

Diluted net assets per ordinary share decreased by 44p per share to 331p per share mainly as a result of deficits on the revaluation of assets.

Ordinary Dividend

An interim dividend of 4.4p per share was paid on 7 October 1991.

Your board recommends the payment of a final dividend in respect of the year ended 31 December 1991 of 7.15p per share payable on 26 May 1992, making a total dividend of 11.55p per share (1990 11.35p per share).

The record date for the dividend will be 1 May 1992.

The ordinary dividends paid and proposed in respect of 1991 will absorb £32.7-million, leaving £10.1-million to be charged against reserves.

Property Valuations

The Group's investment property portfolio was valued externally as at 31 December 1991.

The net deficit of £92.5-million in the value of the group's investment properties arising from the valuation has been charged to capital reserve in so far as it is attributable to members of the holding company. Allowing for capital expenditure, property disposals, transfers from trading properties and differences on exchange, the net effect is that the book value of the Group's investment land and buildings has risen to £1,656-million.

Further details concerning the valuation are set out under the heading "Property valuation" on page 40 and note number 10 to the accounts.

The assets of the Utilities Division were excluded from the valuation.

Trading properties held for resale and buildings under construction have been valued by the directors and, where appropriate, reflect the necessary adjustment to net realisable value.

Directors

The present directors are named on page 2.

In accordance with the Articles of Association, Mr R W Carey, Mr C R E Brooke and Mr P D Orchard-Lisle retire from the board by rotation and, being eligible, offer themselves for re-election.

Mr D E F Simons and Mr H L Thomson were appointed directors on 26 June 1991 and Sir Gordon Jewkes was appointed on 25 March 1992 and in accordance with the Articles of Association they retire at the annual general meeting and are eligible for re-election.

Mr R W Carey, Mr D E F Simons and Mr H L Thomson all have service contracts with the company which may be terminated by the company giving not less than three years' notice in writing.

Mr C R E Brooke, Mr P D Orchard-Lisle and Sir Gordon Jewkes do not have service contracts with the company or any of its subsidiaries.

Mr G A Elliot resigned as a Director on 25 March 1992.

Directors' Powers to Allot Shares

A special resolution will be proposed at the annual general meeting to renew, until the conclusion of the 1993 annual general meeting, the authority of the directors to issue or grant rights over "equity securities" (within the meaning of Section 94 of the Companies Act 1985) issued for a wholly cash consideration.

At an extraordinary general meeting of the company held on 14 May 1991 a resolution was passed which empowered the directors, until the conclusion of the 1992 annual general meeting, to issue equity securities for cash (a) in connection with a rights issue and (b) otherwise, but limited to £3,538,312 in nominal amount of ordinary share capital.

The special resolution set out in the notice of meeting will (if passed) renew, until the conclusion of the 1993 annual general meeting of the company, the powers of the directors to issue ordinary shares wholly for cash,

(a) in connection with a rights issue in respect of approximately £23,345,000 in nominal amount of ordinary share capital (being the unissued and uncommitted authorised share capital) and

(b) otherwise, up to an aggregate nominal amount of £3,540,000.

The directors believe that it is prudent for them to continue to have this latter power so that there is readily available for issue for cash an appropriate, although relatively small, pool of authorised but uncommitted ordinary shares to take advantage of any suitable opportunities which may arise to extend the Group's activities, either to acquire further assets, or to raise additional funds.

The figure of £3,540,000 represents approximately 5 per cent of the issued ordinary share capital as at 31 December 1991 and the proposed authority conforms to guidelines issued by the institutions' Investment Committees.

Company's Authority to Purchase its own Shares

At 31 December 1991 the company had authority to make market purchases of up to 13,847,000 ordinary shares at a minimum price of 25p and a maximum price of 105 per cent of the average of the middle market quotations for such shares as derived from the London Stock Exchange Daily Official List for the ten business days preceding any such purchase. No such purchases have been made.

Your directors believe that it would be desirable for this authority to be renewed, as is required under the provisions of the Companies Act 1985 if it is not to lapse. Accordingly, under the relevant special resolution set out in the notice of meeting, it is proposed that shareholders renew, until the company's 1993 annual general meeting, the limited authority given last year for the company to purchase its own shares. The Board has no immediate plans to exercise the power of the company to purchase its own ordinary shares and will only do so when it is satisfied that it is in the interest of shareholders to do so. Any such shares purchased would be cancelled immediately.

Directors' and Officers' Liability Insurance

The company maintains directors' and officers' liability insurance.

Company Status

The company is not a close company under the provisions of the Income and Corporation Taxes Act 1988.

Disabled Employees

The Group accepts its obligation to employ disabled people and, to the extent that the demands of the Group's business and the aptitude and ability of each individual concerned allow, it endeavours to give the disabled equal consideration with others in providing them with opportunities for training, promotion and career development. This policy applies to filling vacancies and in the continuing employment of existing employees who may become disabled.

Employee Involvement

The Group places considerable value upon the involvement of its employees, at all levels, in its affairs and has continued its practice of keeping them regularly and systematically informed on matters of concern affecting them as employees and on the financial and economic factors affecting the Group's performance. Consultations with them or their representatives take place on a regular basis so that their view can be taken into account when decisions are made which are likely to affect their interests. This is achieved by regular meetings between management and employees at all levels.

In addition, most UK employees may participate in various share option schemes whereby they have the opportunity to benefit from the performance and progress of the Group.

Charitable, Political and other Donations

The amounts given by the company were as follows:

	£
Charitable	222,200
Conservative Party Funds	27,500
Aims of Industry	12,650
Centre for Policy Studies	3,000

Auditor

Coopers & Lybrand Deloitte, have indicated their willingness to continue in office and, in accordance with the provisions of the Companies Act 1985, resolutions concerning their reappointment and remuneration will be placed before the annual general meeting.

Shareholdings

Save as mentioned below, under Directors' interests, no director had any holding or interest in any of the company's shares, debenture or unsecured loan stocks, unsecured bonds or convertible bonds and none of the directors had any beneficial interest in the share or loan capital of any subsidiary company.

Save as mentioned in note 4 to the accounts, no director had a material interest in any contract, transaction or arrangement with the company or any of its subsidiaries at, or during the year ended, 31 December 1991 in respect of which particulars are required to be stated in the accounts under the provisions of Schedule 6 to the Companies Act 1985.

Substantial Shareholding

At 25 March 1992 the following had notified the company of an interest of 3 per cent or more in the ordinary share capital of the company:

Mr R W Diggens 15,419,352 ordinary shares of 25p each, representing 5.44 per cent.

Schroder Investment Management Limited, on a discretionary basis, portfolios holding in aggregate 10,916,258 ordinary shares of 25p each, representing 3.85 per cent

Morgan Stanley Asset Management and its subsidiaries on a discretionary basis, portfolios holding in aggregate 8,653,500 ordinary shares of 25p each, representing 3.05 per cent.

Phillips & Drew Fund Management Limited, on a discretionary basis, portfolios holding in aggregate 8,661,290 ordinary shares of 25p each, representing 3.06 per cent.

