

COMPANY REGISTRATION NUMBER 03298397

**The Grainger Trust Employee Trustee
Limited**

Financial statements

30 September 2011

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The Grainger Trust Employee Trustee Limited

Financial statements

Year ended 30 September 2011

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The Grainger Trust Employee Trustee Limited

Officers and professional advisers

The board of directors

Robin S Broadhurst
John C Barnsley

Company secretary

Michael P Windle

Registered office

Citygate
St James' Boulevard
Newcastle Upon Tyne
NE1 4JE

Auditor

PricewaterhouseCoopers LLP
Chartered Accountants
& Statutory Auditor
89 Sandyford Road
Newcastle Upon Tyne
NE1 8HW

Bankers

Barclays Bank Plc
Barclays House
71 Grey Street
Newcastle Upon Tyne
NE99 1JP

Solicitors

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

The Grainger Trust Employee Trustee Limited

The directors' report

Year ended 30 September 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2011

Principal activities

The principal activity of the company during the year was that of an investment company. During the year the company disposed of its final investments and subsequently ceased to trade.

Directors

The directors who served the company during the year were as follows:

Robin S Broadhurst
John C Barnsley
Bill Tudor-John

Bill Tudor-John resigned as a director on 9 February 2011.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Grainger Trust Employee Trustee Limited

The directors' report *(continued)*

Year ended 30 September 2011


Auditor

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the directors



Michael P Windle
Company Secretary

Approved by the directors on 6 January 2012

The Grainger Trust Employee Trustee Limited

Independent auditor's report to the shareholders of The Grainger Trust Employee Trustee Limited

Year ended 30 September 2011

We have audited the financial statements of The Grainger Trust Employee Trustee Limited for the year ended 30 September 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Grainger Trust Employee Trustee Limited

**Independent auditor's report to the shareholders of
The Grainger Trust Employee Trustee Limited *(continued)***

Year ended 30 September 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare financial statements and the directors' report in accordance with the small company regime



**Mark Menton (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne**

6 January 2012

The Grainger Trust Employee Trustee Limited

Profit and loss account

Year ended 30 September 2011

	Note	2011 £	2010 £
Turnover	2	—	—
Administrative expenses		(468)	(14,095)
Operating loss	3	(468)	(14,095)
Income from fixed asset investments	4	562	1,482
Provision for impairment of fixed asset investment	5	—	(14,989)
Profit/(loss) on ordinary activities before taxation		94	(27,602)
Tax on profit/(loss) on ordinary activities	6	—	—
Profit/(loss) for the financial year		94	(27,602)

All of the activities of the company are classed as discontinuing

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £94 attributable to the shareholders for the year ended 30 September 2011 (2010 - loss of £27,602)

The notes on pages 8 to 11 form part of these financial statements.

The Grainger Trust Employee Trustee Limited

Profit and loss account

Year ended 30 September 2011

	Note	2011 £	2010 £
Turnover	2	–	–
Administrative expenses		(468)	(14,095)
Operating loss	3	(468)	(14,095)
Income from fixed asset investments	4	562	1,482
Provision for impairment of fixed asset investment	5	–	(14,989)
Profit/(loss) on ordinary activities before taxation		94	(27,602)
Tax on profit/(loss) on ordinary activities	6	–	–
Profit/(loss) for the financial year		94	(27,602)

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Statement of total recognised gains and losses

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The notes on pages 8 to 11 form part of these financial statements

The Grainger Trust Employee Trustee Limited


Balance sheet

30 September 2011

	Note	2011 £	2010 £
Fixed assets			
Investments	8	—	51,483
Current assets			
Debtors	9	1	—
Total assets		<u>1</u>	<u>51,483</u>
Capital and reserves			
Called-up equity share capital	11	1	1
Profit and loss account	12	—	51,482
Shareholders' funds	13	<u>1</u>	<u>51,483</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 6 January 2012, and are signed on their behalf by



Robin S Broadhurst
Director

Company Registration Number 03298397

The notes on pages 8 to 11 form part of these financial statements.

The Grainger Trust Employee Trustee Limited

Notes to the financial statements

Year ended 30 September 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

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

Investments

Fixed asset investments are stated at cost less provision for diminution in value

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 or to receive more tax, with the following exceptions

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 has been derived from its principal activity wholly undertaken in the UK as defined in the directors' report

3. Operating loss

Operating loss is stated after charging

	2011	2010
	£	£
Loss on disposal of fixed assets	468	14,095
Auditor's fees	400	400

Audit fees are statutory audit fees only and are borne by another Group company

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

The Grainger Trust Employee Trustee Limited

Notes to the financial statements

Year ended 30 September 2011

4 Income from fixed asset investments

	2011 £	2010 £
Dividends from listed fixed asset investments	<u>562</u>	<u>1,482</u>

5 Provision for impairment of fixed asset investment

	2011 £	2010 £
Amount written off investments	<u>-</u>	<u>14,989</u>

6 Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 27% (2010 - 28%)

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation	<u>94</u>	<u>(27,602)</u>
Profit/(loss) on ordinary activities by rate of tax	25	(7,729)
Dividends received from listed investments net of tax	(152)	(415)
Temporary provision for diminution in value of investment not eligible for tax	-	4,197
Loss on disposal of fixed assets	<u>127</u>	<u>3,947</u>
Total current tax	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

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

7. Dividends

Equity dividends

	2011 £	2010 £
Paid during the year		
Dividends on equity shares	<u>51,576</u>	<u>1,362,964</u>

The Grainger Trust Employee Trustee Limited

Notes to the financial statements

Year ended 30 September 2011

8. Investments

	Listed investments £
Cost	
At 1 October 2010	66,472
Disposals	(66,472)
At 30 September 2011	<u>-</u>
Amounts written off	
At 1 October 2010	14,989
Written off in prior years written back	(14,989)
At 30 September 2011	<u>-</u>
Net book value	
At 30 September 2011	<u>-</u>
At 30 September 2010	<u>51,483</u>

9 Debtors

	2011 £	2010 £
Amounts owed by group undertakings	<u>1</u>	<u>-</u>

10 Related party transactions

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

11 Share capital

Authorised share capital:

	2011 £	2010 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12 Profit and loss account

	2011 £	2010 £
Balance brought forward	51,482	1,442,048
Profit/(loss) for the financial year	94	(27,602)
Equity dividends	(51,576)	(1,362,964)
Balance carried forward	<u>-</u>	<u>51,482</u>

The Grainger Trust Employee Trustee Limited

Notes to the financial statements

Year ended 30 September 2011

13. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit/(Loss) for the financial year	94	(27,602)
Equity dividends	(51,576)	(1,362,964)
Net reduction to shareholders' funds	(51,482)	(1,390,566)
Opening shareholders' funds	51,483	1,442,049
Closing shareholders' funds	1	51,483

14. Ultimate parent company

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 Grainger plc consolidated financial statements may be obtained from The Secretary, Grainger plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

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