

Derwent Developments Limited  
Annual report  
for the year ended 30 September 1999

Registered no: 1899218



# **Derwent Developments Limited**

## **Annual report for the year ended 30 September 1999**

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**Directors and advisers**

**Directors**

R H Dickinson  
S Dickinson  
A R Cunningham

**Secretary and registered office**

G J Davis  
Chaucer Buildings  
Grainger Street  
Newcastle upon Tyne  
NE1 5LE

**Registered Auditors**

PricewaterhouseCoopers  
89 Sandyford Road  
Newcastle upon Tyne  
NE99 1PL

**Solicitors**

Dickinson Dees  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE99 1SB

**Bankers**

Barclays Bank Plc  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3PN

**Directors' report  
for the year ended 30 September 1999**

The directors present their report and the audited financial statements for the year ended 30 September 1999.

**Principal activities and review of business**

The principal activities of the company is that of property trading and land development.

**Results**

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

**Dividend**

The directors do not recommend the payment of a dividend (1998: £Nil). The profit for the financial year of £1,979,296 (1998: loss of £73,735) will be transferred to reserves.

**Directors**

The directors who served during the year and to the date of this report, unless otherwise stated, were:

R H Dickinson	(Chairman)
S Dickinson	
P M Milburn	(Resigned 29 September 1999)
A R Cunningham	

The directors have no beneficial interest in the share capital of the company. The beneficial interests of Mr R H Dickinson, Mr S Dickinson, Mr P M Milburn and Mr A R Cunningham in the shares of the ultimate holding company, Grainger Trust p.l.c., are shown in the annual report of Grainger Trust p.l.c.

**Year 2000**

The Grainger Trust p.l.c. group of companies has executed a planned programme of work to ensure that its operations will not experience any undue disruption as a result of Year 2000 issues. As at the date of this report no disruption has been experienced.

The approximate cost of the work involved was not material and has been charged against profits as incurred.

**Statement of directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 1999. The directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

A resolution to reappoint PricewaterhouseCoopers will be proposed at the annual general meeting.

**By order of the board**



**Secretary**

26 January 2000

## **Report of the auditors to the members of Derwent Developments Limited**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historic cost convention and the accounting policies set out on page 7.

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

The directors are responsible for preparing the Annual Report, including as described on page 3 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of opinion**

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

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
26 January 2000

**Profit and loss account  
for the year ended 30 September 1999**

	Notes	1999 £	1998 £
Turnover	1	9,173,500	5,240
Trading profits		3,228,288	-
Other income		5,000	5,240
Development expenses	3	-	(112,103)
Property expenses		(24,337)	-
Management expenses		(333,707)	-
<b>Profit/(loss) on ordinary activities before interest</b>		<b>2,875,244</b>	<b>(106,863)</b>
Interest receivable	4	1,441	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>2,876,685</b>	<b>(106,863)</b>
Taxation	5	(897,389)	33,128
<b>Profit/(loss) for the year</b>	10	<b>1,979,296</b>	<b>(73,735)</b>

All activities of the company are continuing.

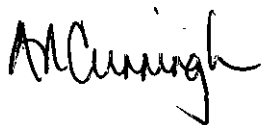
The company has no recognised gains and losses other than those included in the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above and the historical cost equivalent.

## Balance sheet at 30 September 1999

	Notes	1999 £	1998 £
<b>Current assets</b>			
Stocks	6	7,149,117	825,000
Debtors	7	335,000	34,098
Cash at bank and in hand		5,972,142	-
		<u>13,456,259</u>	<u>859,098</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(11,594,309)</u>	<u>(976,444)</u>
<b>Net liabilities</b>		<u>1,861,950</u>	<u>(117,346)</u>
<b>Capital and reserves</b>			
Called up share capital	9	10,000	10,000
Profit and loss account	10	1,851,950	(127,346)
<b>Equity shareholders' funds</b>	11	<u>1,861,950</u>	<u>(117,346)</u>

The financial statements on pages 5 to 9 were approved by the board of directors on 26 January 2000 and were signed on its behalf by:



**Director**



**Notes to the financial statements  
for the year ended 30 September 1999**

**1 Principal accounting policies**

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

**Accounting convention**

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

**Turnover**

Turnover comprises gross rentals, gross sale proceeds of trading properties and land, and sundry other income.

Sales of land and properties are only accounted for when the cash proceeds are received in full or the company has entered into a legally binding undertaking.

**Stocks**

Development land is shown in the financial statements at the lower of cost and net realisable value. Cost represents the acquisition price together with subsequent infrastructure costs.

**Cash flow**

The company is a wholly owned subsidiary of Grainger Trust p.l.c. and the cash flows of the company are included in the consolidated cash flow statement of Grainger Trust p.l.c. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

**2 Directors and employees**

There are no persons holding service contracts with Derwent Developments Limited.

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

**3 Development expenses**

	1999 £	1998 £
Professional fees and infrastructure costs incurred	-	(112,103)

**4 Net interest receivable**

	1999 £	1998 £
Interest receivable	1,441	-

**5 Taxation**

	1999 £	1998 £
UK corporation tax at 30.5% (1998: 31%)		
Current	897,389	-
Amount receivable from a fellow subsidiary in respect of group relief	-	(33,128)
	<u>897,389</u>	<u>(33,128)</u>

**6 Stocks**

	1999 £	1998 £
Development land	7,149,117	825,000

**7 Debtors**

	1999 £	1998 £
Trade debtors	335,000	-
Amounts owed by fellow subsidiaries	-	33,128
Other debtors	-	970
	<u>335,000</u>	<u>34,098</u>

**8 Creditors: amounts falling due within one year**

	1999 £	1998 £
Corporation tax payable	897,389	-
Trade creditors	14,334	546
Amounts owed to fellow subsidiaries	3,676,897	970,207
Accruals and deferred income	5,538,999	5,691
Other taxation	1,466,690	-
	<u>11,594,309</u>	<u>976,444</u>

**9 Called up share capital**

	1999 £	1998 £
Authorised, allotted, called up and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**10 Profit and loss account**

	£
At 1 October 1998	(127,346)
Profit for year	<u>1,979,296</u>
At 30 September 1999	<u>1,851,950</u>

**11 Reconciliation of movements in equity shareholders' funds**

	£
Profit for the financial year	1,979,296
Shareholders' funds at 1 October 1998	<u>(117,346)</u>
Shareholders' funds at 30 September 1999	<u>1,861,950</u>

**12 Related party transactions**

The company has taken advantage of the exemptions available under Financial Reporting Standard No.8 and has not disclosed transactions with companies that are part of the Grainger Trust p.l.c. group.

**13 Controlling parties**

The directors regard Hatch Warren 1992 Limited, a company registered in England and Wales, as the immediate controlling party and parent company by virtue of its 100% shareholding in the company.

The directors regard Grainger Trust p.l.c., a company registered in England and Wales, as the ultimate controlling party and parent company by virtue of its majority shareholding. Copies of the parent's consolidated financial statements may be obtained from Chaucer Buildings, 57 Grainger Street, Newcastle upon Tyne, NE1 5LE.