In addition, the company has received the following notifications in respect of 21,916,599 ordinary shares of 25p each representing 7.74 per cent from individuals who hold the shares registered jointly in their names with one or more of the others, as non-beneficial interests;

Mr C Heather — 17,630,167 ordinary shares

Mr W J Mackenzie — 20,240,230 ordinary shares

Mrs S E Turner — 10,230,167 ordinary shares

Mr M D Willcox — 11,487,432 ordinary shares

Directors' Interests

The directors of the company who were in office at 31 December 1991 are listed below. The beneficial interests of these directors and their families in the share and loan capital of the company, as shown by the register maintained by the company under the provisions of Section 325 of the Companies Act 1985, are as follows:

	Own holdings		Other interests		Under option	
	Number of Ordinary Shares					
	31.12.91	1.1.91	31.12.91	1.1.91	31.12.91	1.1.91
Sir Nigel Mobbs	2139[illegible]	[illegible]11505	13520	13520	340004	273822
G A Elliot (resigned 25.3.92)	915[illegible]	10748	2500	2500	193688	158092
C R E Brooke	3250	3250	—	—	—	—
R W Carey	11702	9340	—	—	180547	151693
D Kramer	6250	6250	—	—	—	—
Sir Donald Maitland	1000	1000	—	—	—	—
P D Orchard-Lisle	12600	12600	—	—	—	—
D E F Simons	37642	*37642	—	—	87940	*60440
H L Thomson	10771	*10771	—	—	80543	*55543
D R Wilson	7458	4733	—	—	106216	119858

The directors beneficially own 0.12 per cent of the issued ordinary shares.

	6 per cent convertible bonds 2003	
C R E Brooke	£666	£666
H L Thomson	£79	*£79
Sir Donald Maitland	£533	£533
P D Orchard-Lisle	£3331	£3331
D R Wilson	£533	£533

*as at date of appoint[illegible]ent, 26 June 1991

	8.25p convertible redeemable preference shares			
Sir Nigel Mobbs	35752	—	6760	—
R W Carey	4170	—	—	—
Sir Donald Maitland	500	—	—	—
P D Orchard-Lisle	6300	—	—	—
D E F Simons	37380	—	—	—

As at 25 March 1992 there have been no changes in the interests of directors from those shown above.

During the year, options to subscribe for ordinary shares were granted under the Executive Share Option Scheme, at a subscription price of 253.651p per share, as to 63,184 shares to Sir Nigel Mobbs, 33,867 shares to Mr G A Elliot (resigned 25.3.92), 27,194 shares to Mr R W Carey, 48,121 shares to Mr D R Wilson, 8,593 shares to Mr D E F Simons, and 10,109 shares to Mr H L Thomson; and at a subscription price of 272.50p per share as to 27,500 shares to Mr D E F Simons and 25,000 shares to Mr H L Thomson.

On 5 September 1991, Mr D R Wilson exercised an option over 63,075 ordinary shares under the Executive Share Option Scheme. Mr Wilson sold 62,392 shares and retained 683 shares.

No options were granted to or subsisted or were exercised by any director in respect of any shares in any of the company's subsidiary companies.

The following are the non-beneficial interests of the directors who were in office during the year, including the non-beneficial interests of members of their families.

	Number of ordinary shares		6 per cent convertible bonds 2003		8.25p convertible redeemable preference shares	
	31.12.91	1.1.91	31.12.91	1.1.91	31.12.91	1.1.91
Sir Nigel Mobbs	52968	52968	£28233	£28233	26484	—
Sir Nigel Mobbs, G A Elliot, C R E Brooke and D R Wilson (as trustees of the profit sharing scheme):	330399	321758	£3360	£7503	37023	—

As at 25 March 1992 there had been the following changes in the non-beneficial interests of directors from those at 31 December 1991 shown above. O[illegible] 27 January 1992 the trustees of the Slough Estates plc profit sharing scheme sold 2265 ordina[illegible]y shares and eleven 6 per cent convertible bonds 2003 on behalf of the executors of a deceased employee.

On 25 March 1992 Sir Gordon Jewkes was appointed a director of the company and at this date he did not hold any interest in the share and loan sto[illegible]k of the company.

By order of the Board

J R Probert
Secretary
25 March 1992

J R Probert

Shareholders' information

Financial calendar 1992

March

Payment of dividend on 8.25p convertible redeemable preference shares.

Announcement of results for the year ended 31 December last and recommended final dividend.

April

Annual report posted to shareholders.

May

Annual general meeting.
Payment of approved final dividend.
Payments: 10 per cent bonds 2007 interest.
6 per cent convertible bonds 2003 interest.

June

Payments: 12¾ per cent unsecured loan stock 2009 interest.
11¼ per cent first mortgage debenture stock 2019 interest.

August

Announcement of half year results.

September

Payment of dividend on 8.25p convertible redeemable preference shares.

Post interim report to shareholders.

Mid October

Payment of interim dividend.

December

Payments: 12¾ per cent unsecured loan stock 2009 interest.
11¼ per cent first mortgage debenture stock 2019 interest.

Analysis of Ordinary Shareholders as at 31 December 1991

	Number of Holdings	Amount of Holdings	%
Banks	344	1,042,480	0.37
Other Corporate Holders	779	31,989,786	11.29
Insurance Companies	210	29,363,009	10.37
Investment Trusts	47	504,374	0.18
Pension Funds	45	14,088,751	4.97
Nominee Companies	2,415	124,963,801	44.11
Individuals	12,837	81,320,839	28.71
	16,677	283,273,040	100.00

Individuals' Shareholdings	Number of Holdings	Amount of Holdings	%
1 —100	185	10,231	0.01
101 —500	1,409	478,134	0.59
501 —1,000	2,292	1,861,711	2.29
1,001 —5,000	7,211	17,298,178	21.27
5,001 —10,000	1,133	7,898,382	9.71
10,001 —25,000	465	6,929,277	8.52
25,001 —50,000	91	3,031,783	3.73
50,001 and above	51	43,813,143	53.88
	12,837	81,320,839	100.00

Taxation

The values at the following dates for the purposes of UK capital gains tax were:

	6 April 1965	31 March 1982
Ordinary shares of 25p each (adjusted for capitalisation issues in 1967, 1972, 1979 and 1982)	12.30p	108p

Stock Market Prices

Financial Year	1991	1990	1989	1988	1987
Highest	282p	337p	395p	335p	312p
Lowest	213p	210p	291p	234p	181p
31 December	229p	238p	334p	298p	256p

Auditor's report

Coopers
&Lybrand
Deloitte

To the members of Slough Estates plc.

We have audited the financial statements on pages 40 to 57 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 1991 and of the profit, the movement on capital account and the cashflows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand Deloitte

Coopers & Lybrand Deloitte
Chartered Accountants and Registered Auditor
London

25 March 1992

Accounting policies

Basis of accounting
These financial statements have been prepared in accordance with applicable Accounting Standards and on the basis of historical costs but incorporating property valuations.

The value of investments in subsidiaries and associates has been adjusted to reflect the underlying net asset values.

The company has taken advantage of the exemption provided by Section 230 of the Companies Act 1985 from presenting its own profit and loss account.

Consolidation
The consolidated financial statements comprise the results of the company and all its subsidiaries, made up to 31 December, together with the group's share of net profits and reserves of associates.

Foreign currencies
Assets and liabilities expressed in foreign currency and profits and losses of overseas subsidiaries are translated into sterling at year end exchange rates. Exchange differences arising on revenue items are reflected in the profit and loss account, together with any translation differences arising on currency borrowings which are not covered by translation differences arising on investments in currency assets. All other translation differences are reflected in reserves.

Property valuation
Completed investment properties and land held for or under development were valued as at 31 December by Richard Ellis and Hillier Parker in the United Kingdom, in Australia by Richard Ellis (Victoria) Pty Limited and Jones Lang Wootton, in the USA by Richard Ellis Inc, in Canada by Stewart Young & Mason Limited, in Belgium by King & Co. s.a., in France by Bourdais Expertises and in Germany by Weatherall Green & Smith GmbH.

These valuations have been prepared on the basis of open market value in accordance with the relevant guidance notes on the valuation of property assets applicable to each country. Each property has been valued individually and not as part of a portfolio. No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges, and no allowance has been made for any expenses of realisation, nor for any taxation which might arise in the event of a disposal. The figures also do not reflect any element of special purchaser value following a merger of interests or sale to an owner or occupier of an adjoining property.

