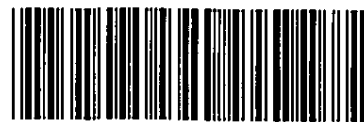


COMPANY REGISTRATION NUMBER 5641608

Grainger Parks Limited
Financial statements
30 September 2008

THURSDAY



AHEBWBZM

A72

30/07/2009

58

COMPANIES HOUSE

Grainger Parks Limited

Financial statements

Year ended 30 September 2008

Contents	Page
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the financial statements	9

Grainger Parks Limited

Officers and professional advisers

The board of directors

Andrew R Cunningham
Rupert J Dickinson
Mark J Robson
Andrew Pratt
Nick On

Company secretary

Michael P Windle

Registered office

Citygate
St James' Boulevard
Newcastle Upon Tyne
NE1 4JE

Auditor

PricewaterhouseCoopers LLP
Chartered Accountants
& Registered Auditors
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
St Ann's Wharf
112 Quayside
Newcastle Upon Tyne
NE99 1SB

Grainger Parks Limited

The directors' report

Year ended 30 September 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2008.

Principal activities

The principal activity of the company during the year was to own and operate caravan parks.

Liquidity risk and going concern

The company is a wholly owned subsidiary of Grainger plc. The going concern assessment of the company is linked to the going concern assessment of the Grainger plc group as the company's activities and trading are financed by way of a committed core borrowing facility with a syndicate of leading banks. This core borrowing facility is both arranged and managed on a group basis.

After making such enquiries as deemed necessary the directors have a reasonable expectation that the company, via the Grainger group, has adequate resources to enable it to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the company's financial statements.

More details of the core borrowing facility, liquidity risk and going concern analysis may be found in note 1 to the accounts.

Directors

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

Andrew R Cunningham
Rupert J Dickinson
Mark J Robson
Debra R Yudolph
Andrew Pratt

Nick On was appointed as a director on 23 January 2009.
Debra R Yudolph resigned as a director on 19 December 2008.

Directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 these 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.

Grainger Parks Limited

The directors' report

Year ended 30 September 2008

Directors' responsibilities (continued)

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.

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

A resolution to re-appoint PricewaterhouseCoopers LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors



Michael P Windle
Company Secretary

Approved by the directors on 30 July 2009

Grainger Parks Limited

Independent auditor's report to the shareholders of Grainger Parks Limited

Year ended 30 September 2008

We have audited the financial statements of Grainger Parks Limited for the year ended 30 September 2008, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 into 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Grainger Parks Limited

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

Year ended 30 September 2008

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle Upon Tyne

30 July 2009

Grainger Parks Limited

Profit and loss account

Year ended 30 September 2008

	Note	2008 £	2007 £
Turnover	2	347,900	311,526
Cost of sales		(75,503)	(213,955)
Gross profit		272,397	97,571
Administrative expenses		(173,225)	(80,292)
Profit on ordinary activities before taxation		99,172	17,279
Tax on profit on ordinary activities	4	(28,760)	(5,184)
Profit for the financial year		<u>70,412</u>	<u>12,095</u>

All of the activities of the company are classed as continuing.

The notes on pages 9 to 15 form part of these financial statements.

Grainger Parks Limited

Statement of total recognised gains and losses

Year ended 30 September 2008

	2008 £	2007 £
Profit for the financial year attributable to the shareholders	70,412	12,095
Unrealised profit on revaluation of certain fixed assets	<u>347,009</u>	<u>209,576</u>
Total gains and losses recognised since the last annual report	<u>417,421</u>	<u>221,671</u>

The notes on pages 9 to 15 form part of these financial statements.

