

Eastbourne Artisans Dwellings Company Limited

25843

Annual report for the year ended 5 April 1995

| | Pages |
|--|-------|
| Directors' report | 1 |
| Statement of directors' responsibilities | 3 |
| Report of the auditors | 4 |
| Profit and loss account | 5 |
| Statement of total recognised gains and losses | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 |



**Directors' report
for the year ended 5 April 1995**

The directors present their report and the audited financial statements for the year ended 5 April 1995.

Principal activity

The principal activity of the company continues to be the holding of properties for investment.

Review of business and future developments

The profit for the year and the appropriation thereof are set out in the profit and loss account on page 5.

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends and transfers to reserves

The directors recommend that a dividend of £767,299 be paid in respect of the year ended 5 April 1995. After payment of this dividend the retained profit for the year of £3,635 will be transferred to reserves.

Movements in fixed assets

The movements in tangible fixed assets during the year are set out in note 7 to the financial statements.

Market value of land and buildings

In accordance with Statement of Standard Accounting Practice No 19, investment properties are included in the balance sheet at open market value.

Directors

The directors of the company at 5 April 1995, all of whom have been directors for the whole of the year ended on that date, except where stated, were:

Mr P C T Warner (Chairman)

Mr H R J Burgess

Mr N A E Robinson

Mr B Tetley

Mr N A Denby

(appointed 4 August 1994)

The director retiring by rotation is Mr N A E Robinson who, being eligible, offers himself for re-election. Having been appointed since the last Annual General Meeting Mr N A Denby retires and, being eligible, offers himself for re-election. Mr H R J Burgess retired on 28 April 1995.

Directors' interests

According to the register required to be kept under Section 325 of the Companies Act 1985, none of the directors of the company at 5 April 1995 had any interest in the shares of group companies either at the beginning or end of the year ended on that date. As permitted by statutory instrument, the register does not include details of shareholdings of the directors who are also directors of the parent undertaking.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



N A Denby
Secretary
Market Street
Bradford
13 June 1995

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 5 April 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors, having prepared the financial statements, have requested the auditors to take whatever steps and undertake whatever inspections they consider appropriate for the purpose of enabling them to give their audit report.

By order of the board



N A Denby
Secretary
13 June 1995

Report of the auditors to the members of Eastbourne Artisans Dwellings Company Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 5 April 1995 and of its profit and total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand

Chartered Accountants and Registered Auditors

Leeds

13 June 1995

**Profit and loss account
for the year ended 5 April 1995**

| | Notes | 1995 £ | 1994 £ |
|--|---------|----------------------|----------------------|
| Turnover | 2 | <u>£1,393,864</u> | <u>£1,247,701</u> |
| Surplus from property rentals | | 1,040,712 | 907,489 |
| Profit from sales of investment properties | | <u>74,716</u> | <u>3,018</u> |
| Profit on ordinary activities before taxation | 2 and 3 | 1,115,428 | 910,507 |
| Taxation | 6 | <u>(344,494)</u> | <u>(297,491)</u> |
| Profit for the financial year | | 770,934 | 613,016 |
| Proposed dividend | | <u>(767,299)</u> | <u>(609,998)</u> |
| Retained profit for the year | 10 | <u>£3,635</u> | <u>£3,018</u> |

All items dealt with in arriving at profit on ordinary activities before taxation relate to continuing operations.

