

**Registration number 242985**

**Globe Brothers Estates Limited**  
**Directors' report and financial statements**  
**for the year ended 30 September 2006**

WEDNESDAY



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30/05/2007  
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## **Globe Brothers Estates Limited**

### **Company information**

Directors	Andrew R Cunningham Rupert J Dickinson Peter C G Schwerdt Debra R Yudolph Mark J Robson
Secretary	Marie L Glanville
Company number	242985
Registered office	Citygate St James' Boulevard Newcastle Upon Tyne NE1 4JE
Independent auditors	PricewaterhouseCoopers LLP 89 Sandyford Road Newcastle Upon Tyne NE1 8HW
Business address	Citygate St James' Boulevard Newcastle Upon Tyne NE1 4JE
Bankers	Barclays Bank Plc Barclays House 71 Grey Street Newcastle Upon Tyne NE99 1JP
Solicitors	Dickinson Dees St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE99 1SB

## **Globe Brothers Estates Limited**

### **Contents**

	<b>Page</b>
Directors' report	<b>1 - 2</b>
Independent auditors' report	<b>3 - 4</b>
Profit and loss account	<b>5</b>
Balance sheet	<b>6</b>
Notes to the financial statements	<b>7 - 11</b>

# **Globe Brothers Estates Limited**

## **Directors' report for the year ended 30 September 2006**

The directors present their report and the audited financial statements for the year ended 30 September 2006

### **Principal activity and review of the business**

The principal activity of the company is property trading

The directors consider the level of the company's activities to be satisfactory and expect it to continue to be so in future years

### **Results and dividends**

The results for the year are set out on page 5

The directors do not recommend the payment of a dividend (2005 £nil)

### **Auditors and disclosure of information to auditors**

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and establish that the company's auditors are aware of that information

### **Directors and their interests**

The directors who served during the year are as stated below

Andrew R Cunningham

Rupert J Dickinson

Geoffrey J Davis                      Resigned 02/11/2006

Peter C G Schwerdt

Debra R Yudolph

Mark J Robson

The directors have no beneficial interest in the share capital of the company

The beneficial interests of the following directors in the shares of the ultimate holding company, Grainger plc (formerly Grainger Trust plc), are shown in the annual report of Grainger Trust plc

Andrew R Cunningham

Rupert J Dickinson

The beneficial interests of all other directors in the shares of the ultimate holding company, Grainger plc (formerly Grainger Trust plc), are shown in the annual report of Northumberland and Durham Property Trust Limited

## **Globe Brothers Estates Limited**

### **Directors' report for the year ended 30 September 2006**

#### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

#### **Independent auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that PricewaterhouseCoopers LLP be reappointed as auditors of the company will be put to the Annual General Meeting

This report was approved by the Board on 14 May 2007 and signed on its behalf by

**Marie L Glanville**  
**Secretary**



## **Globe Brothers Estates Limited**

### **Independent auditors' report to the members of Globe Brothers Estates Limited**

We have audited the financial statements of Globe Brothers Estates Limited for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Globe Brothers Estates Limited**

**Independent auditors' report to the members of Globe Brothers Estates Limited**

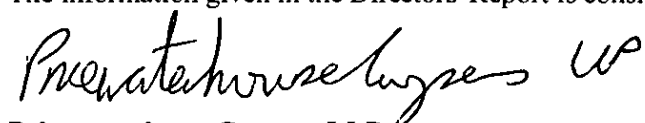
**Opinion**

In our opinion

The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its profit for the year then ended,

The financial statements have been properly prepared in accordance with the Companies Act 1985, and

The information given in the Directors' Report is consistent with the financial statements

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP' with a stylized flourish at the end.

**PricewaterhouseCoopers LLP**

**Chartered Accountants & Registered Auditors**

**Newcastle Upon Tyne**

**14 May 2007**

# Globe Brothers Estates Limited

## Profit and loss account for the year ended 30 September 2006

	Notes	2006 £	2005 £
<b>Turnover</b>	<b>2</b>	848,662	473,848
Gross rents		160,162	180,348
Trading profits		<u>505,310</u>	<u>203,406</u>
		665,472	383,754
Property expenses		(13,588)	(24,880)
Administrative expenses		<u>(121,689)</u>	<u>(52,700)</u>
<b>Operating profit</b>	<b>3</b>	530,195	306,174
Interest payable and similar charges	<b>4</b>	<u>(85,638)</u>	<u>(92,114)</u>
<b>Profit on ordinary activities before taxation</b>		444,557	214,060
Tax on profit on ordinary activities	<b>5</b>	<u>(133,368)</u>	<u>(64,218)</u>
<b>Profit on ordinary activities after taxation</b>		<u>311,189</u>	<u>149,842</u>
<b>Retained profit for the year</b>	<b>10</b>	311,189	149,842
Retained profit/(loss) brought forward		<u>57,126</u>	<u>(92,716)</u>
<b>Retained profit carried forward</b>		<u><u>368,315</u></u>	<u><u>57,126</u></u>

All amounts relate to continuing operations

There are no recognised gains or losses other than the profit for the above two financial years and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above, and their historical cost equivalents

The notes on pages 7 to 11 form an integral part of these financial statements.