Grainger Parks Limited

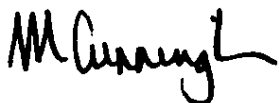
Balance sheet

30 September 2008

	Note	2008 £	2007 £
Fixed assets			
Intangible assets	5	–	75,000
Tangible assets	6	<u>2,398,847</u>	<u>2,035,943</u>
		<u>2,398,847</u>	<u>2,110,943</u>
Current assets			
Debtors	7	274	–
Cash at bank		<u>352,625</u>	<u>462,100</u>
		<u>352,899</u>	<u>462,100</u>
Creditors: Amounts falling due within one year	8	<u>(1,922,530)</u>	<u>(2,257,609)</u>
Net current liabilities		<u>(1,569,631)</u>	<u>(1,795,509)</u>
Total assets less current liabilities		<u>829,216</u>	<u>315,434</u>
Provisions for liabilities			
Deferred taxation	9	<u>(96,361)</u>	<u>–</u>
		<u>732,855</u>	<u>315,434</u>
Capital and reserves			
Called-up equity share capital	11	1	1
Revaluation reserve	12	<u>556,585</u>	<u>209,576</u>
Profit and loss account	13	<u>176,269</u>	<u>105,857</u>
Shareholders' funds	14	<u>732,855</u>	<u>315,434</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors and authorised for issue on 30 July 2009, and are signed on their behalf by:



Andrew R Cunningham
Director

The notes on pages 9 to 15 form part of these financial statements.

Grainger Parks Limited

Notes to the financial statements

Year ended 30 September 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards.

The financial statements are prepared on the going concern basis in accordance with the Companies Act 1985 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.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets.

Goodwill is tested annually for impairment and is carried at loss less accumulated impairment losses.

Fixed assets

All fixed assets are initially 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:

Motor Vehicles - 20% straight line

Investment properties

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Repairs are expensed to the profit and loss account as incurred. Improvement costs are capitalised. In accordance with SSAP 19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, unless any diminution in value of an individual property is considered permanent, in which case the deficit is taken to the profit and loss account and (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that to depreciate such properties would not give a true and fair view, but that a true and fair view is given by following SSAP 19 as described above. Full valuations are made by independent professionally qualified valuers every year. The basis of valuation is explained in the investment property note.

Grainger Parks Limited

Notes to the financial statements

Year ended 30 September 2008

1. Accounting policies (continued)

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.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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.

Liquidity risk and going concern

The company is a wholly owned subsidiary of Grainger plc. The going concern assessment of the company is linked to the going concern assessment of the Grainger plc group as the company's activities and trading are financed by way of a committed core borrowing facility with a syndicate of leading banks. This core borrowing facility is both arranged and managed on a group basis.

As at 30 September 2008, the core borrowing facility was £1,528m of which £1,225.2 m was drawn and the remaining £302.8m was undrawn. The core borrowing facility has a range of maturities as follows:

Amount repayable	£m	Maturity
£400 million	400	30 June 2010
£475 million	475	30 June 2011
£228 million	228	30 June 2013
£225 million	225	30 June 2013
£200 million	200	30 June 2014
Total repayable	1,528	

The first significant debt maturity is the facility of £400m as at 30 June 2010. The headroom as at 30 September 2008 of £302.8m represents some 76% of this first debt maturity.

Challenging market conditions have persisted throughout the second half of the 2008 financial year and these have continued into the first few months of the 2009 financial year. These periods have been characterised by falls in both the value and volume of residential property transactions. Although market conditions remain difficult, there have been some signs of the market improving over the last few months with an improvement in sales prices and buyer interest and increasing optimism from local agents. However, the market remains fragile and it is too early to predict whether these indicators represent a permanent shift in momentum.

Grainger Parks Limited

Notes to the financial statements

Year ended 30 September 2008

1. Accounting policies (continued)

Liquidity risk and going concern (continued)

The group's forecasts and projections for the period to 30 June 2010 show that based upon reasonable assumptions, the group will be able to operate within its current facilities assuming that the repayment of £400m takes place on 30 June 2010. They also show that the group will remain compliant with both its loan-to-value and interest cover covenants. If market conditions deteriorate such that the actual outturn is worse than that assumed in the group's forecasts and projections then the group's short term liquidity may come under some pressure. However, the group does have other sources of funding available to it that would mitigate any additional funding requirements. These include additional individual or portfolio property sales and the introduction of third party capital in the groups' German portfolio. In addition the group is currently in discussions with its lending group of banks to refinance its borrowing facilities.

After making such enquiries as deemed necessary the directors have a reasonable expectation that the company, via the Grainger group, has adequate resources to enable it to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the company's financial statements.

