

Grainger (Elder No. 6) Limited  
Annual report  
for the year ended 30 September 2003

Registered Number 4152466



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for the year ended 30 September 2003  
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# **Grainger (Elder No. 6) Limited**

## **Directors and advisors for the year ended 30 September 2003**

### **Directors**

S Dickinson  
A R Cunningham  
G J Davis  
R J Dickinson

### **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 (Elder No. 6) 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

The principal activity of the company is property development and trading.

### Review of business developments and prospects

The directors consider the level of activity of the company to be satisfactory and no material changes are envisaged in the coming year.

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 recommend the payment of a dividend (2002: £Nil).

### Directors

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

S Dickinson  
A R Cunningham  
G J Davis  
R J Dickinson

The directors have no beneficial interest in the share capital of the company. The beneficial interests of Mr S Dickinson, Mr R J Dickinson and Mr A R Cunningham 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:

	<b>30 September 2003 Number</b>	<b>30 September 2002 Number</b>
G J Davis	37,772	40,553

# Grainger (Elder No. 6) Limited

## Directors' share options at 30 September 2003

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

During the year no additional share options were granted and none exercised.

### 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. They also confirm that 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 as auditors to the Company. A resolution to reappoint them as auditors to the Company will be proposed at the Annual General Meeting.

### By order of the Board

M L Glanville  
Secretary  
21 May 2004



# Grainger (Elder No. 6) Limited

## Independent auditors' report to the members of Grainger (Elder No. 6) 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.

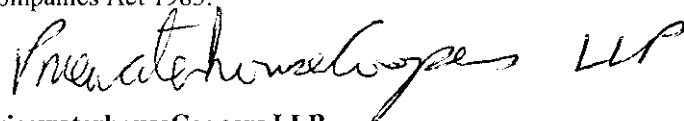
### Basis of audit opinion

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  
21 May 2004

## Grainger (Elder No. 6) Limited

### Profit and loss account for the year ended 30 September 2003

	Note	2001 £	2002 £
Trading Loss		(701,000)	-
Less :-			
Property (income)/expenses		(132)	426
<b>(Loss)/Profit on ordinary activities before taxation</b>	2	<b>(701,132)</b>	426
Tax on (loss)/profit on ordinary activities	3	-	(128)
<b>Retained (loss)/profit for the financial year</b>	8	<b>(701,132)</b>	298

All of the activities of the company relate to continuing operations.

The company has no gains and losses other than those included in the (loss)/profit 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 financial year stated above, and their historical cost equivalents.

# Grainger (Elder No. 6) Limited

## Balance sheet as at 30 September 2003

	Note	2003 £	2002 £
<b>Current assets</b>			
Stock	4	436,785	276,785
Debtors	5	-	350
		436,785	277,135
<b>Creditors: amounts falling due within one year</b>	6	(1,138,971)	(278,189)
<b>Net liabilities</b>		(702,186)	(1,054)
<b>Capital and reserves</b>			
Called up equity share capital	7	1	1
Profit and loss account	8	(702,187)	(1,055)
<b>Equity shareholders' deficit</b>	9	(702,186)	(1,054)

The financial statements on pages 5 to 10 were approved by the board of directors on 21 May 2004 and were signed on its behalf by:

  
G J Davis  
Director

# **Grainger (Elder No. 6) 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 preparing a cash flow statement.

### **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**

Trading properties are stated 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 to receive on the sale of a property with vacant possession.

### **Repairs and improvements**

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

### **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.

# Grainger (Elder No. 6) Limited

## Notes to the financial statements for the year 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 (Loss)/profit on ordinary activities before taxation

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

### 3 Tax on (loss)/profit on ordinary activities

	2003 £	2002 £
<b>Current tax:</b>		
UK corporation tax on losses/(profit) for the period	-	128
<b>Tax charge</b>	-	128

#### 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)/profit on ordinary activities before taxation	(701,132)	426
(Loss)/profit on ordinary activities before tax at a rate of 30%	(210,340)	128
Expenditure not deducted for tax purposes	210,340	-
<b>Total current tax</b>	-	128

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

## Grainger (Elder No. 6) Limited

### 4 Stock

	2003	2002
	£	£
Land	436,785	276,785

### 5 Debtors

	2003	2002
	£	£
Amounts falling due within one year:		
VAT receivable	-	350

### 6 Creditors: amounts falling due within one year

	2003	2002
	£	£
Amounts due to group undertakings	477,857	277,947
Corporation tax	-	128
Accruals and deferred income	661,114	114
	1,138,971	278,189

### 7 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

# Grainger (Elder No. 6) Limited

## 8 Reserves

	Profit and loss account £
At 1 October 2002	(1,055)
Loss for the financial year	(701,132)
<b>At 30 September 2003</b>	<b>(702,187)</b>

## 9 Reconciliation of movement in equity shareholders' deficit

	2003 £	2002 £
(Loss)/profit for the year	(701,132)	298
Opening equity shareholders' deficit	(1,054)	(1,352)
<b>Closing equity shareholders' deficit</b>	<b>(702,186)</b>	<b>(1,054)</b>

## 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 Trust plc group.

## 11 Ultimate parent undertaking

The directors regard GIP 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 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.