

Grainger Malta Finance (No 2) Limited
Financial statements
30 September 2011

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Grainger Malta Finance (No 2) Limited

Financial statements

Year ended 30 September 2011

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Grainger Malta Finance (No 2) 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
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 Malta Finance (No 2) 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

The principal activity of the company during the year was group financing

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

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

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.

Grainger Malta Finance (No 2) Limited

The directors' report *(continued)*

Year ended 30 September 2011

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 9 March 2012

Grainger Malta Finance (No 2) Limited

Independent auditor's report to the shareholders of Grainger Malta Finance (No 2) Limited

Year ended 30 September 2011

We have audited the financial statements of Grainger Malta Finance (No 2) Limited for the year ended 30 September 2011 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) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the Companies Act 2006

Grainger Malta Finance (No 2) Limited

Independent auditor's report to the shareholders of Grainger Malta Finance (No 2) Limited *(continued)*

Year ended 30 September 2011

Opinion on other matter prescribed by the Companies Act 2006

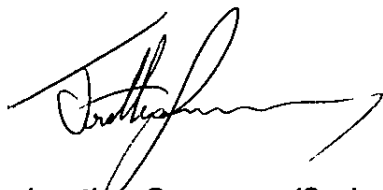
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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 and take advantage of the small companies' exemption in preparing the Directors' Report



**Jonathan Greenaway (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne**

9 March 2012

Grainger Malta Finance (No 2) Limited

Profit and loss account

Year ended 30 September 2011

	Note	Year to 30 Sep 11 £	Period from 6 Jul 09 to 30 Sep 10 £
Turnover		—	—
Operating profit	2	—	—
Interest receivable	3	15,174,586	14,992,752
Profit on ordinary activities before taxation		15,174,586	14,992,752
Tax on profit on ordinary activities	4	(4,097,138)	(4,197,971)
Profit for the financial year		11,077,448	10,794,781
Balance brought forward		10,794,781	—
Balance carried forward		21,872,229	10,794,781

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 £11,077,448 attributable to the shareholders for the year ended 30 September 2011 (2010 - profit of £10,794,781)

The notes on pages 8 to 10 form part of these financial statements

Grainger Malta Finance (No 2) Limited

Balance sheet

30 September 2011

	Note	2011 £	2010 £
Current assets			
Debtors	5	405,799,387	394,721,939
Total assets		<u>405,799,387</u>	<u>394,721,939</u>
Capital and reserves			
Called-up equity share capital	7	383,927,158	383,927,158
Profit and loss account		<u>21,872,229</u>	<u>10,794,781</u>
Shareholders' funds	8	<u>405,799,387</u>	<u>394,721,939</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 9 March 2012, and are signed on their behalf by



Mark Greenwood
Director

Company Registration Number 06953089

The notes on pages 8 to 10 form part of these financial statements.

Grainger Malta Finance (No 2) 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, 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

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

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

2 Operating profit

Operating profit is stated after charging

	Year to 30 Sep 11 £	Period from 6 Jul 09 to 30 Sep 10 £
Auditor's fees	<u>400</u>	<u>400</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 the previous period

3. Interest receivable

	Year to 30 Sep 11 £	Period from 6 Jul 09 to 30 Sep 10 £
Interest from group undertakings	<u>15,174,586</u>	<u>14,992,752</u>

Grainger Malta Finance (No 2) Limited

Notes to the financial statements

Year ended 30 September 2011

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

	Year to 30 Sep 11 £	Period from 6 Jul 09 to 30 Sep 10 £
Current tax		
UK Corporation tax based on the results for the year at 27% (2010 - 28%)	4,097,138	4,197,971
Total current tax	<u>4,097,138</u>	<u>4,197,971</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 profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 27% (2010 - 28%)

	Year to 30 Sep 11 £	Period from 6 Jul 09 to 30 Sep 10 £
Profit on ordinary activities before taxation	15,174,586	14,992,752
Profit on ordinary activities by rate of tax	4,097,138	4,197,971
Total current tax (note 4(a))	<u>4,097,138</u>	<u>4,197,971</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

5 Debtors

	2011 £	2010 £
Amounts owed by group undertakings	<u>405,799,387</u>	<u>394,721,939</u>

6 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 Malta Finance (No 2) Limited

Notes to the financial statements

Year ended 30 September 2011

7. Share capital

Allotted, called up and fully paid

	2011		2010	
	No	£	No	£
383,927,158 Ordinary shares of £1 each	<u>383,927,158</u>	<u>383,927,158</u>	<u>383,927,158</u>	<u>383,927,158</u>

8. Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the financial year	11,077,448	10,794,781
Opening shareholders' funds	<u>394,721,939</u>	<u>383,927,158</u>
Closing shareholders' funds	<u>405,799,387</u>	<u>394,721,939</u>

9. 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 Malta Finance Limited is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.