

Registration number 3783320

Grainger Pimlico Limited
Directors' report and financial statements
for the year ended 30 September 2004



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COMPANIES HOUSE 26/07/05

Grainger Pimlico Limited

Company information

Directors	Andrew R Cunningham Rupert J Dickinson Geoffrey J Davis James Fielder Peter C G Schwerdt Michael P Windle	Appointed 13/07/2004 Appointed 13/07/2004 Appointed 18/01/2005
Secretary	Marie L Glanville	
Company number	3783320	
Registered office	Citygate St James' Boulevard Newcastle Upon Tyne NE1 4JE	
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	

Grainger Pimlico Limited

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Grainger Pimlico Limited

Directors' report for the year ended 30 September 2004

The directors present their report and the financial statements for the year ended 30 September 2004.

Principal activity and review of the business

The principal activity of the company is property development and 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 payment of a final dividend (2003: £nil).

Directors and their interests

The directors who served during the year are as stated below:

Andrew R Cunningham	
Rupert J Dickinson	
Stephen Dickinson	Resigned 05/05/2004
Geoffrey J Davis	
Sean A Slade	Resigned 12/11/2004
James Fielder	Appointed 13/07/2004
Peter C G Schwerdt	Appointed 13/07/2004
Michael P Windle	Appointed 18/01/2005

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 Trust plc, are shown in the annual report of Grainger Trust plc.

Andrew R Cunningham
Rupert J Dickinson
Sean A Slade

The beneficial interest of the other directors in the shares of Grainger Trust plc were as follows:

	30 September 2004	30 September 2003 *
	Number	Number
Geoffrey J Davis	26,504	37,772
James Fielder	10,584	10,584
Peter C G Schwerdt	2,771	2,729

* Or date of appointment if later.

Grainger Pimlico Limited

**Directors' report
for the year ended 30 September 2004**

Directors' share options at 30 September 2004

	Scheme Price	2004 Options	2003 * Options	Date exercisable
Geoff J Davis	SAYE 818.0p	1,161	1,161	8 Aug 05 to 8 Feb 06
Peter C G Schwerdt	SAYE 932.3p	1,708	1,708	7 Aug 08 to 7 Feb 09
James Fielder	SAYE 690.0p	2,445	2,445	8 Aug 06 to 8 Feb 07

* Or date of appointment if later.

No options were exercised or granted during the year.

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 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 24 June 2005 and signed on its behalf by


Marie L Glanville
Secretary

Grainger Pimlico Limited

Independent auditors' report to the members of Grainger Pimlico Limited

We have audited the financial statements of Grainger Pimlico Limited for the year ended 30 September 2004 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 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.

Basis of audit 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.

Grainger Pimlico Limited

Independent auditors' report to the shareholders of Grainger Pimlico Limited continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants & Registered Auditors

Newcastle Upon Tyne

19 July 2005

Grainger Pimlico Limited

**Profit and loss account
for the year ended 30 September 2004**

	Notes	2004 £	2003 £
Turnover	2	7,891,799	-
Trading profits		(57,611)	-
Other income		7,891,799	-
		<u>7,834,188</u>	<u>-</u>
Property expenses		(26,409)	(21,681)
Administrative expenses		(1,010,622)	-
Operating profit/(loss)	3	6,797,157	(21,681)
Interest payable and similar charges	4	-	(20,784)
Profit/(loss) on ordinary activities before taxation		6,797,157	(42,465)
Tax on profit/(loss) on ordinary activities	5	(2,039,147)	12,740
Profit/(loss) on ordinary activities after taxation		4,758,010	(29,725)
Retained profit/(loss) for the year		4,758,010	(29,725)
Accumulated loss brought forward		(186,615)	(156,890)
Retained profit/(loss) carried forward		<u>4,571,395</u>	<u>(186,615)</u>

There are no recognised gains or losses other than the profit / (loss) 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 / (loss) on ordinary activities before taxation and the retained profit / (loss) for the financial years stated above, and their historical cost equivalents.

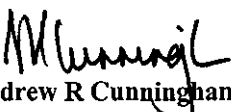
The notes on pages 7 to 10 form an integral part of these financial statements.

Grainger Pimlico Limited

**Balance sheet
as at 30 September 2004**

		2004		2003	
	Notes	£	£	£	£
Current assets					
Stocks	6	-		403,863	
Debtors	7	9,430,212		77,179	
Cash at bank and in hand		4,457		872	
		<u>9,434,669</u>		<u>481,914</u>	
Creditors: amounts falling due within one year	8	<u>(4,863,273)</u>		<u>(668,528)</u>	
Net current assets/(liabilities)			4,571,396		(186,614)
Net assets/(liabilities)			<u>4,571,396</u>		<u>(186,614)</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account			4,571,395		(186,615)
Equity shareholders' funds	10		<u>4,571,396</u>		<u>(186,614)</u>

The financial statements were approved by the Board on 24 June 2005 and signed on its behalf by


Andrew R Cunningham
 Director

The notes on pages 7 to 10 form an integral part of these financial statements.

Grainger Pimlico Limited

Notes to the financial statements for the year ended 30 September 2004

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

The company is a wholly owned subsidiary of Grainger Trust plc and the cash flows of the company are included in the consolidated cash flow statement of Grainger Trust 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. Sales of properties are only accounted for when the cash proceeds are received in full or the company has entered into a legally binding undertaking.

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.

Grainger Pimlico Limited

**Notes to the financial statements
for the year ended 30 September 2004**

..... continued

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/(loss)

The audit fee has been included in the overall audit fee for the Grainger Trust group, which has been paid for by Grainger Trust plc.

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 period.

4. Interest payable and similar charges

	2004	2003
	£	£
Interest payable on loans	-	20,784

Grainger Pimlico Limited

**Notes to the financial statements
for the year ended 30 September 2004**

..... continued

5. Tax on profit/(loss) on ordinary activities

Analysis of charge in period	2004	2003
	£	£
Current tax		
UK corporation tax	2,039,147	(12,740)
	<u> </u>	<u> </u>

Factors affecting tax charge for period

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

	2004	2003
	£	£
Profit/(loss) on ordinary activities before taxation	6,797,157	(42,465)
	<u> </u>	<u> </u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 September 2003 : 30%)	2,039,147	(12,740)
	<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 periods.

6. Stocks	2004	2003
	£	£
Development Properties	-	403,863
7. Debtors	2004	2003
	£	£
Amounts owed by group undertakings	6,322,113	67,238
Other debtors	3,108,099	9,941
	<u>9,430,212</u>	<u>77,179</u>

Grainger Pimlico Limited

**Notes to the financial statements
for the year ended 30 September 2004**

..... continued

8. Creditors: amounts falling due within one year	2004	2003
	£	£
Trade creditors	31,111	-
Amounts owed to group undertaking	-	550,796
Corporation tax	952,331	-
Other taxes and social security costs	1,938,536	-
Accruals and deferred income	1,941,295	117,732
	<u>4,863,273</u>	<u>668,528</u>
 9. Share capital	 2004	 2003
	£	£
Authorised		
100 Ordinary shares of 100p each	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid		
1 Ordinary share of 100p each	<u>1</u>	<u>1</u>
 10. Reconciliation of movements in equity shareholders' funds	 2004	 2003
	£	£
Profit/(loss) for the year	4,758,010	(29,725)
Opening shareholders' deficit	(186,614)	(156,889)
Closing shareholders' funds / deficit	<u>4,571,396</u>	<u>(186,614)</u>

11. 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 Trust plc group.

12. Ultimate parent undertaking

The directors regard Grainger Trust plc, a company registered in England and Wales, as 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 Trust plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.