The valuations have been prepared on the basis of information provided to the respective valuers by the group relating to title, tenure, lettings, site and floor areas, planning consents and other relevant information. Valuers were instructed to assume that no deleterious materials or techniques had been used in the construction of any of the buildings and not to carry out structural surveys.

The surpluses and deficiencies arising attributable to the group are reflected in unrealised capital reserves. To the extent that projects have not been included in the valuation review, they are included at cost or at the directors' assessment of open market value. Buildings under construction are valued at cost.

Depreciation
(a) Properties: No depreciation is provided in respect of freehold investment properties or leasehold investment properties with over 20 years to run. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

(b) Plant and equipment: No depreciation is charged where plant and equipment is provided in the group's premises for the use of its tenants, as it is covered by the full repairing covenant embodied in the respective leases. Other plant and equipment operated by the group in the normal course of business is depreciated on a straight line basis over its estimated useful life: mainly 10-25 years.

Capitalisation of interest

Interest costs incurred in funding land for or under development and construction work in progress are capitalised during the period of development. A property is regarded as being in the course of development until substantially let or the expiration of a period varying from 6 months to 2 years from the issue of the Architect's certificate of practical completion, whichever is the earlier. Interest costs incurred in funding major construction programmes for the Utilities Division are capitalised during the period of construction.

Trading properties

Properties are held at the lower of cost and net realisable value, le[illegible]rogress payments receivable. Cost incl[illegible] [illegible] expenditure and interest, less any relevant income.

Stocks

Stocks are valued at cost, on a first in, first out basis, or market value, whichever is the lower.

Interest on the 6% convertible bonds 2003

Full provision is made for accrued interest which would become payable in the event of the bonds being re[illegible]med.

Investments

Investments held as current assets are stated at the lower of cost and directors' assessment of current market value.

Taxation

Deferred taxation is provided by the liability method on short term timing differences only to the extent that a liability to pay tax is foreseen. Deferred taxation assets are only carried forward to the extent that they are expected to be recovered without replacement by equivalent debit balances. No deferred taxation is provided on capital allowances attributable to assets which are not subject to depreciation. No provision is made for any contingent liability in respect of capital gains tax or other taxation which would arise in the event of sales of investment properties being effected at the valuation at which they are carried in the balance sheet.

Goodwill

Goodwill arising on acquisitions is written off to capital account.

Group profit and loss account

For the year ended 31 December 1991

	Note	1991 £m	1990 £m
Operating income:			
Property investment		105.0	102.5
Property trading		—	11.4
Other trading		4.2	3.6
	1	109.2	117.5
Other income	2	0.5	1.6
Administration expenses	3	(11.0)	(10.1)
Profit before interest, exceptional items and taxation		98.7	109.0
Interest (net)	5	(27.4)	(24.5)
Share of associates' (loss)/profit		(3.0)	1.9
Profit on ordinary activities before exceptional items and taxation		68.3	86.4
Exceptional items	6	(36.7)	(63.8)
Profit on ordinary activities before taxation		31.6	22.6
Taxation	7	(4.0)	(1.9)
Profit on ordinary activities after taxation		27.6	20.7
Minority interests		1.7	2.1
Preference dividends	8	(6.7)	—
Profit attributable to ordinary shareholders		22.6	22.8
Ordinary dividends	8	(32.7)	(32.1)
Deficit	16	(10.1)	(9.3)
Earnings per ordinary share — basic	9	8.0p	8.1p

The notes on pages 40 and 41 and 46 to 57 inclusive form part of these accounts.

Group capital account

Movement for the year ended 31 December 1991

	Note	1991 £m	1990 £m
Realised			
Surplus over book value on sale of properties		0.6	4.2
Deficit over book value on sale of investments		—	(1.7)
Prior year revaluation surpluses realised		26.9	13.9
Profit on disposals		27.5	16.4
Exchange fluctuations		0.5	1.9
Goodwill on acquisition of investment		—	(11.9)
Other items		(1.0)	(0.7)
		27.0	5.7
Taxation		0.2	(4.3)
Minority interests		0.3	—
Realised capital surplus for the year		27.5	1.4
Unrealised			
Deficit on revaluation of properties	10	(92.5)	(248.5)
Deficit on revaluation of investments	12	(8.9)	(5.8)
		(101.4)	(254.3)
Prior year revaluation surpluses realised		(26.9)	(13.9)
Exchange fluctuations		(6.2)	(24.0)
Other items		—	(0.3)
		(134.5)	(292.5)
Minority interests		2.6	5.4
Unrealised capital deficit for the year		(131.9)	(287.1)
Capital deficit for the year attributable to shareholders	16	(104.4)	(285.7)
Capital deficit for the year per ordinary share — basic	9	(36.9p)	(101.0p)
Capital deficit for the year per ordinary share — fully diluted	9	(28.8p)	(86.2p)

The notes on pages 40 and 41 and 46 to 57 inclusive form part of these accounts.

Balance sheets

as at 31 December 1991

	Note	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Fixed assets					
Tangible assets — properties	10	1,655.7	1,626.6	—	—
— other	11	71.5	53.6	—	—
Investments	12	89.9	107.3	1,784.4	1,851.7
		1,817.1	1,787.5	1,784.4	1,851.7
Current assets					
Stocks	13	125.5	212.7	—	—
Debtors	13	46.1	43.3	8.0	7.5
Trading investments	13	14.3	9.1	—	—
Cash and deposits	13	28.0	10.4	—	—
		213.9	275.5	8.0	7.5
Prepayments and accrued income	14	12.7	10.9	5.9	5.2
Total assets		2,043.7	2,073.9	1,798.3	1,864.4
Capital and reserves					
Called up share capital	15	106.2	70.8	106.2	70.8
Share premium account	16	184.0	81.2	184.0	81.2
Capital reserves	16	664.8	770.5	763.9	885.2
Profit and loss account	16	148.0	156.8	48.9	42.1
Shareholders' equity		1,103.0	1,079.3	1,103.0	1,079.3
Minority interests		4.5	9.1	—	—
Provisions for liabilities and charges	18	36.9	17.6	25.5	15.0
Creditors falling due within one year					
Borrowings	19	36.9	94.7	—	—
Other	20	128.2	124.3	50.2	36.9
Creditors falling due after more than one year					
Borrowings	19	729.8	740.4	453.8	476.8
Other	20	4.4	8.5	165.8	256.4
		2,043.7	2,073.9	1,798.3	1,864.4
Net assets per share — basic	9	339p	381p		
Net assets per share — fully diluted	9	331p	375p		

Sir Nigel Mobbs
D R Wilson
Directors

The notes on pages 40 and 41 and 46 to 57 inclusive form part of these accounts.

Group cash flow statement

For the year ended 31 December 1991

	Note	£m	1991 £m	£m	1990 £m
Net cash inflow from operating activities	21(1)		70.6		20.1
Returns on investments and servicing of finance					
Interest and dividends received		8.5		13.5	
Dividends received from associated undertakings		0.8		0.5	
Interest paid		(75.8)		(89.7)	
Dividends paid		(35.5)		(30.6)	
Dividends paid to minority shareholders		(0.2)		—	
Net cash outflow from returns on investments and servicing of finance			(102.2)		(106.3)
Taxation					
Corporation tax paid			(5.4)		(19.5)
Investing activities					
Purchase and development of investment property		(38.7)		(75.4)	
Purchase of utilities plant and equipment		(15.3)		(20.2)	
Purchase of other investments		(18.7)		(9.4)	
Purchase of subsidiary undertaking (net of cash acquired)		—		0.1	
Sales of investment property		55.0		32.8	
Sales of plant and equipment		0.2		0.4	
Sales of other investments		7.9		22.7	
Sales of shares in subsidiary undertaking (net of cash transferred as part of sale)		—		(4.8)	
Net cash outflow from investing activities			(9.6)		(53.8)
Net cash outflow before financing			(46.6)		(159.5)
Financing					
Issue of ordinary share capital		0.5		0.4	
Issue of convertible preference shares		141.5		—	
Net change in borrowings	21(2)	(87.4)		105.3	
Repayment of loans by associates and others		16.9		2.0	
Expenses paid in connection with share and loan issues		(3.8)		—	
Net cash inflow from financing			67.7		107.7
Increase/(Decrease) in cash and cash equivalents	21(3)		21.1		(51.8)

The notes on pages 40 and 41 and 46 to 57 inclusive form part of these accounts.

