

COMPANY REGISTRATION NUMBER: 08324941

Grainger Bradley Limited
Unaudited financial statements
30 September 2023

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Grainger Bradley Limited

Financial statements

Year ended 30 September 2023

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Grainger Bradley Limited

Officers and professional advisers

The board of directors

Helen C Gordon
Adam McGhin
Eliza Pattinson
Rob J Hudson
Steven R Clark
Henry B Gervaise-Jones

Company secretary

Adam McGhin

Registered office

Citygate
St. James' Boulevard
Newcastle upon Tyne
NE1 4JE

Banker

Barclays Bank plc
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 2BH

Solicitor

Womble Bond Dickinson (UK) LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

Grainger Bradley Limited

Directors' report

Year ended 30 September 2023

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2023.

Principal activities

The principal activity of the company during the year was property trading. A dividend of £4,766,519 was paid during the year (2022: £26,842,525).

Directors

The directors who served the company during the year, and subsequent to the year end, were as follows:

Helen C Gordon	
Adam McGhin	
Eliza Pattinson	
Rob J Hudson	
Steven R Clark	
Henry B Gervaise-Jones	(Appointed 30 November 2022)
Toby E Austin	(Resigned 30 November 2022)

Directors' responsibilities statement

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), including FRS 101 Reduced Disclosure Framework. 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 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 accounting estimates that are reasonable and prudent;*
- *state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;*
- *assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and*
- *use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.*

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Grainger Bradley Limited

Directors' report *(continued)*

Year ended 30 September 2023

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 25 March 2024 and signed on behalf of the board by:



Adam McGhin
Company Secretary

Grainger Bradley Limited

Statement of comprehensive income

Year ended 30 September 2023

	Note	2023 £	2022 £
Turnover	4	6,697,646	5,468,970
Cost of sales		(1,852,659)	(1,341,880)
Gross profit		4,844,987	4,127,090
Administrative expenses		(1,508,587)	(948,536)
Operating profit		3,336,400	3,178,554
Interest receivable and similar income	6	—	814,452
Profit before taxation		3,336,400	3,993,006
Tax on profit	7	(734,008)	(758,671)
Profit for the financial year and total comprehensive income		2,602,392	3,234,335

All the activities of the company are from continuing operations.

The notes on pages 7 to 13 form part of these financial statements.

Grainger Bradley Limited

Statement of financial position

30 September 2023

	Note	2023 £	2022 £
Current assets			
Stocks	9	8,326,574	9,675,052
Debtors	10	43,318	32,373
Cash at bank and in hand		59,056	113,959
		<u>8,428,948</u>	<u>9,821,384</u>
Creditors: amounts falling due within one year	11	<u>(7,358,739)</u>	<u>(6,587,048)</u>
Net current assets		<u>1,070,209</u>	<u>3,234,336</u>
Total assets less current liabilities		<u>1,070,209</u>	<u>3,234,336</u>
Net assets		<u>1,070,209</u>	<u>3,234,336</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	1,070,208	3,234,335
Shareholders' funds		<u>1,070,209</u>	<u>3,234,336</u>

For the year ending 30 September 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 25 March 2024, and are signed on behalf of the board by:



Adam McGhin
Director

Company registration number: 08324941

The notes on pages 7 to 13 form part of these financial statements.

Grainger Bradley Limited

Statement of changes in equity

Year ended 30 September 2023

		Called up share capital £	Profit and loss account £	Total £
At 1 October 2021		1	26,842,525	26,842,526
Profit for the year		–	3,234,335	3,234,335
Total comprehensive income for the year		–	3,234,335	3,234,335
Dividends paid	8	–	(26,842,525)	(26,842,525)
Transactions with owners, recorded directly in equity		–	(26,842,525)	(26,842,525)
At 30 September 2022		1	3,234,335	3,234,336
Profit for the year		–	2,602,392	2,602,392
Total comprehensive income for the year		–	2,602,392	2,602,392
Dividends paid	8	–	(4,766,519)	(4,766,519)
Transactions with owners, recorded directly in equity		–	(4,766,519)	(4,766,519)
At 30 September 2023		1	1,070,208	1,070,209

The notes on pages 7 to 13 form part of these financial statements.

Grainger Bradley Limited

Notes to the financial statements

Year ended 30 September 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Citygate, St. James' Boulevard, Newcastle upon Tyne, NE1 4JE.

2. Statement of compliance

The financial statements of Grainger Bradley Limited ("the company") for the year ended 30 September 2023 were authorised for issue by the board of directors on 25 March 2024 and the statement of financial position was signed on the board's behalf by Adam McGhin.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The company's ultimate parent undertaking, Grainger plc, includes the company in its consolidated financial statements. The consolidated financial statements of Grainger plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

3. Accounting policies

Basis of preparation

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.

Grainger Bradley Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2023

3. Accounting policies *(continued)*

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company has net assets of £1,070,209 at 30 September 2023 and has generated a profit for the period then ended of £2,602,392. The company is a subsidiary of Grainger plc. The directors of Grainger plc, the ultimate parent undertaking, manage the group's strategy and risks on a consolidated basis, rather than at an individual entity level. Similarly, the financial and operating performance of the business is assessed at a Grainger plc operating segment level. For these reasons, the directors do not prepare cash flow forecasts at an individual entity level.

On a consolidated basis, the Group has assessed its future funding commitments and compared these to the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts and, where applicable, severe sensitivities have been applied to the key factors affecting financial performance of the Group. The assessment includes the potential impact of reduced PRS occupancy, contraction in rental levels, reduced property valuations, cost inflation and changes in interest rates. The Directors of the Group have a reasonable expectation that it has adequate resources to continue operating for the foreseeable future period, and not less than 12 months from the date of approval of these financial statements.

