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COMPANIES HOUSE

COMPANY REGISTRATION NUMBER 4974627

**Grainger Residential Management Limited**  
**Financial statements**  
**30 September 2011**

# **Grainger Residential Management Limited**

## **Financial statements**

**Year ended 30 September 2011**

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# **Grainger Residential Management Limited**

## **Officers and professional advisers**

<b>The board of directors</b>	Andrew R Cunningham Mark J Robson Nick P On Mark Greenwood Nicholas M F Jopling Peter Q P Couch
<b>Company secretary</b>	Michael P Windle
<b>Registered office</b>	Citygate St James' Boulevard Newcastle Upon Tyne NE1 4JE
<b>Auditor</b>	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditor 89 Sandyford Road Newcastle Upon Tyne NE1 8HW
<b>Bankers</b>	Barclays Bank Plc Barclays House 71 Grey Street Newcastle Upon Tyne NE99 1JP
<b>Solicitors</b>	Dickinson Dees LLP St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE99 1SB

# **Grainger Residential Management Limited**

## **The directors' report**

**Year ended 30 September 2011**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2011

### **Principal activities and business review**

The principal activity of the company during the year was property management

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,174,475. The directors have not recommended a dividend.

### **Principal risks and uncertainties**

The directors of Grainger plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Grainger Residential Management Limited's business. The principal risks and uncertainties of the Grainger plc group, which include those of the company, are discussed in the group's annual report, which does not form part of this report.

### **Key performance indicators**

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of Grainger Residential Management Limited's business.

### **Directors**

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

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

Mark Greenwood was appointed as a director on 23 December 2010.  
Nicholas M F Jopling was appointed as a director on 16 December 2010.  
Peter Q P Couch was appointed as a director on 15 December 2010.

Andrew Pratt resigned as a director on 31 December 2010.

### **Policy on the payment of creditors**

It is the company's policy to pay all of its suppliers in accordance with their normal trading terms and conditions for both the current year and the following financial year. Payment in respect of the purchase of property is subject to and is in compliance with contractual terms. Trade creditor days relating to other trade creditors of the Company were calculated as 22 days (2010: 21 days).

# Grainger Residential Management Limited

## The directors' report *(continued)*

Year ended 30 September 2011

### **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 period. In preparing those financial statements, the directors are required to

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

### **Auditor**

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

# **Grainger Residential Management Limited**

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

**Year ended 30 September 2011**

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'M Windle', with a stylized, cursive script.

Michael P Windle  
Company Secretary

Approved by the directors on 22 June 2012

# **Grainger Residential Management Limited**

## **Independent auditor's report to the shareholders of Grainger Residential Management Limited**

**Year ended 30 September 2011**

We have audited the financial statements of Grainger Residential Management Limited for the year ended 30 September 2011, which comprise the Profit and Loss Account, the 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, 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 2011 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 requirements of the Companies Act 2006.

### **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.

# **Grainger Residential Management Limited**

**Independent auditor's report to the shareholders of  
Grainger Residential Management Limited (continued)**

**Year ended 30 September 2011**

## **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



**Mark Menton (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne**

22 June 2012



# Grainger Residential Management Limited

## Profit and loss account

Year ended 30 September 2011

	Note	2011 £	2010 £
Turnover	2	13,105,965	13,335,726
Cost of sales		(15,829)	(22,157)
Gross profit		13,090,136	13,313,569
Administrative expenses		(11,410,778)	(11,169,359)
Operating profit	3	1,679,358	2,144,210
Interest receivable		–	(789)
Interest payable and similar charges	5	(26)	–
Profit on ordinary activities before taxation		1,679,332	2,143,421
Tax on profit on ordinary activities	6	(504,857)	(640,158)
Profit for the financial year		1,174,475	1,503,263
Balance brought forward		7,657,343	6,154,080
Balance carried forward		8,831,818	7,657,343

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 £1,174,475 attributable to the shareholders for the year ended 30 September 2011 (2010 - profit of £1,503,263)

The notes on pages 9 to 14 form part of these financial statements

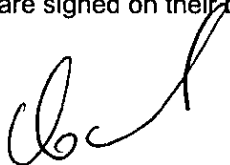
# Grainger Residential Management Limited

## Balance sheet

30 September 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	7	1,033,675	993,255
Investments	8	1,000	1,000
		<u>1,034,675</u>	<u>994,255</u>
<b>Current assets</b>			
Debtors	9	9,326,565	8,108,296
Cash at bank		6,809,041	3,248,575
		<u>16,135,606</u>	<u>11,356,871</u>
<b>Creditors Amounts falling due within one year</b>	11	<u>(8,338,462)</u>	<u>(4,693,782)</u>
<b>Net current assets</b>		<u>7,797,144</u>	<u>6,663,089</u>
<b>Total assets less current liabilities</b>		<u>8,831,819</u>	<u>7,657,344</u>
<b>Capital and reserves</b>			
Called-up equity share capital	13	1	1
Profit and loss account		8,831,818	7,657,343
<b>Shareholders' funds</b>	14	<u>8,831,819</u>	<u>7,657,344</u>

These financial statements were approved by the directors and authorised for issue on 22 June 2012, and are signed on their behalf by



Mark Greenwood  
Director

Company Registration Number 4974627

The notes on pages 9 to 14 form part of these financial statements.

