

Grainger (Clapham) Limited
Annual report
for the year ended 30 September 2003

Registered Number 04217612



Grainger (Clapham) Limited
Annual report
for the year ended 30 September 2003
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Grainger (Clapham) Limited

Directors and Advisors for the year ended 30 September 2003

Directors

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

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
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3PN

Grainger (Clapham) 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 period.

Results

The results for the period 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 period and to the date of this report were:

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

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

| | 30 September 2003 Number | 30 September 2002 Number |
|-----------|---|---|
| G J Davis | 37,772 | 40,553 |
| J Fielder | 15,584 | - |

Grainger (Clapham) Limited

Directors' share options at 30 September 2003

| | | Ordinary shares of 25p each | | | |
|-------------------------------|--------------------------|-----------------------------|--------|--------------|--------|
| | | Mr G J Davis | | Mr J Fielder | |
| Option price | Date exercisable | 2003 | 2002 | 2003 | 2002 |
| | | Number | Number | Number | Number |
| SAYE scheme | | | | | |
| 690p | 8 Aug 2006 to 8 Feb 2007 | - | - | 2,445 | 2445 |
| 818p | 8 Aug 2005 to 8 Feb 2006 | 1,161 | 1,161 | - | - |
| Total number of share options | | 1,161 | 1,161 | 2,445 | 2,445 |

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 period 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 (Clapham) Limited

Independent auditors' report to the members of Grainger (Clapham) 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 profit 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 (Clapham) Limited

Profit and loss account for the year ended 30 September 2003

| | Note | 2003 £ | Period ended 30 September 2002 £ |
|---|----------|--------------|---|
| Property income/ (expenses) | | 3,190 | (13,977) |
| Profit/(loss) on ordinary activities before taxation | | 3,190 | (13,977) |
| Taxation | 2 | (956) | 4,193 |
| Profit/(loss) for the year | 7 | 2,234 | (9,784) |

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 above and therefore no separate statement of total recognised gains and losses has been presented.

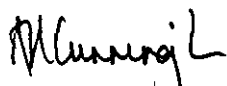
There is no difference between the profit on ordinary activities before taxation and the results for the financial year as stated above, and their historical cost equivalents.

Grainger (Clapham) Limited

Balance sheet as at 30 September 2003

| | Note | 2003 £ | 2002 £ |
|---|------|----------------|----------------|
| Current assets | | | |
| Stock | 3 | 5,669,804 | 19,820 |
| Debtors | 4 | 2,420 | 4,310,316 |
| | | 5,672,224 | 4,330,136 |
| Creditors: amounts falling due within one year | 5 | (5,679,773) | (4,339,919) |
| Net liabilities | | (7,549) | (9,783) |
| Capital and reserves | | | |
| Called up share capital | 6 | 1 | 1 |
| Profit and loss account | 7 | (7,550) | (9,784) |
| Equity shareholders' deficit | 8 | (7,549) | (9,783) |

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:



A R Cunningham
Director

Grainger (Clapham) 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The going concern assumption has been adopted in the preparation of these financial statements as the ultimate parent undertaking has indicated its willingness to provide financial support for the foreseeable future

Accounting convention

The financial statements have been prepared under the historical cost basis of accounting. There are no comparatives as this is the company's first accounting period.

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.

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 (Clapham) Limited

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

1 Directors and employees

There are no persons holding service contracts with the company.

None of the directors received any remuneration from the company during the period.

2 Tax on profit/(losses) on ordinary activities

| | 2003 | 2002 |
|---|--------------|--------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax on profits/(losses) for the period | (956) | 4,193 |
| Tax charge/(credit) | (956) | 4,193 |

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 |
|---|--------------|--------------|
| | £ | £ |
| Profit on ordinary activities before taxation | 3,190 | (13,977) |
| Profit on ordinary activities before tax at a rate of 30% | (956) | 4,193 |
| Total current tax | (956) | 4,193 |

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

Grainger (Clapham) Limited

3 Stock

| | 2003 | 2002 |
|--------------------|-----------|-----------|
| | £ | £ |
| Trading properties | 5,669,804 | 4,310,316 |

4 Debtors

| | 2003 | 2002 |
|------------------------------------|-------|--------|
| | £ | £ |
| Corporation tax | - | 4,193 |
| Other taxation and social security | 2,420 | 11,192 |
| Sundry | - | 4,435 |
| | 2,420 | 19,820 |

5 Creditors: amounts falling due within one year

| | 2003 | 2002 |
|-----------------------------------|-----------|-----------|
| | £ | £ |
| Corporation tax | 478 | - |
| Amounts due to group undertakings | 5,679,295 | 4,338,207 |
| Accruals and deferred income | - | 1,712 |
| | 5,679,773 | 4,339,919 |

6 Called up share capital

| | 2003 | 2002 |
|--------------------------------|------|------|
| | £ | £ |
| Authorised | | |
| 100 ordinary shares of £1 each | 100 | 100 |
| Allotted and fully paid | | |
| 1 ordinary shares of £1 each | 1 | 1 |

Grainger (Clapham) Limited

7 Reserves

| | Profit and loss account £ |
|----------------------------|---------------------------------|
| At 1 October 2002 | (9,784) |
| Profit for the year | 2,234 |
| At 30 September 2003 | (7,550) |

8 Reconciliation of movement in equity shareholders' funds

| | 2003 £ | 2002 £ |
|---|----------------|----------------|
| Profit/(loss) for the financial year | 2,234 | (9,784) |
| Net addition to equity shareholders' funds | 2,234 | (9,783) |
| Opening equity shareholders' deficit | (9,783) | - |
| Closing equity shareholders' deficit | (7,549) | (9,783) |

9 Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard No 8 and has not disclosed transactions with companies that are part of the Grainger Trust plc group.

10 Controlling parties

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 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.