Notes to the accounts

1 Segmental information and operating income

	Turnover 1991 £m	Turnover 1990 £m	Operating income 1991 £m	Operating income 1990 £m	Profit before tax 1991 £m	Profit before tax 1990 £m	Net assets 1991 £m	Net assets 1990 £m
Business segments:								
Property investment	128.5	117.8	105.0	102.5	102.0	102.2	1,680.9	1,637.8
Property trading	7.1	58.9	—	11.4	(37.1)	(52.6)	130.0	241.9
Utilities	21.7	18.7	4.2	3.6	4.2	3.6	67.3	50.6
Other activities	—	—	—	—	0.9	4.0	31.7	30.9
Net interest/net borrowings	—	—	—	—	(27.4)	(24.5)	(738.6)	(824.7)
Common costs/common net assets	—	—	—	—	(11.0)	(10.1)	(68.3)	(57.2)
	157.3	195.4	109.2	117.5	31.6	22.6	1,103.0	1,079.3
Geographical segments:								
United Kingdom	120.2	138.5	87.5	89.1	68.5	52.1	1,323.8	1,369.2
Canada	11.3	10.4	7.8	7.6	6.3	6.2	194.8	190.0
USA	8.1	6.2	2.5	1.8	(14.7)	(14.5)	146.5	151.5
Europe	11.1	35.1	7.2	14.8	6.0	14.2	113.3	106.1
Australia	6.6	5.2	4.2	4.2	(7.1)	(10.9)	83.4	107.4
Net interest/net borrowings	—	—	—	—	(27.4)	(24.5)	(738.6)	(824.7)
Common net assets	—	—	—	—	—	—	(20.2)	(20.2)
	157.3	195.4	109.2	117.5	31.6	22.6	1,103.0	1,079.3

Turnover comprises: rent and recharges charged to tenants; the net realised value of trading properties and the value of work, including attributable profit, carried out during the year on presold trading property developments; and the amounts invoiced to utilities customers.

Operating income comprises:

		1991 £m	1990 £m
a) Property investment:	Rents and recharges		
	— UK	96.0	91.8
	— Canada	11.3	10.4
	— USA	8.1	4.1
	— Europe	7.1	6.3
	— Australia	6.0	5.2
		128.5	117.8
	Ground rents payable	(0.8)	(0.6)
	Other property outgoings	(22.7)	(14.7)
		105.0	102.5
b) Property trading:	Sales	7.1	58.9
	Cost of sales	(7.1)	(47.5)
		—	11.4
c) Other trading:	Sales	21.7	18.7
	Cost of sales	(16.1)	(13.7)
	Depreciation	(1.4)	(1.4)
		4.2	3.6

2 Other income

	1991 £m	1990 £m
Net (loss)/profit on trading investments	(0.6)	0.1
Dividends received from listed investments	0.1	0.2
Other	1.0	1.3
	0.5	1.6

3 Administration expenses

	1991 £m	1990 £m
Directors' remuneration (see note 4)	1.2	1.1
Depreciation of tangible fixed assets	1.3	1.2
Auditor's remuneration	0.4	0.5
Other administration costs	8.1	7.3
	11.0	10.1

3 Administration expenses continued

	Property management £m	Utilities £m	Total 1991 £m	Total 1990 £m
Employees' staff costs were:				
Wages and salaries	7.3	3.1	10.4	12.7
Social security costs	0.6	0.2	0.8	1.0
Pension contributions	1.0	0.4	1.4	1.6
	8.9	3.7	12.6	15.3

The average number of employees of the group was 397 (1990 570) of which 297 (1990 479) were engaged in property development, management and general administration and 100 (1990 91) were engaged in utilities. The average number of employees in the UK amounted to 305 (1990 485).

The group operates a number of pension schemes throughout the world. Total pension costs for the group were £1.4 million (1990 £1.6 million) of which £0.1 million (1990 £0.1 million) related to overseas schemes. Pension costs relating to overseas schemes have been determined in accordance with local best practice.

The UK scheme is of the defined benefit type. Contributions to the scheme, which are assessed in accordance with the advice of a qualified actuary on the basis of triennial valuations using the attained age method of valuation, are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group. The latest actuarial valuation as at 1 April 1989 assumed investment returns 0.5% per annum higher than the rate of annual salary increase and 5% per annum higher than the rate of increase of present and future pensions.

At the date of the latest valuation, the market value of the assets of the UK scheme was £11.4 million and the actuarial value of those assets represented 104% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

Supplementary ex-gratia pensions of approximately £0.2 million (1990 £0.1 million) were paid out of profits.

4 Directors' remuneration

	1991 £000	1990 £000
Fees	68	71
Salaries	1,082	951
Pensions	48	33
	1,198	1,055
Chairman's remuneration (the highest paid director)	264	253
Number of other directors whose remuneration was between:		
£185,001 — £190,000	1	—
£175,001 — £180,000	—	1
£150,001 — £155,000	1	—
£145,001 — £150,000	—	1
£135,001 — £140,000	1	—
£130,001 — £135,000	—	1
£105,001 — £110,000	—	1
£ 80,001 — £ 85,000	1	—
£ 50,001 — £ 55,000	1	—
£ 45,001 — £ 50,000	1	—
£ 15,001 — £ 20,000	4	—
£ 10,001 — £ 15,000	—	5
£ 5,001 — £ 10,000	1	—

Directors' and other employees' interests subsisting during the year

Mr P D Orchard-Lisle is the senior partner in the firm of Healey & Baker which has continued to act during 1991 as one of the group's property advisers and as such has received fees for its services on normal professional terms.

Mr D Kramer is the president of Draper & Kramer Inc and is interested in 10 per cent of the issued share capital of Draper & Kramer Inc which has since 1974 held 20 per cent of SDK Incorporated. During 1991 Draper & Kramer Inc has continued to provide professional and management services to partnerships in which the group has an interest and received fees for their services on normal professional terms.

5 Interest

	1991 £m	1990 £m
On loans, bank loans and overdrafts		
Repayable within 5 years	37.2	41.7
Repayable wholly or partly in more than 5 years	42.6	47.3
Provision for additional interest on 6% convertible bonds 2003	6.5	6.0
	86.3	95.0
Less interest received	(6.6)	(10.7)
Less amount charged to: the development of trading properties	(16.4)	(26.5)
the development of investment properties	(31.0)	(30.9)
the utilities reconstruction programme	(4.9)	(2.4)
Charged to profit and loss account	27.4	24.5

6 Exceptional items

	1991 £m	1990 £m
Exceptional items comprise:		
Write down of trading properties to the lower of cost and net realisable value in		
— Subsidiaries	13.7	55.5
— Associates	11.2	6.6
Other property related provisions	11.8	1.7
	36.7	63.8

7 Taxation

	1991 £m	1990 £m
Provision for taxation based on profits for the year		
United Kingdom		
Corporation tax at 33.25 per cent (1990 34.25 per cent)	5.9	6.5
Over provision in earlier years	(2.2)	(3.6)
Deferred taxation	(0.8)	(3.2)
	2.9	(0.3)
Overseas		
Current taxation	1.2	1.5
Deferred taxation	(0.1)	0.7
	4.0	1.9
Note: The tax charge has benefited/(suffered) at standard tax rates in respect of:		
UK-industrial building allowances	(0.8)	1.4
-plant allowances	6.2	5.4
-interest capitalised on land and buildings	8.5	5.1
Overseas capital allowances, operating losses brought forward and timing differences	1.5	6.6

