

**Grainger (Hadston) Limited**  
**Financial statements**  
**30 September 2012**



# **Grainger (Hadston) Limited**

## **Financial statements**

**Year ended 30 September 2012**

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# **Grainger (Hadston) Limited**

## **Officers and professional advisers**

### **The board of directors**

Andrew R Cunningham  
Nick P On  
Peter Q P Couch  
Nicholas M F Jopling  
Mark Greenwood

### **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

# **Grainger (Hadston) Limited**

## **The directors' report**

**Year ended 30 September 2012**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2012

### **Principal activities**

The principal activity of the company during the year was property development and trading

### **Directors**

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

Andrew R Cunningham

Nick P On

Peter Q P Couch

Nicholas M F Jopling

Mark Greenwood

### **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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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.

# **Grainger (Hadston) Limited**

**The directors' report *(continued)***

**Year ended 30 September 2012**

## **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 19 April 2013

# **Grainger (Hadston) Limited**

## **Independent auditor's report to the shareholders of Grainger (Hadston) Limited**

**Year ended 30 September 2012**

We have audited the financial statements of Grainger (Hadston) Limited for the year ended 30 September 2012 which comprise the Profit and Loss Account, 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).

### **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 2012 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

# Grainger (Hadston) Limited

## Independent auditor's report to the shareholders of Grainger (Hadston) Limited *(continued)*

Year ended 30 September 2012

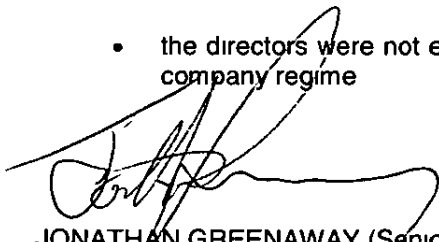
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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 in accordance with the small company regime



JONATHAN GREENAWAY (Senior Statutory Auditor)  
For and on behalf of  
PRICEWATERHOUSECOOPERS LLP  
Chartered Accountants & Statutory Auditor

89 Sandyford Road  
Newcastle Upon Tyne  
NE1 8HW

19 April 2013

# Grainger (Hadston) Limited

## Profit and loss account

Year ended 30 September 2012

	Note	2012 £	2011 £
<b>Turnover</b>	<b>2</b>	<b>48,097</b>	<b>50,855</b>
Cost of sales		(26,058)	9,636
<b>Gross profit</b>		<b>22,039</b>	<b>60,491</b>
Administrative expenses		(4,935)	(9,253)
<b>Operating profit</b>	<b>3</b>	<b>17,104</b>	<b>51,238</b>
Interest payable and similar charges		(1,399)	(7,898)
<b>Profit on ordinary activities before taxation</b>		<b>15,705</b>	<b>43,340</b>
Tax on profit on ordinary activities	<b>4</b>	(3,926)	(11,702)
<b>Profit for the financial year</b>		<b>11,779</b>	<b>31,638</b>
Balance brought forward		1,240,124	1,208,486
Balance carried forward		<u>1,251,903</u>	<u>1,240,124</u>

All of the activities of the company are classed as continuing

### Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £11,779 attributable to the shareholders for the year ended 30 September 2012 (2011 - profit of £31,638)

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



# Grainger (Hadston) Limited

## Balance sheet

30 September 2012

	Note	2012 £	2011 £
<b>Current assets</b>			
Stocks	5	1,990,027	1,986,732
Debtors	6	—	805
Cash at bank		33,703	35,102
		<u>2,023,730</u>	<u>2,022,639</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>(21,826)</u>	<u>(32,514)</u>
<b>Net current assets</b>		<b>2,001,904</b>	<b>1,990,125</b>
<b>Total assets less current liabilities</b>		<b>2,001,904</b>	<b>1,990,125</b>
<b>Capital and reserves</b>			
Called-up equity share capital	9	750,001	750,001
Profit and loss account		<u>1,251,903</u>	<u>1,240,124</u>
<b>Shareholders' funds</b>	10	<b>2,001,904</b>	<b>1,990,125</b>

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 19 April 2013, and are signed on their behalf by



Mark Greenwood  
Director

Company Registration Number 04068791

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

# **Grainger (Hadston) Limited**

## **Notes to the financial statements**

**Year ended 30 September 2012**

### **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

The financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, which have been applied consistently throughout the year

#### **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

#### **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

#### **Stocks**

Development properties and development land 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 calculated based on whether the land or property is to be sold in its current condition or whether it will be subject to further development. Where the land or property is to be further developed, net realisable value is based on the future expected value. Where the land or property is to be sold in its current condition, net realisable value is based on current market 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

# Grainger (Hadston) Limited

## Notes to the financial statements

Year ended 30 September 2012

### 3. Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Auditor's fees	—	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.

### 4 Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 25% (2011 - 27%)	3,926	11,702
Total current tax	<u>3,926</u>	<u>11,702</u>

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

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 25% (2011 - 27%).

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>15,705</u>	<u>43,340</u>
Profit on ordinary activities by rate of tax	3,926	11,702
Total current tax (note 4(a))	<u>3,926</u>	<u>11,702</u>

#### (c) Factors that may affect future tax charges

No provisions have been made for tax that would become payable if the company's properties were sold at their year end replacement values. The total unprovided deferred tax in respect of this is £297,844 (2011 £290,817).

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

# Grainger (Hadston) Limited

## Notes to the financial statements

Year ended 30 September 2012

### 5 Stocks

	2012	2011
	£	£
Development land	<u>1,990,027</u>	<u>1,986,732</u>

The replacement value of stock is £3,285,000 (2011 £3,150,000) based on market value at 30 September 2012

Stock is stated in the balance sheet at the lower of cost and net realisable value. Net realisable value is the net sales proceeds which the company expects on sale of the development. The directors have reviewed the expected net sales valuations of the development. They have concluded that the net realisable value exceeds the book cost of the properties and therefore no provision against carrying value of stock is required.

### 6 Debtors

	2012	2011
	£	£
Trade debtors	<u>—</u>	<u>805</u>

### 7 Creditors. Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	2,428	2,308
Amounts owed to group undertakings	18,848	24,754
Other creditors	550	5,452
	<u>21,826</u>	<u>32,514</u>

The amount owed to group undertakings is unsecured, is repayable on demand, and does not bear interest.

### 8. 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.

### 9 Share capital

Allotted, called up and fully paid

	2012		2011	
	No	£	No	£
750,001 Ordinary shares of £1 each	<u>750,001</u>	<u>750,001</u>	<u>750,001</u>	<u>750,001</u>

# Grainger (Hadston) Limited

## Notes to the financial statements

Year ended 30 September 2012

### 10 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	11,779	31,638
New ordinary share capital subscribed	—	750,000
Net addition to shareholders' funds	11,779	781,638
Opening shareholders' funds	1,990,125	1,208,487
Closing shareholders' funds	<u>2,001,904</u>	<u>1,990,125</u>

### 11 Ultimate parent undertaking and controlling party

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.

Northumberland & Durham Property Trust Limited is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.