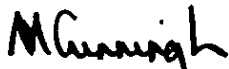


**Globe Brothers Estates Limited**

**Balance sheet  
as at 30 September 2006**

	Notes	2006		2005	
		£	£	£	£
<b>Current assets</b>					
Stocks	6	1,076,900		1,234,130	
Debtors	7	1,665,593		1,183,981	
		<u>2,742,493</u>		<u>2,418,111</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,615,109)</u>		<u>(1,601,916)</u>	
<b>Net current assets</b>			<u>1,127,384</u>		<u>816,195</u>
<b>Net assets</b>			<u>1,127,384</u>		<u>816,195</u>
<b>Capital and reserves</b>					
Called up equity share capital	9		759,069		759,069
Profit and loss account			<u>368,315</u>		<u>57,126</u>
<b>Equity shareholders' funds</b>	10		<u>1,127,384</u>		<u>816,195</u>

The financial statements were approved by the Board on 14 May 2007 and signed on its behalf by



**Andrew R Cunningham**  
**Director**

**The notes on pages 7 to 11 form an integral part of these financial statements.**

**Globe Brothers Estates Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2006**

**1. Statement of accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**1.1. Accounting convention**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985.

The company has consistently applied all relevant accounting standards.

**1.2. Cash flow statement**

The company is a wholly owned subsidiary of Grainger plc and the cash flows of the company are included in the consolidated cash flow statement of Grainger plc. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 (Revised 1996) from preparing a cash flow statement.

**1.3. Turnover**

Turnover comprises gross rentals, gross sale proceeds of trading properties and land, and sundry other income, exclusive of VAT. Sales of properties are only accounted for when the cash proceeds are received in full or the company has entered into a legally binding contract.

**1.4. Stock**

Trading properties are shown in the financial statements at the lower of cost to the company and net realisable value. Cost to the company includes legal and surveying charges incurred during the acquisition plus improvement costs. Net realisable value is the net sale proceeds which the company expects on sale of a property with vacant possession.

Repairs are expensed in the profit and loss account as incurred. Improvement costs are capitalised.

## **Globe Brothers Estates Limited**

### **Notes to the financial statements for the year ended 30 September 2006**

#### **1.5. Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### **2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK as defined in the directors' report

#### **3. Operating profit**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Auditors' remuneration	<u>400</u>	<u>400</u>

There are no persons holding service contracts with the company. None of the directors received any remuneration from the company during the year, or in the previous year

#### **4. Interest payable and similar charges**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
On amounts payable to group companies	<u>85,638</u>	<u>92,114</u>

# **Globe Brothers Estates Limited**

## **Notes to the financial statements for the year ended 30 September 2006**

### **5. Tax on profit on ordinary activities**

<b>Analysis of charge in the year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	<u>133,368</u>	<u>64,218</u>

### **Factors affecting tax charge for the year**

There is no difference between the tax assessed for the year and the standard rate of corporation tax in the UK (30%)

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>444,557</u>	<u>214,060</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 September 2005 30%)	<u>133,368</u>	<u>64,218</u>

There is no unprovided deferred tax liability or unrecognised deferred tax asset in these financial statements

### **Factors that may affect future tax charges**

There are no factors that are expected to significantly affect the taxation charge in future years

<b>6. Stocks</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trading Properties	<u>1,076,900</u>	<u>1,234,130</u>
<b>7. Debtors</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<u>1,665,593</u>	<u>1,183,981</u>

**Globe Brothers Estates Limited**

**Notes to the financial statements  
for the year ended 30 September 2006**

<b>8. Creditors: amounts falling due within one year</b>	<b>2006 £</b>	<b>2005 £</b>
Rents received in advance	-	508
Trade creditors	9,110	756
Amounts owed to group undertakings	1,605,048	1,532,058
Corporation tax	-	64,218
Other creditors	951	4,328
Accruals and deferred income	-	48
	<u>1,615,109</u>	<u>1,601,916</u>

Included in amounts owed to group undertakings is a group loan of £1,532,059  
The loan bears an interest rate of 5.57% and is repayable on demand

<b>9. Called up equity share capital</b>	<b>2006 £</b>	<b>2005 £</b>
<b>Authorised</b>		
800,000 Ordinary shares of 100p each	<u>800,000</u>	<u>800,000</u>
<b>Allotted, called up and fully paid</b>		
759,069 Ordinary shares of 100p each	<u>759,069</u>	<u>759,069</u>

<b>10. Reconciliation of movements in equity shareholders' funds</b>	<b>2006 £</b>	<b>2005 £</b>
Profit for the year	311,189	149,842
Opening equity shareholders' funds	816,195	666,353
Closing equity shareholders' funds	<u>1,127,384</u>	<u>816,195</u>

**11. Contingent liabilities**

At 30 September 2006 the company, together with certain of its fellow subsidiaries, has guaranteed bank loans of £993,395,000 (2005 £850,000,000) of certain fellow subsidiaries by means of a legal charge over its assets and book debts

**12. Related party disclosures**

The company has taken advantage of the exemption available under Financial Reporting Standard No 8 and has not disclosed transactions with companies that are part of the Grainger plc group.

**Globe Brothers Estates Limited**

**Notes to the financial statements  
for the year ended 30 September 2006**

**13. Ultimate parent undertaking**

The directors regard Grainger plc, a company registered in England and Wales, as the ultimate parent undertaking and the ultimate controlling party, being the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Grainger plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

**14. Immediate parent**

GIP Limited is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.