8 Dividends

	1991 £m	1990 £m
Preference dividends		
Dividend paid for period from 6 June to 1 September	2.8	—
Dividend accrued for period from 2 September to 31 December	3.9	—
	6.7	—
Ordinary dividends		
Interim dividend 4.4p per share (1990 4.2p)	12.5	11.9
Proposed final dividend 7.15p per share (1990 7.15p)	20.2	20.2
	32.7	32.1

9 Earnings, capital deficit and net assets per ordinary share

The earnings, capital deficit and net assets per ordinary share have been calculated as follows:

			Basic		Fully diluted	
			1991	1990	1991	1990
Profit attributable to ordinary shareholders	(a)	£m	22.6	22.8	40.2	32.9
Capital deficit	(b)	£m	(104.4)	(285.7)	(104.4)	(285.7)
Average of shares in issue during the year	(c)	shares m	283.1	283.0	362.4	331.5
Earnings per share (a) ÷ (c)		pence	8.0	8.1	11.1	9.9
Capital deficit per share (b) ÷ (c)		pence	(36.9)	(101.0)	(28.8)	(86.2)
Equity attributable to ordinary shareholders	(d)	£m	961.5	1,079.3	1,273.8	1,244.5
Shares in issue at the end of the year	(e)	shares m	283.3	283.0	385.3	331.5
Net assets per share (d) ÷ (e)		pence	339	381	331	375

10 Tangible assets — investment properties

	UK	Canada	USA	Europe	Australia	Total
	£m	£m	£m	£m	£m	£m
At 1 January 1991	1,238.5	177.7	50.3	93.3	66.8	1,626.6
Exchange movement	—	6.5	1.6	1.6	1.1	10.8
Additions	29.1	18.0	6.2	2.5	4.6	60.4
Disposals	(45.7)	—	(1.1)	(5.8)	—	(52.6)
Transfers from trading properties	38.4	—	28.2	2.2	34.2	103.0
Surplus/(deficit) on valuation	(28.6)	(20.6)	(12.6)	2.5	(33.2)	(92.5)
At 31 December 1991	1,231.7	181.6	72.6	96.3	73.5	1,655.7
Completed properties	1,170.9	138.2	67.6	67.9	67.4	1,512.0
Properties for or under development	60.8	43.4	5.0	28.4	6.1	143.7
	1,231.7	181.6	72.6	96.3	73.5	1,655.7

	1991	1990
	£m	£m
Properties held at valuation : cost	1,070.6	907.2
: valuation surplus	565.9	681.5
	1,636.5	1,588.7
Properties held at cost	19.2	37.9
	1,655.7	1,626.6

The above assets include long term leaseholds valued at £134.9 million (1990 £128.2 million) and short leaseholds valued at £Nil (1990 £0.1 million).

Completed investment properties and land held for development were valued as at 31 December 1991 by Richard Ellis and Hillier Parker in the United Kingdom, in Australia by Richard Ellis (Victoria) Pty Limited and Jones Lang Wootton, in the USA by Richard Ellis Inc, in Canada by Stewart Young & Mason Limited, in Belgium by King & Co. s.a., in France by Bourdais Expertises and in Germany by Weatherall Green & Smith GmbH.

11 Tangible assets — other

	Cost	Depreciation	Net
	£m	£m	£m
At 1 January 1991	69.9	(16.3)	53.6
Additions	20.8	(2.7)	18.1
Disposals	(0.4)	0.2	(0.2)
At 31 December 1991	90.3	(18.8)	71.5

The net book value includes utilities plant and equipment amounting to £66.0 million (1990 £48.8 million) of which £52.6 million (1990 £31.9 million) represents costs incurred on a project under construction.

12 Investments

Group	Associates Investments £m	Associates Loans £m	Total 1991 £m	Total 1990 £m
Cost or valuation at 1 January 1991	80.2	27.1	107.3	61.9
Exchange movements	0.6	—	0.6	(4.2)
Net additions	16.5	(8.1)	8.4	81.4
Reduction on subsidiary company becoming an associated company	—	—	—	(18.7)
Return of capital	(2.4)	—	(2.4)	(2.6)
Dividends received	(0.8)	—	(0.8)	—
Valuation deficit	(8.9)	—	(8.9)	(5.8)
Share of (losses)/profits	(3.1)	—	(3.1)	1.9
Exceptional provisions	(11.2)	—	(11.2)	(6.6)
Cost or valuation at 31 December 1991	70.9	19.0	89.9	107.3
Analysed as follows:				
Cost less amounts written off	90.9	19.0	109.9	113.6
Valuation deficit	(10.7)	—	(10.7)	(3.7)
Share of losses	(9.3)	—	(9.3)	(2.6)
	70.9	19.0	89.9	107.3

Company	Associates Investments £m	Associates Loans £m	Subsidiaries Shares £m	Subsidiaries Loans £m	Total 1991 £m
Cost or valuation at 1 January 1991	47.7	—	897.5	906.5	1,851.7
Additions	12.6	8.9	—	44.5	66.0
Valuation deficit	(3.3)	—	(118.0)	—	(121.3)
Exceptional provisions	(12.0)	—	—	—	(12.0)
Cost or valuation at 31 December 1991	45.0	8.9	779.5	951.0	1,784.4

Group and Company

Investments in associates include a listed investment amounting to £35.0 million (market value £6.4 million).

Company investments comprise investments at cost of £1,033.4 million (1990 £979.4 million) and valuation surplus of £751.0 million (1990 £872.3 million).

The principal subsidiaries, associated companies and partnerships at 31 December 1991 are listed below.

Property	Country of Incorporation		% Holding
*Slough Properties Limited	UK		100
Slough Trading Estate Limited	UK		100
Allnatt London Properties PLC	UK		100
Guildhall Property Company PLC (ordinary shares)	UK		100
*Guildhall Properties Limited	UK		100
*Bredero Properties Plc	UK	Ordinary	49.5
		Preference	100
Anglo German Industrial Developments Limited (Operating in Germany)	UK		100
Slough Investments Limited (Operating in Germany)	UK		100
*Slough (Wessex Fields) Limited	UK		100
The Lewisham Investment Partnership	UK		74.8
*Howard Centre Properties Limited	UK		100
*Shopping Centres Limited	UK		50
Pentagon Developments (Chatham) Limited	UK		100
Slough Estates Canada Limited	Canada		99.4
Slough Parks Incorporated	USA		100
SDK Incorporated	USA		80
33 West Monroe Associates	USA		25
Slough Estates Australia Pty Limited	Australia		99.7
Slough Management SA	Belgium		100
Slough Properties SA	Belgium		100
Slough Developments (France) SA	France		100
Service			
*Slough Estates Administration Limited	UK		100
*Slough Estates Finance plc	UK		100

12 Investments continued

Other	Country of Incorporation	% Holding
Ch^rterhouse Group International Inc.	USA	20

*Held directly by Slough Estates plc

Unless otherwise indicated the principal country of operation is the same as the country of incorporation

The underlying assets and liabilities of Bredero Properties Plc and The Lewisham Investment Partnership, a joint venture with Bredero, attributable to the group were:

	1991 £m	1990 £m
Property assets	141.0	125.2
Debtors	4.8	7.1
Cash and deposits	5.1	3.0
Creditors	(11.1)	(13.4)
Bank loans and overdrafts	(1.3)	(0.7)
Loans from Slough Estates plc group companies	(6.8)	(20.4)
Other borrowings falling due after one year	(88.5)	(57.9)
	43.2	42.9

To comply with the Companies Act 1985 a full list of subsidiaries will be filed with the company's next annual return.