Grainger plc has indicated that it will make available such funds as are needed by the entity and that it does not intend to seek repayment of amounts due at the balance sheet date for the foreseeable future. As with any entity placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. The directors do not intend to nor have they identified any circumstances which may lead to the entity being liquidated or to cease operating.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Grainger Bradley Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2023

3. Accounting policies *(continued)*

Disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- (a) Cash flow statement and related notes;
- (b) Comparative period reconciliations for share capital;
- (c) Disclosures in respect of capital management;
- (d) The effects of new but not yet effective IFRSs;
- (e) Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Grainger plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments: Disclosures.

The company has considered the impact of the adoption of those new and revised International Financial Reporting Standards and interpretations that were effective for the first time from 1 October 2022. There has been no material impact on the company following the adoption of these standards.

Revenue recognition

Turnover comprises gross rentals and gross sale proceeds of trading properties and land, exclusive of VAT. Property is regarded as sold when performance obligations have been met and control has been transferred to the buyer. This is generally deemed to be on legal completion as at this point the buyer is able to determine the use of the property and has rights to any cash inflows or outflows in respect of the property. Gross rentals are recognised on a straight line basis over the lease term on an accruals basis.

Income tax

The taxation charge for the year represents the sum of the tax currently payable and deferred tax. The charge is recognised in the statement of comprehensive income according to the accounting treatment of the related transaction.

Current tax payable or receivable is based on the taxable income for the period and any adjustment in respect of prior periods and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Tax payable upon the realisation of revaluation gains recognised in prior periods is recorded as a current tax charge with a release of the associated deferred tax.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will give rise to a future tax liability against which the deferred tax assets can be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Grainger Bradley Limited

Notes to the financial statements (continued)

Year ended 30 September 2023

3. Accounting policies (continued)

Stocks

Trading properties are shown in the financial statements at the lower of cost and net realisable value. Cost includes legal and surveying charges incurred during the acquisition plus improvement costs. Net realisable value is the net sale proceeds which the company expects on sale of a property with vacant possession.

Repairs are expensed in the income statement as incurred. Improvement costs are capitalised.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade and other creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported. The judgements, estimates and assumptions that the directors consider to be most significant to the financial statements relate to the valuation of stocks and are detailed at note 9.

4. Turnover

Turnover arises from:

	2023	2022
	£	£
Rental income	922,495	941,409
Proceeds from sale of trading properties	5,775,151	4,527,561
	<u>6,697,646</u>	<u>5,468,970</u>

The total turnover of the company has been derived from its principal activity wholly undertaken in the UK as defined in the directors' report.

5. Employee costs

There are no persons holding service contracts with the company (2022: none). None of the directors received any remuneration from the company during the year, or in the previous year, in respect of their services to the company.

6. Interest receivable and similar income

	2023	2022
	£	£
Interest from group undertakings	~	814,452

Grainger Bradley Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2023

7. Tax on profit

Major components of tax expense

	2023 £	2022 £
Current tax:		
UK current tax expense	734,008	758,671
Tax on profit	734,008	758,671

There is no unrecognised deferred tax asset in these financial statements.

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is the same as (2022: the same as) the standard rate of corporation tax in the UK of 22% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	3,336,400	3,993,006
Profit on ordinary activities by rate of tax	734,008	758,671

Factors that may affect future tax expense

No provisions have been made for tax that would have become payable if the company's properties had been sold at their year end replacement values. The total unprovided deferred tax in respect of this is £6,166,169 (2022: £7,568,162).

With effect from 1 April 2023, the UK corporation tax rate increased from 19% to 25%. The company's 2023 current tax charge has been calculated at 22% (2022: 19%) and will be 25% in future periods. Deferred tax at 30 September 2023 has been measured at 25% (2022: 25%).

8. Dividends

	2023 £	2022 £
Dividends paid	4,766,519	26,842,525

9. Stocks

	2023 £	2022 £
Stock	8,326,574	9,675,052

The replacement value of stock (sale at market value of the property subject to occupation by a resident) is £32,991,250 (2022: £39,947,700) based on market value at 30 September 2023.

The directors have reviewed the vacant possession valuations of the properties. They concluded that no provision against the carrying value of stock is required in the current year.

Grainger Bradley Limited

Notes to the financial statements (continued)

Year ended 30 September 2023

10. Debtors

	2023	2022
	£	£
Trade debtors	15,741	10,301
Prepayments and accrued income	27,577	21,970
Other debtors	–	102
	<u>43,318</u>	<u>32,373</u>

11. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	66,748	1,703
Amounts owed to group undertakings	7,271,212	6,572,944
Accruals and deferred income	20,779	12,401
	<u>7,358,739</u>	<u>6,587,048</u>

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

12. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

13. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

14. Operating leases

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	<u>1,604</u>	<u>–</u>

15. Contingent liabilities

At 30 September 2023 the company, together with certain of its fellow subsidiaries, has guaranteed the £700,000,000 (2022: £700,000,000) corporate bonds issued by Grainger plc, together with bank loans of £499,200,787 (2022: £324,210,219) of certain fellow subsidiaries by means of a legal charge over its assets and book debts. Details of the debt repayment profile are shown in the statutory financial statements of the ultimate parent undertaking, Grainger plc.

Grainger Bradley Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2023

16. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Grainger plc group.

17. 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.

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