

Grainger Pimlico Limited
Annual report
for the year ended 30 September 2003

Registered Number 3783320



Grainger Pimlico Limited

Annual report

for the year ended 30 September 2003

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Grainger Pimlico Limited

Directors and advisors for the year ended 30 September 2003

Directors

R J Dickinson
S Dickinson
A R Cunningham
G J Davis
S A Slade

Secretary and registered office

M L Glanville
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Independent auditors

PricewaterhouseCoopers LLP
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
Barclays House
71 Grey Street
Newcastle upon Tyne
NE99 1JP

Grainger Pimlico Limited

Directors' report for the year ended 30 September 2003

The directors present their report and the audited financial statements for the year ended 30 September 2003.

Principal activity and review of the business

The principal activities of the company remain those of 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.

The directors of the ultimate parent undertaking, Grainger Trust plc, have confirmed their intention to support the company to enable it to meet its obligations as they fall due for the foreseeable future.

Results

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

Dividends

The directors do not propose the payment of a dividend (2002: £nil).

Directors

The directors who served during the year and to the date of this report were:

R J Dickinson
S Dickinson
A R Cunningham
G J Davis
S A Slade

The directors have no beneficial interest in the share capital of the company. The interests of Mr S Dickinson, Mr R J Dickinson, Mr A R Cunningham and Mr S A Slade in the shares of the ultimate holding company, Grainger Trust plc are shown in the annual report of Grainger Trust plc.

The beneficial interests of the other director in the shares of Grainger Trust plc were as follows:

	30 September 2003 Number	30 September 2002 Number
G J Davis	37,772	40,553

Grainger Pimlico Limited

Directors' share options at 30 September 2003

		Ordinary shares of 25p each Mr G J Davis	
Option price	Date exercisable	30 September 2003 Number	30 September 2002 Number
SAYE scheme			
818p	8 Aug 2005 to 8 Feb 2006	1,161	1,161
Total number of share options		1,161	1,161

No options were either granted to or exercised by Mr G J Davis during the year.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

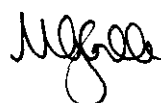
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors to the company. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board



M L Glanville
Secretary
23 July 2004

Grainger Pimlico Limited

Independent auditors' report to the members of Grainger Pimlico Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the 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 in to 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.

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. The other information comprises only the directors' report.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

23 July 2004

Grainger Pimlico Limited

Profit and loss account for the year ended 30 September 2003

	Note	2003 £	2002 £
Property expenses		(21,681)	(208,920)
Operating loss		(21,681)	(208,920)
Net interest payable and similar charges	2	(20,784)	(15,208)
Loss on ordinary activities before taxation	3	(42,465)	(224,128)
Tax on loss on ordinary activities	4	12,740	67,238
Loss for the financial year	10	(29,725)	(156,890)

All activities of the company are continuing.

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

There is no difference between loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

Grainger Pimlico Limited

Balance sheet as at 30 September 2003

	Note	2003 £	2002 £
Current assets			
Stocks	5	403,863	84,420
Debtors	6	77,179	2,967,238
Cash at bank and in hand		872	2,217,618
		481,914	5,269,276
Creditors: amounts falling due within one year	7	(668,528)	(5,426,165)
Net liabilities		(186,614)	(156,889)
Capital and reserves			
Called up equity share capital	8	1	1
Profit and loss account	9	(186,615)	(156,890)
Equity shareholders deficit	10	(186,614)	(156,889)

The financial statements on pages 5 to 11 were approved by the board of directors on 23 July 2004 and were signed on its behalf by:



G.I. Davis
Director

Grainger Pimlico Limited

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.

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.

Basis of preparation

The accounts have been prepared on the going concern basis as the ultimate parent company has agreed not to require repayment of amounts due to it before other liabilities have been met.

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 publishing a cash flow statement.

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.

Repairs and improvements

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

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 acquisition plus improvement costs. Net realisable value is the net sale proceeds which the company expect on sale of a property with vacant possession.

Deferred taxation

Deferred taxation is recognised on all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the rate expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantially enacted by the balance sheet date. Deferred tax is measured on a non discounted basis.

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Notes to the financial statements for the period ended 30 September 2003

1 Segmental reporting

All of the activities of the company fall into the principal activities as stated within the directors' report. The activities arise solely in the United Kingdom.

2 Net interest payable and similar charges

	2003	2002
	£	£
Interest payable and similar charges	20,784	15,208

3 Loss on ordinary activities before taxation

There are no persons holding service contracts with Grainger Pimlico Limited.

No directors received any remuneration from the company during the year or in previous year.

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.

4 Tax on loss on ordinary activities

	2003	2002
	£	£
Analysis of charge in year		
Current tax:		
Group relief receivable	(12,740)	(67,238)
Tax credit	(12,740)	(67,238)

Grainger Pimlico Limited

4 Tax on loss on ordinary activities (continued)

Factors affecting the tax charge for the year

The differences between the tax assessed for the period and the standard rate of corporation tax in the UK (30%) are explained below:

	2003 £	2002 £
Loss on ordinary activities before taxation	(42,465)	(224,128)
Loss on ordinary activities before tax at a rate of 30%	(12,740)	(67,238)
Total current tax	(12,740)	(67,238)

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

5 Stocks

	2003 £	2002 £
Development properties	403,863	84,420

6 Debtors

	2003 £	2002 £
Amounts falling due within one year:		
Trade debtors	-	2,900,000
Amounts due from group undertakings	67,238	67,238
Other tax	3,571	-
Corporation tax recoverable	6,370	-
	77,179	2,967,238

Grainger Pimlico Limited

7 Creditors: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	-	140,000
Amounts owed to group undertakings	550,796	3,178,035
Accruals and deferred income	117,732	2,108,130
	668,528	5,426,165

8 Called up equity share capital

	2003	2002
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 ordinary share of £1 each	1	1

9 Reserves

	Profit and loss account
	£
At 1 October 2002	(156,890)
Loss for the financial year	(29,725)
At 30 September 2003	(186,615)

Grainger Pimlico Limited

10 Reconciliation of movements in shareholders (deficit)/funds

	2003	2002
	£	£
Loss for the year	(29,725)	(156,890)
Opening equity shareholders' deficit	(156,889)	1
Closing equity shareholders' deficit	(186,614)	(156,889)

11 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 Trust plc group.

12 Ultimate parent undertaking

Grainger Trust plc is 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 The Secretary, Grainger Trust plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.