13 Current assets

	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Stocks				
Trading properties — completed properties	104.3	196.6		
— properties under development	39.8	73.1		
— less provisions	(20.2)	(58.3)		
	123.9	211.4		
Utilities stocks	1.6	1.3		
	125.5	212.7		
Debtors (receivable in less than one year)				
Trade debtors	21.3	22.7	—	—
Other debtors	11.1	9.9	—	0.8
ACT recoverable	8.0	6.7	8.0	6.7
	40.4	39.3	8.0	7.5
Debtors (receivable in more than one year)				
Other debtors	5.7	4.0	—	—
	46.1	43.3	8.0	7.5
Trading investments				
Shares — listed (market value £2.8 million)	1.7	1.6		
— unlisted	12.6	7.5		
	14.3	9.1		
Cash and deposits				
Tax reserve certificates	0.6	3.3		
Cash and short term deposits	27.4	7.1		
	28.0	10.4		

14 Prepayments and accrued income

	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Deferred taxation (see note 18)	4.5	3.7	5.9	5.2
Other	8.2	7.2	—	—
	12.7	10.9	5.9	5.2

The deferred taxation asset represents anticipated tax relief on the additional interest on the 6% convertible bonds 2003 net of deferred taxation liabilities (see note 18).

15 Share capital

	Ordinary Shares Authorised £m	Ordinary Shares Issued and fully paid £m	Preference Shares Authorised £m	Preference Shares Issued and fully paid £m
At 1 January 1991				
434 million ordinary shares of 25p each	108.5	70.8	—	—
Changes during the year:				
Authorised at EGM on 14 May 1991				
141.6 million cumulative redeemable convertible preference shares of 25p each			35.4	
Preference shares issued pursuant to rights issue 141,532,467				35.4
At 31 December 1991	108.5	70.8	35.4	35.4

Cumulative redeemable convertible preference shares The preference shares were issued on 6 June 1991 at a price of £1.00 per share to provide additional funds for the continuation of the group's development programme. They carry the right to a fixed cumulative preferential dividend of 8.25p (net) per share per annum payable half yearly in arrears in equal amounts on 1 March and 1 September in each year. The first dividend of 1.97p per share was paid on 1 September 1991 in respect of the period from the date of issue. The company may redeem some or all of th› preference shares at any time between 1 March 2006 and 31 August 2011. All preference shares not converted or redeemed on or prior to 31 August 2011 will be redeemed by the company on 1 September 2011 at a price of 100p per share.

The preference shares will ordinarily be convertible at the option of the holder in each of the years 1992 to 2011 (inclusive) during the period of 28 days prior to the record date for any final dividend on the ordinary shares, on the basis of 37.037 ordinary shares for every 100 preference shares. Full conversion of the preference shares would give rise to the issue of 52,419,380 ordinary shares.

The preference shares carry no right to attend or vote at general meetings except in certain very limited circumstances.

The following conversions of loan stock and issues of ordinary shares took place during the year:

Conversions During the year 2,222 ordinary shares were issued, credited as fully paid following the conversion of, and in satisfaction of, £7,071 6 per cent convertible unsecured bonds.

Profit sharing scheme 84,883 ordinary shares were subscribed in cash at a price of 249.7p per share and were issued to the trustees and allocated at that price to eligible employees under the profit sharing scheme.

Share option schemes 144,622 ordinary shares were subscribed in cash following the exercise of employees' options under the share option schemes. The consideration received by the company was £0.2 million.

During the year options to subscribe for ordinary shares of the company were granted as follows:

Savings related scheme 14,643 ordinary shares at a subscription price of 207.724p per share and 193,423 ordinary shares at a subscription price of 208.67 p per share.

Executive share option scheme 316,108 and 64,200 ordinary shares at subscription prices of 253.651p and 272.5p per share respectively.

Profit sharing scheme Sir Nigel Mobbs and Messrs. Elliot, Wilson and Brooke are trustees of the Slough Estates plc profit sharing scheme which was approved by the shareholders on 21 May 1980. The number of shares now held under the scheme is 330,399 ordinary shares and 37,023 preference shares. The interests stated in the 330,399 ordinary shares and 37,023 preference shares shown in the table on page 37 represent all of the ordinary shares which those directors hold in a non-beneficial capacity as trustees of the scheme but also included therein are those shares beneficially owned under the scheme by Sir Nigel Mobbs and Messrs. Elliot and Wilson and which are included in their beneficial holding in the table also shown on page 37.

Executive share option scheme Under the share option scheme approved by the shareholders on 15 November 1972, as amended, certain executives including certain directors have options to subscribe for unissued ordinary shares. Options are generally exercisable after three and before seven years from the date of the grant of the option, adjusted where appro›riate for subsequent capitalisation and rights issues. At 25 March 1992 the number of ordinary share ler option was 1,785,148 at option prices ranging from 164.012p to 371.46p expiring on various da ·8 September 1998.

1981 savings related share option scheme ‹ . the optio· scheme approved by the shareholders on 20 May 1981, as amended, certain employees have options . subscribe for unissued ordinary shares. Options under the savings related scheme are generally exercisable five years or seven years after the date of the grant of the option, adjusted where appropriate for subsequent capitalisation and rights issues. At 25 March 1992 the number of ordinary shares under option was 685,642 at option prices ranging from 115.338p to 303.9?p expiring on various dates up to 2 September 1998.

Conversion rights The holders of the £149,917,031 6 per cent convertible bonds 2003 have the right to convert their bonds into fully paid ordinary shares at any time before May 2003 at an initial conversion price of 318p per share. Full conversion of bonds would give rise to the issue of 47,143,720 ordinary shares.

16 Reserves

Group	Share premium account £m	Capital reserve unrealised £m	Capital reserve realised £m	Profit and Loss £m	Total £m
Balance at 1 January 1991	81.2	668.3	102.2	156.8	1,008.5
Group capital account	—	(133.2)	27.5	1.3	(104.4)
Deficit	—	—	—	(10.1)	(10.1)
Shares issued	102.8	—	—	—	102.8
Balance at 31 December 1991	184.0	535.1	129.7	148.0	996.8

Retained profit/(deficit) for the year	1991 £m	1990 £m
Holding company	6.8	8.9
Subsidiaries	(13.8)	(19.0)
Associates	(3.1)	0.8
	(10.1)	(9.3)

Company	Share premium account £m	Surplus on valuation of investments £m	Profit and Loss £m	Total £m
Balance at 1 January 1991	81.2	885.2	42.1	1,008.5
Retained profits	—	—	6.8	6.8
Valuation deficit	—	(121.3)	—	(121.3)
Shares issued	102.8	—	—	102.8
Balance at 31 December 1991	184.0	763.9	48.9	996.8
Available for distribution			48.9	

No provision has been made for taxes that may become payable should overseas profits be remitted.