Statement of total recognised gains and losses

| | Notes | 1995 £ | 1994 £ |
|---|-------|------------------------|--------------------------|
| Profit for the financial year | | <u>770,934</u> | <u>613,016</u> |
| Unrealised (deficit)/surplus on revaluation of properties | 12 | (165,356) | 1,259,500 |
| Taxation on realisation of property revaluation gains of previous years | 6 | <u>(3,635)</u> | <u>-</u> |
| | 12 | <u>(168,991)</u> | <u>1,259,500</u> |
| Total gains and losses recognised since last annual report | | <u><u>£601,943</u></u> | <u><u>£1,872,516</u></u> |

Note of historical cost profits and losses

| | 1995 £ | 1994 £ |
|---|--------------------------|--------------------------|
| Reported profit on ordinary activities before taxation | 1,115,428 | 910,507 |
| Realisation of property revaluation gains of previous years | <u>256,459</u> | <u>313,661</u> |
| Historical cost profit on ordinary activities before taxation | <u><u>£1,371,887</u></u> | <u><u>£1,224,168</u></u> |
| Historical cost profit for the year retained after taxation and dividends | <u><u>£256,459</u></u> | <u><u>£316,679</u></u> |

Balance sheet at 5 April 1995

| | Notes | 1995 £ | 1994 £ |
|---|-------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 7 | <u>14,573,850</u> | <u>15,013,390</u> |
| Current assets | | | |
| Debtors | 8 | 3,947,993 | 819,108 |
| Cash at bank and in hand | | <u>76,877</u> | <u>2,656,887</u> |
| | | <u>4,024,870</u> | <u>3,475,995</u> |
| | | <u>£18,598,720</u> | <u>£18,489,385</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 508,000 | 508,000 |
| Revaluation reserve | 10 | 13,794,399 | 14,216,214 |
| Profit and loss account | 10 | <u>3,047,900</u> | <u>2,791,441</u> |
| Equity shareholders' funds | | <u>17,350,299</u> | <u>17,515,655</u> |
| Creditors: amounts falling due within one year | 11 | <u>1,248,421</u> | <u>973,730</u> |
| | | <u>£18,598,720</u> | <u>£18,489,385</u> |

The financial statements on pages 5 to 11 were approved by the board of directors on 13 June 1995 and were signed on its behalf by:



N A Denby
Director

Notes to the financial statements for the year ended 5 April 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. However, compliance with SSAP 19 'Accounting for investment properties' requires departure from the requirements of the Companies Act 1985 relating to depreciation. A summary of the more important accounting policies and an explanation of the departure relating to investment properties is set out below.

Financial Reporting Standard No 1

The company is a wholly owned subsidiary of The Bradford Property Trust PLC and the cash flows of the company are included in the consolidated cash flow statement of The Bradford Property Trust PLC. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19:

- (a) investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve; and
- (b) no depreciation is provided in respect of freehold investment properties.

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 as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because of the lack of analysis of the value as between land and buildings.

No provision is made for taxation on the chargeable gains which may arise if the properties were disposed of at their revalued amounts.

All repairs and renewals are written off as incurred.

Housing improvement grants

Expenditure which is the subject of housing improvement grants is dealt with net of grants obtained.

2 Turnover and profit on ordinary activities before taxation

| | 1995 £ | 1994 £ |
|---|-------------------|-----------------|
| Turnover: rental income exclusive of rates | 1,393,864 | 1,247,701 |
| Cost of sales and other property outgoings | (353,152) | (345,662) |
| | <u>1,040,712</u> | <u>902,039</u> |
| Profit on sale of tangible fixed assets | - | 5,450 |
| Profit from sale of investment properties | 74,716 | 3,018 |
| | <u>£1,115,428</u> | <u>£910,507</u> |
| Profit on ordinary activities before taxation | | |

3 Auditors' remuneration

The company's auditors are remunerated by The Bradford Property Trust PLC and their fees are shown in the financial statements of that company.

4 Directors' emoluments

The company's directors are remunerated through The Bradford Property Trust PLC and their emoluments are shown in the financial statements of that company.

5 Employee information

Other than the directors, the company has no employees.

