

**Grainger Europe (No. 4) Limited**  
**Financial statements**  
**30 September 2012**

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# **Grainger Europe (No. 4) Limited**

## **Financial statements**

**Year ended 30 September 2012**

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# **Grainger Europe (No. 4) Limited**

## **Officers and professional advisers**

### **The board of directors**

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

### **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 Europe (No. 4) Limited**

## **The directors' report**

**Year ended 30 September 2012**

The directors present 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 investing in European property companies

### **Directors**

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

Andrew R Cunningham  
Nick P On  
Mark Greenwood  
Nicholas M F Jopling  
Peter Q P Couch  
Adam McGhin  
Steven Butler

Adam McGhin was appointed as a director on 14 May 2012  
Steven Butler was appointed as a director on 23 May 2012  
Adam McGhin resigned as a director on 23 November 2012

### **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.

# Grainger Europe (No. 4) Limited

The directors' report *(continued)*

Year ended 30 September 2012

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

## **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 21 June 2013

# **Grainger Europe (No. 4) Limited**

## **Independent auditor's report to the shareholders of Grainger Europe (No. 4) Limited**

**Year ended 30 September 2012**

We have audited the financial statements of Grainger Europe (No. 4) 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 loss 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 Europe (No. 4) Limited**

## **Independent auditor's report to the shareholders of Grainger Europe (No. 4) Limited *(continued)***

**Year ended 30 September 2012**

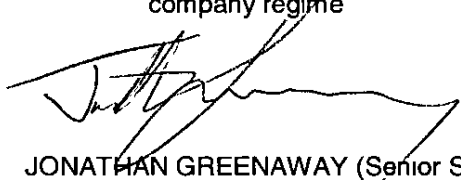
### **Opinion on other matter prescribed by the Companies Act 2006**

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

21 June 2013

# Grainger Europe (No. 4) Limited

## Profit and loss account

Year ended 30 September 2012

	Note	2012 £	2011 £
<b>Turnover</b>		—	—
Administrative expenses		45,286	(204,146)
<b>Operating profit/(loss)</b>	2	45,286	(204,146)
Investment impairment movement	3	(1,008,464)	1,572,619
Interest payable and similar charges		(2,578,624)	(2,059,794)
<b>Loss on ordinary activities before taxation</b>		(3,541,802)	(691,321)
Tax on loss on ordinary activities	4	633,335	611,264
<b>Loss for the financial year</b>		(2,908,467)	(80,057)
Balance brought forward		(15,499,631)	(15,419,574)
Balance carried forward		(18,408,098)	(15,499,631)

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 loss of £2,908,467 attributable to the shareholders for the year ended 30 September 2012 (2011 - loss of £80,057)

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



# Grainger Europe (No. 4) Limited

## Balance sheet

30 September 2012

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Investments	5	<u>95,858,919</u>	<u>34,216,446</u>
<b>Current assets</b>			
Debtors	6	633,925	—
<b>Creditors: Amounts falling due within one year</b>	7	<u>(114,900,941)</u>	<u>(49,716,076)</u>
<b>Net current liabilities</b>		<u>(114,267,016)</u>	<u>(49,716,076)</u>
<b>Total assets less current liabilities</b>		<u>(18,408,097)</u>	<u>(15,499,630)</u>
<b>Capital and reserves</b>			
Called-up equity share capital	9	1	1
Profit and loss account		<u>(18,408,098)</u>	<u>(15,499,631)</u>
<b>Deficit</b>	10	<u>(18,408,097)</u>	<u>(15,499,630)</u>

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 21 June 2013, and are signed on their behalf by



Mark Greenwood  
Director

Company Registration Number 6352297

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

# **Grainger Europe (No. 4) 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

#### **Going concern**

Grainger plc has confirmed to the directors of the company that it will provide such financial support as shall enable the company to continue as a going concern for at least 12 months from the signing of these accounts

#### **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

#### **Investments**

Investments are recorded at cost less provision for diminution in 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

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account

#### **Group accounts**

The financial statements contain information about Grainger Europe (No 4) 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 in England and Wales

# Grainger Europe (No. 4) Limited

## Notes to the financial statements

Year ended 30 September 2012

### 2 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2012 £	2011 £
Auditor's fees	-	400
Net (profit)/loss on foreign currency translation	<u>(45,286)</u>	<u>204,146</u>

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.

### 3 Investment impairment movement

	2012 £	2011 £
Amount written off/(back to) investments	<u>1,008,464</u>	<u>(1,572,619)</u>

### 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%)	<u>(633,335)</u>	<u>(611,264)</u>
Total current tax	<u>(633,335)</u>	<u>(611,264)</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 loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 25% (2011 - 27%).

	2012 £	2011 £
Loss on ordinary activities before taxation	<u>(3,541,802)</u>	<u>(691,321)</u>
Loss on ordinary activities by rate of tax	<u>(885,451)</u>	<u>(186,657)</u>
Non taxable movement on investment provision	<u>252,116</u>	<u>(424,607)</u>
Total current tax (note 4(a))	<u>(633,335)</u>	<u>(611,264)</u>

#### (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 Europe (No. 4) Limited

## Notes to the financial statements

Year ended 30 September 2012

### 5 Investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 October 2011	42,590,847
Additions	62,650,937
At 30 September 2012	<u>105,241,784</u>
<b>Amounts written off</b>	
At 1 October 2011	8,374,401
Written off in year	1,008,464
At 30 September 2012	<u>9,382,865</u>
<b>Net book value</b>	
<b>At 30 September 2012</b>	<u>95,858,919</u>
At 30 September 2011	<u>34,216,446</u>

The company owns 100% of the issued share capital of Grainger FRM GmbH, an investment company incorporated in Germany

During the year the company made a capital contribution of £62,650,937 to Grainger FRM GmbH

### 6 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	<u>633,925</u>	<u>—</u>

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

	2012 £	2011 £
Amounts owed to group undertakings	<u>114,900,941</u>	<u>49,716,076</u>

Included within amounts owed to group undertakings are unsecured loans totalling £114,475,828 (2011 £50,541,976) The loans bore interest at an average rate of 3.95% (2011 3.78%) in the year All loans are repayable on demand All other amounts owed to group undertakings are unsecured, bear no interest, and are repayable on demand

### 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

# Grainger Europe (No. 4) Limited

## Notes to the financial statements

Year ended 30 September 2012

### 9 Share capital

#### Authorised share capital:

	2012	2011
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### Allotted, called up and fully paid

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

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

	2012	2011
	£	£
Loss for the financial year	(2,908,467)	(80,057)
Opening shareholders' deficit	<u>(15,499,630)</u>	<u>(15,419,573)</u>
Closing shareholders' deficit	<u>(18,408,097)</u>	<u>(15,499,630)</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

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

Grainger plc has confirmed to the directors of the company that it will provide such financial support as shall enable the company to continue as a going concern for at least 12 months from the signing of these accounts