17 Capital commitments

	1991 Commitments £m	1991 Authorised but not contracted £m	1990 Commitments £m	1990 Authorised but not contracted £m
Property — UK	5.5	0.1	8.4	0.6
— Overseas	19.6	6.0	38.2	7.9
Utilities	3.0	1.6	17.7	0.3
Other activities	—	22.7	0.2	45.8
	28.1	30.4	64.5	54.6

18 Provisions for liabilities and charges

Group	Future and deferred taxation £m	Additional interest £m	Other liabilities £m	Total £m
Balance at 1 January 1991	0.3	14.7	2.6	17.6
Adjustment	(0.4)	—	—	(0.4)
(Credited)/charged to profit and loss account	(0.5)	6.5	5.6	11.6
Transfer to current taxation	(0.1)	—	—	(0.1)
Transfer to prepayments and accrued income (see note 14)	0.8	—	—	0.8
Other	0.1	—	7.3	7.4
Balance at 31 December 1991	0.2	21.2	15.5	36.9

18 Provisions for liabilities and charges continued

	Future and deferred taxation £m	Additional interest £m	Other liabilities £m	Total £m
Company				
Balance at 1 January 1991	0.3	14.7	—	15.0
Adjustment	0.3	—	—	0.3
(Credited)/charged to profit and loss account	(1.1)	6.5	—	5.4
Transfer to current taxation	(0.1)	—	—	(0.1)
Transfer to prepayments and accrued income (see note 14)	0.7	—	—	0.7
Other	0.1	—	4.1	4.2
Balance at 31 December 1991	0.2	21.2	4.1	25.5

	Group potential 1991 £m	Group potential 1990 £m	Group provided 1991 £m	Group provided 1990 £m
Future and deferred taxation				
Potential deferred taxes and those provided in the group accounts are as follows:				
Timing differences on fixed assets other than property	16.5	11.1	—	—
Timing differences on trading properties	2.5	1.5	2.5	1.5
Less included in prepayments and accrued income (see note 14)	(2.5)	(1.5)	(2.5)	(1.5)
Other	0.2	0.3	0.2	0.3
	16.7	11.4	0.2	0.3

Deferred taxation is provided at 33 per cent (1990 34 per cent) in respect of UK timing differences and at local rates in respect of overseas timing differences.

If deferred taxation were to be provided on all revaluation surpluses, a provision of approximately £65 million (1990 £100 million) would be necessary. This would comprise:

	1991 £m	1990 £m
UK — capital gains tax	12.0	39.0
— corporation tax on clawback of industrial buildings allowances	25.0	26.0
Total UK	37.0	65.0
Overseas	28.0	35.0
Total	65.0	100.0

19 Borrowings

	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Borrowings falling due after one year				
Payable otherwise than by instalments in more than five years:				
Secured:				
11¾% first mortgage debenture 2019	40.0	40.0	40.0	40.0
Sterling first mortgage debentures at various rates from 6¾% to 10½% to 2001	6.0	6.0		
Currency first mortgages on overseas properties:				
Canadian dollars from 10⅛% to 12% to 2011	32.4	13.7		
US dollars 7⅞% 1996	—	2.7		
French francs from 10⅛% to 12½% 2003/4	10.4	10.5		
Unsecured:				
6% convertible bonds 2003 (i)	149.9	149.9	149.9	149.9
10% bonds 2007	50.0	50.0	50.0	50.0
12⅝% loan stock 2009	31.9	31.9	31.9	31.9
Medium term bank loans 1997/2001	117.7	183.8	84.2	150.4
	438.3	488.5	356.0	422.2

19 Borrowings continued

	Group 1991 £m	Group 1990 £m	Company 1991 £m	Company 1990 £m
Wholly repayable between two and five years:				
Secured:				
6¼% first mortgage debenture 1988/93	2.0	2.0		
6¾% first mortgage debenture 1990/95	1.7	1.7		
7½% first mortgage debenture 1990/95	2.5	2.5		
Currency first mortgages on overseas properties:				
Variable rate Australian dollar mortgages	12.6	—		
Canadian dollars from 10% to 12% 1993/96	5.4	6.0		
US dollars 7½% 1994/96	3.1	0.1		
Unsecured:				
Medium term bank loans 1993/96	161.2	68.2	72.7	—
Bank loans and overdrafts scheduled for renewal after one year (ii)	104.3	156.2	25.1	54.6
Commercial paper (iii)	—	20.0		
	292.8	255.7	97.8	54.6
Less instalments due within one year	(1.3)	(3.8)		
	291.5	251.9	97.8	54.6
	729.8	740.4	453.8	476.8
Borrowings falling due within one year				
Secured:				
Variable rate Australian dollar mortgages	—	12.7		
Canadian dollar mortgages 9% to 11¾%	2.2	3.9		
Instalments due on longer dated borrowings	1.3	0.7		
Unsecured:				
Bank loans and overdrafts	33.4	74.3		
Instalments due on longer dated borrowings	—	3.1		
	36.9	94.7	—	—
Borrowings analysis (having accounted for currency and interest rate swaps)				
By currency				
Sterling	328.7	386.4	321.8	346.8
Australian dollars	37.7	70.5	—	—
US dollars	222.9	230.2	111.2	109.9
Canadian dollars	128.1	107.3	20.8	20.1
European currencies	49.3	40.7	—	—
	766.7	835.1	453.8	476.8
By maturity				
In one year or less	36.9	94.7	—	—
Second to fifth year	291.5	255.6	97.8	54.6
Sixth to tenth year	144.5	202.3	84.2	150.4
Over ten years	293.8	282.5	271.8	271.8
	766.7	835.1	453.8	476.8
By security				
Secured	118.3	101.7	40.0	40.0
Unsecured	648.4	733.4	413.8	436.8
	766.7	835.1	453.8	476.8
By interest rate mix				
Fixed interest rates	617.3	647.5	306.0	304.9
Variable interest rates	149.4	187.6	147.8	171.9
	766.7	835.1	453.8	476.8

(i) Convertible at any time at the holder's option into 31.43 ordinary shares per £100 nominal. Alternatively, the bondholder has the option to redeem the bonds on 20 May in each of the years 1993 to 1998 at an Optional Redemption Value by way of additional interest which would provide an effective annual compound yield to redemption of 9.45 per cent. A provision of £21.2 million has been made in the accounts for the additional interest that would be payable as at 31 December 1991 if the bonds were redeemed in the years 1993 to 1998.

19 Borrowings continued

The company has the option to redeem the bonds at any time during the five years commenced on 21 May 1988 at an initial premium of five per cent over the issue price reducing annually by one per cent until 20 May 1993 and thereafter during the five years to 20 May 1998 at par, provided that the price of the ordinary shares for the 30 day period prior to notice of redemption is at least as follows:—

Redemption date falling in the 12 months beginning on 21 May	Share Price (pence per share)
1993	444
1994	464
1995	486
1996	509
1997	535

Additionally, on 20 May in any of the years 1993 to 1998 inclusive the company has the right to require redemption at the relevant Optional Redemption Value. In the five year period from 21 May 1998 to 20 May 2003, the company may require redemption at any time at par.

(ii) Bank loans and overdrafts scheduled for renewal after one year includes all drawings under a multi-option facility, which is backed by a three year commitment.

(iii) Although commercial paper matures within one year, it has been classified as being repayable within three years because it is backed by the multi-option facility carrying a three year commitment by the underwriting banks.

20 Creditors — other

	Group		Company	
	1991 £m	1990 £m	1991 £m	1990 £m
Creditors falling due within one year				
Rents in advance	21.6	20.6	—	—
Trade creditors	66.5	65.4	12.5	0.8
Taxation	16.0	18.1	13.6	15.9
Proposed final dividend	20.2	20.2	20.2	20.2
Preference dividend accrued	3.9	—	3.9	—
	128.2	124.3	50.2	36.9
Creditors falling due after more than one year				
Loans from subsidiaries	—	—	165.8	256.4
Other creditors	4.4	8.5	—	—
	4.4	8.5	165.8	256.4

21 Notes to group cash flow statement

(1) Reconciliation of operating profit to net cash inflow from operating activities	1991 £m	1990 £m
Operating income	109.2	117.5
Administration expenses	(11.0)	(10.1)
Depreciation	2.7	2.6
	100.9	110.0
Other movements arising from operations		
Increase in stocks	(31.8)	(90.4)
Increase in debtors	(10.1)	(11.7)
Increase in creditors	11.6	12.2
Net cash inflow from operating activities	70.6	20.1

(2) Analysis of changes in borrowings	Borrowings £m
Balance at 1 January 1991	835.1
Less cash equivalents 1 January 1991	(2.2)
Exchange and other non-cash movements	19.9
Net cash flow from financing	(87.4)
Balance at 31 December 1991	766.7
Less cash equivalents 31 December 1991	(1.3)

21 Notes to group cash flow statement continued

(3) Analysis of changes in cash and cash equivalents

	Cash and short term deposits £m	Bank loans and overdrafts £m	Total £m
Balance at 1 January 1991	7.1	(2.2)	4.9
Exchange movements	0.1	—	0.1
Net cash inflow	20.2	0.9	21.1
Balance at 31 December 1991	27.4	(1.3)	26.1
Net increase in cash and cash equivalents	20.2	0.9	21.1

22 Contingent liabilities

The company has guaranteed loans and bank overdrafts of subsidiary companies aggregating £29.3 million (1990 £120.5 million). All loans and overdrafts so guaranteed are included in the consolidated balance sheet. Additionally loans and bank overdrafts of associated companies aggregating £14.7 million (1990 £3.5 million) which are not included in the consolidated balance sheet have been guaranteed by the company.