6 Taxation

| | 1995 £ | 1994 £ |
|--|----------------|----------------|
| United Kingdom corporation tax at 33% (1994: 33%) | | |
| On rental surplus for the year | 343,435 | 297,491 |
| On chargeable gains | 1,059 | - |
| | <u>344,494</u> | <u>297,491</u> |
| Tax on recognised gains and losses not included in the profit and loss account | | |
| United Kingdom corporation tax at 33% | | |
| Current | <u>£3,635</u> | <u>£Nil</u> |

7 Tangible fixed assets

| | Freehold investment properties £ | Office furniture £ | Total £ |
|----------------------------------|---|--------------------------|--------------------|
| Cost or valuation | | | |
| At 6 April 1994 | 15,013,390 | 266 | 15,013,656 |
| Revaluation | (165,356) | - | (165,356) |
| Disposals | (274,184) | - | (274,184) |
| | <u>14,573,850</u> | <u>266</u> | <u>14,573,116</u> |
| At 5 April 1995 | | | |
| Depreciation | | | |
| At 6 April 1994 and 5 April 1995 | - | 266 | 266 |
| | <u>-</u> | <u>266</u> | <u>266</u> |
| Net book value | | | |
| At 5 April 1995 | <u>£14,573,850</u> | <u>£Nil</u> | <u>£14,573,850</u> |
| Net book value | | | |
| At 5 April 1994 | <u>£15,013,390</u> | <u>£Nil</u> | <u>£15,013,390</u> |

The company's freehold investment properties have been valued at their open market value at the balance sheet date. The valuation has been carried out by two officers of the parent company, one being an Associate of the Royal Institution of Chartered Surveyors. The historical cost of these properties is £779,451 (1994: £797,176). The potential corporation tax liability, had these properties been sold at the balance sheet date, was approximately £1,416,000 (1994: £1,531,000).

8 Debtors

| | 1995 £ | 1994 £ |
|--|-------------------|-----------------|
| Amounts falling due within one year | | |
| Other debtors | 7,000 | - |
| Amounts owed by parent undertaking | 3,940,993 | 819,108 |
| | <u>£3,947,993</u> | <u>£819,108</u> |

9 Called up share capital

| | 1995 | 1994 |
|---|-----------------|-----------------|
| Authorised | | |
| 2,080,000 (1994: 2,080,000) ordinary shares of 25p each | <u>£520,000</u> | <u>£520,000</u> |
| Allotted, called up and fully paid | | |
| 2,032,000 (1994: 2,032,000) ordinary shares of 25p each | <u>£508,000</u> | <u>£508,000</u> |

10 Reserves

| | Revaluation reserve £ | Profit and loss account £ |
|---|-----------------------------|---------------------------------|
| At 6 April 1994 | 14,216,214 | 2,791,441 |
| Revaluation of investment properties | (165,356) | - |
| Transfer to profit and loss account | (256,459) | 256,459 |
| Tax on realisation of revaluation surpluses | - | (3,635) |
| Retained profit for the year | - | 3,635 |
| At 5 April 1995 | <u>£13,794,399</u> | <u>£3,047,900</u> |

11 Creditors: amounts falling due within one year

| | 1995 £ | 1994 £ |
|------------------|-------------------|-----------------|
| Trade creditors | 132,993 | 66,241 |
| Corporation tax | 348,129 | 297,491 |
| Dividend payable | 767,299 | 609,998 |
| | <u>£1,248,421</u> | <u>£973,730</u> |

12 Reconciliation of movements in shareholders' funds

| | 1995 £ | 1994 £ |
|--|--------------------|--------------------|
| Opening shareholders' funds | 17,515,655 | 16,253,137 |
| Profit for the financial year | 770,934 | 613,016 |
| Dividends | (767,299) | (609,998) |
| Other recognised gains and losses relating to the year (net) | (168,991) | 1,259,500 |
| Closing shareholders' funds | <u>£17,350,299</u> | <u>£17,515,655</u> |

13 Parent undertaking

At 5 April 1995 the company was a wholly owned subsidiary of The Bradford Property Trust PLC, a company registered in England and Wales. Copies of the parent's consolidated financial statements may be obtained from The Secretary, 69 Market Street, Bradford, BD1 1NE.