

# Stoke-on-Trent Tenants Limited

## Annual report for the year ended 5 April 1997

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**Directors' report  
for the year ended 5 April 1997**

The directors present their report and the audited financial statements for the year ended 5 April 1997.

**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 is 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**

The directors recommend that a dividend of £78,000 be paid in respect of the year ended 5 April 1997.

**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 1997, all of whom have been directors for the whole of the year ended on that date, except where stated, were:

Mr N A E Robinson (Chairman)

Mr B Tetley

Mr N A Denby

(resigned 31 March 1997)

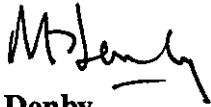
**Directors' interests**

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 1997 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**  
**Jardine House**  
**3 Commercial Street**  
**Bradford**  
11 June 1997

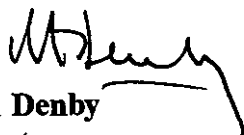
## **Statement of directors' responsibilities**

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 1997. 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By order of the board**



**N A Denby**  
**Secretary**

11 June 1997

## **Report of the auditors to the members of Stoke-on-Trent Tenants Limited**

We have audited the financial statements on pages 5 to 10.

### **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 1997 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*

**Chartered Accountants and Registered Auditors**

Leeds

11 June 1997

**Profit and loss account  
for the year ended 5 April 1997**

	Notes	1997 £	1996 £
Turnover	2	<u>145,207</u>	<u>137,668</u>
Profit on ordinary activities before taxation	2	113,367	86,271
Tax on profit on ordinary activities	6	<u>(35,366)</u>	<u>(33,693)</u>
Profit for the financial year		78,001	52,578
Proposed dividend		<u>(78,000)</u>	<u>(53,000)</u>
Retained profit/(loss) for the year	11	<u>1</u>	<u>(422)</u>

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

There is no difference between the profit on ordinary activities before taxation and the retained profit/(loss) for the year stated above and their historical cost equivalents.

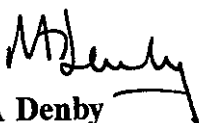
**Statement of total recognised gains and losses**

	Notes	1997 £	1996 £
Profit for the financial year		78,001	52,578
Unrealised surplus on revaluation of investment properties	11	<u>232,300</u>	<u>56,949</u>
Total gains and losses recognised since last annual report		<u>310,301</u>	<u>109,527</u>

**Balance sheet  
at 5 April 1997**

	Notes	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	7	<u>2,089,050</u>	<u>1,856,750</u>
<b>Current assets</b>			
Debtors	8	<u>508,329</u>	<u>394,246</u>
Cash at bank and in hand		<u>-</u>	<u>7,338</u>
		<b>508,329</b>	<b>401,584</b>
<b>Creditors: amounts falling due within one year</b>	9	<u>(202,508)</u>	<u>(95,764)</u>
<b>Net current assets</b>		<u><b>305,821</b></u>	<u><b>305,820</b></u>
<b>Net assets</b>		<u><u><b>2,394,871</b></u></u>	<u><u><b>2,162,570</b></u></u>
<b>Capital and reserves</b>			
Called up share capital	10	<u>6,000</u>	<u>6,000</u>
Revaluation reserve	11	<u>1,964,478</u>	<u>1,732,178</u>
Profit and loss account	11	<u>424,393</u>	<u>424,392</u>
<b>Equity shareholders' funds</b>	12	<u><u><b>2,394,871</b></u></u>	<u><u><b>2,162,570</b></u></u>

The financial statements on pages 5 to 10 were approved by the board of directors on 11 June 1997 and were signed on its behalf by:

  
N A Denby  
Director

## **Notes to the financial statements for the year ended 5 April 1997**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. However, compliance with Statement of Standard Accounting Practice No 19 'Accounting for investment properties' ("SSAP19") 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 SSAP 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**

	1997 £	1996 £
Turnover: rental income exclusive of rates	145,207	137,668
Cost of sales and other property outgoings	(31,840)	(51,397)
Profit on ordinary activities before taxation	<u>113,367</u>	<u>86,271</u>

**3 Auditors' remuneration**

The company's auditors are remunerated through 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 Tax on profit on ordinary activities**

	1997 £	1996 £
United Kingdom corporation tax at 33% (1996: 33%):		
Current	36,900	29,000
(Over)/underprovision in respect of prior years	(1,534)	4,693
	<u>35,366</u>	<u>33,693</u>

**7 Tangible fixed assets**

	Freehold investment properties £
Valuation	
At 6 April 1996	1,856,750
Revaluation	232,300
At 5 April 1997	<u>2,089,050</u>

**7 Tangible fixed assets (continued)**

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 £124,572 (1996: £124,572). The potential corporation tax liability, had these properties been sold at the balance sheet date, was approximately £504,000 (1996: £430,000).

**8 Debtors**

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	885	781
Amount owed by parent undertaking	507,444	393,465
	<u>508,329</u>	<u>394,246</u>

**9 Creditors: amounts falling due within one year**

	1997 £	1996 £
Bank loans and overdrafts	73,571	-
Trade creditors	-	1,547
Corporation tax	36,900	29,000
Other creditors	3,370	2,740
Accruals and deferred income	10,667	9,477
Dividend payable	78,000	53,000
	<u>202,508</u>	<u>95,764</u>

**10 Called up share capital**

	1997 £	1996 £
Authorised, allotted, called up and fully paid 6,000 ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

**11 Reserves**

	Revaluation reserve £	Profit and loss account £
At 6 April 1996	1,732,178	424,392
Revaluation of investment properties	232,300	-
Retained profit for the year	-	1
At 5 April 1997	<u>1,964,478</u>	<u>424,393</u>

**12 Reconciliation of movements in shareholders' funds**

	1997 £	1996 £
Opening shareholders' funds	2,162,570	2,106,043
Profit for the financial year	78,001	52,578
Dividend	(78,000)	(53,000)
Other recognised gains and losses relating to the year	232,300	56,949
	<hr/>	<hr/>
Closing shareholders' funds	<u>2,394,871</u>	<u>2,162,570</u>

**13 Parent undertaking**

At 5 April 1997 the company was a wholly owned subsidiary of The Bradford Property Trust PLC, which the directors regard as the ultimate controlling party.