The company has given an unlimited performance guarantee in respect of an associate's development contract.

An Australian subsidiary has given an undertaking to banks to support certain secured loans to third parties to the extent of £16.6 million (1990 £25.9 million).

Notice of Meeting

Notice is hereby given that the seventy-first annual general meeting of the company will be held at the Abraham Lincoln Room, The Savoy Hotel, Strand, London, on Wednesday 20 May 1992 at 12 noon for the following purposes:

1 To receive and consider the statement of accounts for the year ended 31 December 1991 and the reports of the directors and auditors thereon.

2 To declare a dividend.

3 To re-elect as directors.
(i) C R E Brooke
(ii) R W Carey
(iii) Sir Gordon Jewkes
(iv) P D Orchard-Lisle
(v) D E F Simons
(vi) H L Thomson

4 To re-appoint Coopers & Lybrand Deloitte as auditors.

5 To authorise the directors to fix the remuneration of the auditors.

6 To consider and, if thought fit, pass the following resolution as a special resolution.

THAT:
(a) The power of the directors under Article 10 of the Articles of Association of the company to allot and to offer or otherwise agree to allot equity securities wholly for cash

(i) by way of a rights issue in accordance with Article 10 (c) (ii) of the Articles of Association of the company and

(ii) otherwise up to an aggregate nominal value of £3,540,000

be hereby renewed such power to expire (unless previously renewed or revoked) at the conclusion of the next annual general meeting of the company; and

(b) for the purpose of this resolution the words and expressions defined in or for the purposes of Part IV of the Companies Act 1985 shall in this resolution have the same meanings; and

(c) the Articles of Association of the company be hereby amended by the substitution in Article 10(c)(i) of the figure "£3,540,000" for the figure of "£3,538,312".

To transact the following special business.
To consider and if thought fit, pass the following resolution

7 As a special resolution
THAT the authority conferred on the company by a resolution passed at the general meeting of the company held on 18 May 1988 to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 25p each in the capital of the company (which authority was renewed and extended at the last annual general meeting of the company) be hereby further renewed and extended with effect from its expiry at the conclusion of this meeting so as then to expire at midnight on 19 November 1993 or at the conclusion of the next annual general meeting of the company (whichever shall be the earlier) but otherwise in respect of the same number of shares and on the same terms and conditions specified in the resolution passed at the extraordinary general meeting held on 18 May 1988.

By order of the Board
J R Probert
Secretary
234 Bath Road
Slough SL1 4EE
16 April 1992

Notes
The reports and accounts are sent to all members of the company and registered holders of debenture and loan stocks but only holders of ordinary shares are entitled to attend and vote at the meeting.

Any member of the company entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him; and such proxy need not be a member.

Any instrument appointing a proxy, to be valid, must be lodged at the company's transfer office at National Westminster Bank PLC, Registrar's Department, PO Box 82, Caxton House, Redcliffe Way, Bristol BS99 7YA not less than forty eight hours before the time fixed for the meeting.

Copies of contracts of service between the company and its executive directors will be available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the company's registered office, 234 Bath Road, Slough SL1 4EE until 20 May 1992 and at the Abraham Lincoln Room, The Savoy Hotel, Strand, London WC2 on 20 May 1992 from 11.45 am until the conclusion of the annual general meeting.

Subject to the declaration of the final dividend at the meeting, warrants for the dividend will be posted on 21 May 1992 to shareholders on the register at the close of business on 1 May 1992 for payment on Tuesday, 26 May 1992.

Designed and produced by Walter Judd Limited. Filmset by Michael R Dalby Limited. Printed by R R Donnelley (U.K.) Limited

Second fold

POSTAGE
WILL BE
PAID BY
LICENSEE

Do not affix Postage Stamps if posted in
Gt. Britain, Channel Islands or N. Ireland

BUSINESS REPLY SERVICE
LICENCE NO. BS2282

National Westminster Bank PLC
Registrar's Department
PO Box No 82
Caxton House
Redcliffe Way
Bristol BS99 7YA

2

First fold

Third fold and tuck in

52###PROXY

FORM OF PROXY FOR ANNUAL GENERAL MEETING

To be held on 20 May 1992 at the Abraham Lincoln Room, The Savoy Hotel, Strand, London WC2

Please see notes below and sign where indicated.

Please insert full names and addresses in block letters.

I/We...

of...

being (a) member(s) of the above named company hereby appoint..

....of..

(or in the event that no person is named) the chairman of the meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the above mentioned meeting and at any adjournment thereof on the resolutions set out in the notice of the meeting as follows:

	For	Against
Resolution 1 To adopt the directors' report and accounts for the year ended 31 December 1991		
Resolution 2 To declare a dividend on ordinary shares		
Resolution 3 To re-elect Mr C R E Brooke a director		
Resolution 4 To re-elect Mr R W Carey a director		
Resolution 5 To re-elect Sir Gordon Jewkes a director		
Resolution 6 To re-elect Mr P D Orchard-Lisle a director		
Resolution 7 To re-elect Mr D E F Simons a director		
Resolution 8 To re-elect Mr H L Thomson a director		
Resolution 9 To re-appoint Coopers & Lybrand Deloitte as auditors		
Resolution 10 To authorise the directors to fix the remuneration of the auditors		
Resolution 11 To authorise the directors to issue shares generally		
Resolution 12 To empower the directors to allot equity securities for cash		
Resolution 13 To renew the authority for the company to purchase its own ordinary shares		

Date............................1992 Signature...

Please indicate with an 'X' in the appropriate space how you wish your vote to be cast.

SLOUGH ESTATES

Slough Estates plc

Note 1 To be valid this form of proxy, duly completed and signed, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at National Westminster Bank PLC, Registrar's Department, PO Box No. 82, Caxton House, Redcliffe Way, Bristol BS99 7YA, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

Note 2 If the member is a Corporation, this form of proxy must be executed under its common seal or under the hand of an officer or agent duly authorised in writing.

Note 3 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register.

Note 4 If you do not indicate how you wish your proxy to vote on any resolution the proxy will vote as he thinks fit, or, at his discretion, abstain from voting.

Note 5 A proxy need not be a member of the company.

CUT HERE

CUT HERE

SLOUGH ESTATES

Admittance card for Annual General Meeting
to be held on 20 May 1992 at the Abraham Lincoln Room
The Savoy Hotel, Strand, London WC2
commencing at 12 noon.
(Please see notes below and sign where indicated)

ADMITTANCE CARD

Name..

Address...

....

....

....

Signature of Member

....

Signature of Proxy (if appointed)

....

Notes on completing the Admittance Card.

1. If you wish to attend the Meeting please sign this card and bring it with you.
2. If you have appointed a person other than the Chairman of the Meeting as your Proxy to attend on your behalf both you and your proxy are requested to sign this card.
3. Either you or, if appropriate, your proxy should present this card at the Admissions Desk before the Meeting.