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:

	2008	2007
	£	£
Goodwill impairment	75,000	-
Depreciation of owned fixed assets	60,202	36,771
Auditor's fees	400	400

Audit fees 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.

Grainger Parks Limited

Notes to the financial statements

Year ended 30 September 2008

4. Taxation on ordinary activities (a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 29% (2007 - 30%)	(67,601)	5,184
Total current tax	(67,601)	5,184
Deferred tax:		
Origination and reversal of timing differences (note 9)		
Capital allowances	23,354	-
Provision deferred tax; adjustment in respect of prior years	73,007	-
Total deferred tax (note 9)	96,361	-
Tax on profit on ordinary activities	28,760	5,184

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 29% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	99,172	17,279
Profit on ordinary activities by rate of tax	28,760	5,184
Capital allowances for period in excess of depreciation	(23,354)	-
Adjustments to tax charge in respect of previous periods	(73,007)	-
Total current tax (note 4(a))	(67,601)	5,184

(c) Factors that may affect future tax charges

A number of changes to the UK Corporation tax system were announced in the 2008 Budget Statement and were enacted in the 2008 Finance Act. All changes that had been enacted or substantively enacted at the balance sheet date are included in these financial statements where applicable. There are no other factors that are expected to significantly affect the taxation charge in future years.

Grainger Parks Limited

Notes to the financial statements

Year ended 30 September 2008

5. Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2007 and 30 September 2008	<u>75,000</u>
Impairment	
Charge for the year	<u>75,000</u>
At 30 September 2008	<u>75,000</u>
Net book value	
At 30 September 2008	<u>-</u>
At 30 September 2007	<u>75,000</u>

Goodwill has arisen on the purchase of a trading caravan park in February 2006.

6. Tangible fixed assets

	Freehold Property £	Motor Vehicles £	Total £
Cost or valuation			
At 1 October 2007	1,800,018	285,266	2,085,284
Additions	13,111	62,986	76,097
Revaluation	347,009	-	347,009
At 30 September 2008	<u>2,160,138</u>	<u>348,252</u>	<u>2,508,390</u>
Depreciation			
At 1 October 2007	-	49,341	49,341
Charge for the year	-	60,202	60,202
At 30 September 2008	<u>-</u>	<u>109,543</u>	<u>109,543</u>
Net book value			
At 30 September 2008	<u>2,160,138</u>	<u>238,709</u>	<u>2,398,847</u>
At 30 September 2007	<u>1,800,018</u>	<u>235,925</u>	<u>2,035,943</u>

The company's investment properties have been valued at their open market value at the balance sheet date by our in house Chartered Surveyors and the valuations were reviewed and approved by the directors. The historical cost of these properties is £1,603,553 (2007: £1,590,442).

7. Debtors

	2008 £	2007 £
Other debtors	<u>274</u>	<u>-</u>

Grainger Parks Limited

Notes to the financial statements

Year ended 30 September 2008

8. Creditors: Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	195	251
Amounts owed to group undertakings	1,918,350	2,257,358
Other creditors	3,985	-
	<u>1,922,530</u>	<u>2,257,609</u>

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

9. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Profit and loss account movement arising during the year	96,361	-
Provision carried forward	<u>96,361</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	23,354	-
Provision deferred tax; adjustment in respect of prior years	73,007	-
	<u>96,361</u>	<u>-</u>

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 plc group.

11. Share capital

Authorised share capital:

	2008	2007
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Grainger Parks Limited

Notes to the financial statements

Year ended 30 September 2008

12. Revaluation reserve

	2008 £	2007 £
Balance brought forward	209,576	—
Revaluation of fixed assets	347,009	209,576
Balance carried forward	<u>556,585</u>	<u>209,576</u>

13. Profit and loss account

	2008 £	2007 £
Balance brought forward	105,857	93,762
Profit for the financial year	70,412	12,095
Balance carried forward	<u>176,269</u>	<u>105,857</u>

14. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	70,412	12,095
Other net recognised gains and losses	347,009	209,576
Net addition to shareholders' funds	417,421	221,671
Opening shareholders' funds	315,434	93,763
Closing shareholders' funds	<u>732,855</u>	<u>315,434</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.

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