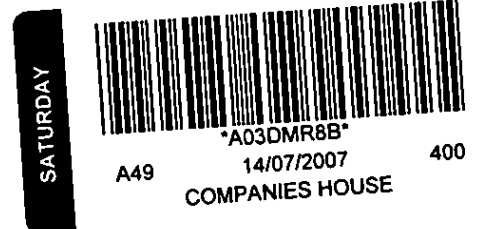


Registration number 5040299

Grainger Property Development & Trading Limited

Directors' report and financial statements

for the year ended 30 September 2006



Grainger Property Development & Trading Limited

Contents

	Page
Directors' report	1 - 2
Balance sheet and notes	3 - 4

Grainger Property Development & Trading Limited

Directors' report for the year ended 30 September 2006

The directors present their report and the financial statements for the year ended 30 September 2006

Results and business review

The company is dormant and is expected to remain so for the foreseeable future. As a result no profit and loss account has been prepared.

Directors and their interests

The directors who served during the year are as stated below

Andrew R Cunningham
Rupert J Dickinson

The directors have no beneficial interest in the share capital of the company.

The beneficial interests of the following directors in the shares of the ultimate holding company, Grainger plc (formerly Grainger Trust plc), are shown in the annual report of Grainger plc.

Andrew R Cunningham
Rupert J Dickinson

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Grainger Property Development & Trading Limited

**Directors' report
for the year ended 30 September 2006**

This report was approved by the Board on 13 July 2007 and signed on its behalf by

Marie L Glanville
Secretary

A handwritten signature in black ink, appearing to be 'MLG', written over a large, stylized circular flourish.

Grainger Property Development & Trading Limited

**Balance sheet
as at 30 September 2006**

	Notes	2006 £	2005 £
Current assets			
Debtors	3	100	100
Net assets		<u>100</u>	<u>100</u>
Called up share capital			
Ordinary shares of 100p each	4	100	100
Equity shareholders' funds		<u>100</u>	<u>100</u>

Audit exemption statement

For the year ended 30 September 2006 the Company was entitled to exemption from the requirement to have an audit under the provision of Section 249AA(1) of the Companies Act 1985

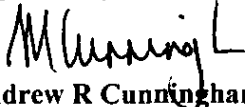
No notice has been deposited with the company under Section 249B(2) of that Act requiring an audit to be carried out

The directors acknowledge their responsibility for,

(a) Ensuring the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

(b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its profit/loss for that financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to accounts so far as applicable to the company

Approved by the Board on 13 July 2007 and signed on its behalf by



Andrew R Cunningham
Director

The notes on page 4 form an integral part of these financial statements

Grainger Property Development & Trading Limited

Notes to the financial statements for the year ended 30 September 2006

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985.

2. Profit and loss account

The company has not traded, made profits or losses nor incurred any liabilities during the year ended 30 September 2006 or the period ended 30 September 2005. Therefore, no profit and loss account is attached.

There are no persons holding service contracts with the company. None of the directors received any remuneration from the company during the year.

3. Debtors

	2006	2005
	£	£
Amounts owed by group undertakings	100	100
	<u>100</u>	<u>100</u>

4. Share capital

	2006	2005
	£	£
Authorised		
100 Ordinary shares of 100p each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of 100p each	100	100
	<u>100</u>	<u>100</u>

6. Ultimate parent undertaking

The directors regard Grainger plc, a company registered in England and Wales, as the ultimate controlling party, being the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Grainger plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

7. Immediate parent

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