# Grainger Residential Management Limited

## Notes to the financial statements

Year ended 30 September 2011

### 1 Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention

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 management fees and sundry other income, exclusive of VAT

#### Fixed assets

All fixed assets are recorded at cost

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	-	20% straight line
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#### Investments

Fixed asset investments are stated at cost less provision for diminution in value

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### 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

# Grainger Residential Management Limited

## Notes to the financial statements

Year ended 30 September 2011

### 1 Accounting policies (continued)

#### Group accounts

The financial statements contain information about Grainger Residential Management Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of the ultimate parent company, Grainger plc, a company registered in England and Wales.

### 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.

### 3 Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Depreciation of owned fixed assets	498,582	448,293
Auditor's remuneration		
- as auditor	400	400
Operating lease costs		
- Plant and equipment	432,438	113,748
- Other	1,242,455	1,110,270

Audit fees are statutory audit fees only and are borne by another Group company.

Operating lease payments represent the lease payments made in the year relating to renting of office space used by the company, car leases under contract hire arrangements and operating lease payments relating to office equipment such as photocopiers. Leases relating to office space used by the company have initial terms of varying lengths, between 1 to 13 years. Rent reviews generally take place every 5 years. Contract hire car leases generally have a 3 year term. The future annual operating lease commitments are expected to be broadly the same as those actual costs shown above.

### 4 Particulars of employees

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.

### 5 Interest payable and similar charges

	2011 £	2010 £
Interest payable on bank borrowing	26	-

# Grainger Residential Management Limited

## Notes to the financial statements

Year ended 30 September 2011

### 6 Taxation on ordinary activities (a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 27% (2010 - 28%)	364,164	740,818
Total current tax	364,164	740,818
Deferred tax		
Origination and reversal of timing differences (note 10)		
Capital allowances	140,693	(100,660)
Tax on profit on ordinary activities	504,857	640,158

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 lower than the standard rate of corporation tax in the UK of 27% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	1,679,332	2,143,421
Profit on ordinary activities by rate of tax	453,420	600,158
Expenses not deductible for tax purposes	51,437	40,000
Capital allowances for period in excess of depreciation	(140,693)	100,660
Total current tax (note 6(a))	364,164	740,818

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

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

# Grainger Residential Management Limited

## Notes to the financial statements

Year ended 30 September 2011

### 7 Tangible fixed assets

	Fixtures & Fittings £
<b>Cost</b>	
At 1 October 2010	2,606,595
Additions	539,002
<b>At 30 September 2011</b>	<b><u>3,145,597</u></b>
<b>Depreciation</b>	
At 1 October 2010	1,613,340
Charge for the year	498,582
<b>At 30 September 2011</b>	<b><u>2,111,922</u></b>
<b>Net book value</b>	
<b>At 30 September 2011</b>	<b><u>1,033,675</u></b>
At 30 September 2010	<u>993,255</u>

### 8 Investments

	Participating interests shares £
<b>Cost</b>	
At 1 October 2010 and 30 September 2011	<u>1,000</u>
<b>Net book value</b>	
<b>At 30 September 2011 and 30 September 2010</b>	<b><u>1,000</u></b>

The company owns less than 1% of the capital of Grainger Treasury Property (2006) Limited Liability Partnership, a property investment partnership incorporated in England and Wales

### 9 Debtors

	2011 £	2010 £
Trade debtors	64,246	368,382
Amounts owed by group undertakings	6,651,398	6,024,807
VAT recoverable	—	12,676
Other debtors	1,028,034	36,130
Prepayments and accrued income	1,510,920	1,453,641
Deferred taxation (note 10)	71,967	212,660
	<b><u>9,326,565</u></b>	<b><u>8,108,296</u></b>

# Grainger Residential Management Limited

## Notes to the financial statements

Year ended 30 September 2011

### 10 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2011 £	2010 £
Included in debtors (note 9)	<u>71,967</u>	<u>212,660</u>

The movement in the deferred taxation account during the year was

	2011 £	2010 £
Balance brought forward	212,660	112,000
Profit and loss account movement arising during the year	(140,693)	100,660
Balance carried forward	<u>71,967</u>	<u>212,660</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Excess of depreciation over taxation allowances	<u>71,967</u>	<u>212,660</u>
	<u>71,967</u>	<u>212,660</u>

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

	2011 £	2010 £
Trade creditors	–	41,556
VAT	1,447	–
Other creditors	8,337,015	3,360,580
Accruals and deferred income	–	1,291,646
	<u>8,338,462</u>	<u>4,693,782</u>

### 12. 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

### 13. Share capital

#### Authorised share capital

	2011 £	2010 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### Allotted, called up and fully paid

	2011 No	£	2010 No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

# Grainger Residential Management Limited

## Notes to the financial statements

Year ended 30 September 2011

### 14. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	1,174,475	1,503,263
Opening shareholders' funds	<u>7,657,344</u>	<u>6,154,081</u>
Closing shareholders' funds	<u>8,831,819</u>	<u>7,657,344</u>

### 15 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.

Grainger plc is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.