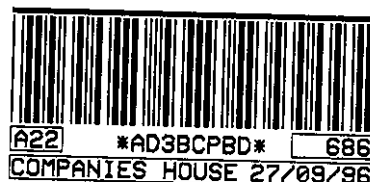


# **Gracefield Properties Limited**

## **Annual report for the year ended 5 April 1996**

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## **Directors' report for the year ended 5 April 1996**

The directors present their report and the audited financial statements for the year ended 5 April 1996.

### **Principal activities**

The principal activities of the company continue to be the investment in, and management and letting of residential property.

### **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.

### **Change in presentation**

The format of the balance sheet has been changed to the alternative style of presentation permitted which is that adopted by the majority of property companies, in line with group policy.

### **Dividends**

The directors recommend that a dividend of £130,700 be paid in respect of the year ended 5 April 1996.

### **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 1996, 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 N A E Robinson  
Mr B Tetley  
Mr N A Denby

The director retiring by rotation is Mr B Tetley who, being eligible, offers himself for re-election. Mr H R J Burgess retired on 28 April 1995.

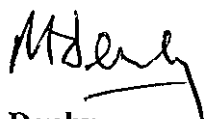
## Directors' interests

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 1996 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  
12 June 1996

## **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 1996. 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.

**By order of the board**



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

12 June 1996

## **Report of the auditors to the members of Gracefield Properties 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 1996 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

12 June 1996

## Profit and loss account for the year ended 5 April 1996

	Notes	1996 £	1995 £
Turnover	2	<u>218,754</u>	<u>193,795</u>
Profit on ordinary activities before interest	2	194,375	77,953
Interest payable	4	<u>(83)</u>	<u>(785)</u>
Profit on ordinary activities before taxation		194,292	77,168
Taxation	7	<u>(63,551)</u>	<u>(24,730)</u>
Profit for the financial year		130,741	52,438
Proposed dividend		<u>(130,700)</u>	<u>(52,438)</u>
Retained profit for the year	12	<u>41</u>	<u>Nil</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 for the year stated above, and their historical cost equivalents.

## Statement of total recognised gains and losses

	Notes	1996 £	1995 £
Profit for the financial year		130,741	52,438
Unrealised surplus/(deficit) on revaluation of properties	13	<u>866</u>	<u>(69,467)</u>
Total gains and losses recognised since last annual report		<u>131,607</u>	<u>(17,029)</u>

## Balance sheet at 5 April 1996

	Notes	1996 £	1995 £
<b>Fixed assets</b>			
Tangible assets	8	<u>1,898,799</u>	<u>1,897,933</u>
<b>Current assets</b>			
Debtors	9	310,470	187,499
Cash at bank		<u>11,861</u>	<u>11,833</u>
		<b>322,331</b>	<b>199,332</b>
<b>Creditors: amounts falling due within one year</b>		<u>(229,240)</u>	<u>(106,282)</u>
<b>Net current assets</b>		<u>93,091</u>	<u>93,050</u>
<b>Net assets</b>		<u><b>1,991,890</b></u>	<u><b>1,990,983</b></u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Revaluation reserve	12	1,881,211	1,880,345
Profit and loss account	12	<u>110,579</u>	<u>110,538</u>
<b>Equity shareholders' funds</b>		<u><b>1,991,890</b></u>	<u><b>1,990,983</b></u>

The financial statements on pages 5 to 10 were approved by the board of directors on 12 June 1996 and were signed on its behalf by:

  
**N A Denby**  
 Director

## **Notes to the financial statements for the year ended 5 April 1996**

### **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' 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 and 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.

#### **Change in presentation**

The format of the balance sheet has been changed to the alternative style of presentation permitted which is that adopted by the majority of property companies, in line with group policy.

#### **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.



**1 Principal accounting policies (continued)**

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 the grants obtained.

**2 Turnover and profit on ordinary activities before interest**

	1996 £	1995 £
Turnover: rental income exclusive of rates	218,754	193,795
Cost of sales and other property outgoings	(24,379)	(115,842)
Profit on ordinary activities before interest	<u>194,375</u>	<u>77,953</u>

**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 Interest payable**

	1996	1995
On bank overdraft repayable within 5 years not by instalments	<u>£83</u>	<u>£785</u>

**5 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.

**6 Employee information**

Other than the directors, the company has no employees.

## 7 Taxation

	1996 £	1995 £
United Kingdom corporation tax at 33% (1995: 33%):		
Current	64,000	24,730
Overprovision in respect of prior year	(449)	-
	<u>63,551</u>	<u>24,730</u>

## 8 Tangible fixed assets

	Freehold investment properties £	Office furniture £	Total £
Cost or valuation			
At 6 April 1995	1,897,933	324	1,898,257
Revaluation	866	-	866
	<u>1,898,799</u>	<u>324</u>	<u>1,899,123</u>
At 5 April 1996			
Depreciation			
At 6 April 1995 and 5 April 1996	-	324	324
	<u>-</u>	<u>324</u>	<u>324</u>
Net book value			
At 5 April 1996	<u>1,898,799</u>	<u>-</u>	<u>1,898,799</u>
Net book value			
At 5 April 1995	<u>1,897,933</u>	<u>-</u>	<u>1,897,933</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 £98,128 (1995: £98,128). The potential corporation tax liability, had these properties been sold at the balance sheet date, was approximately £452,000 (1995: £323,000).

## 9 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	4,523	-
Amounts owed by parent undertaking	305,947	187,499
	<u>310,470</u>	<u>187,499</u>

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

	1996 £	1995 £
Corporation tax	64,000	24,730
Accruals and deferred income	34,540	29,114
Dividend payable	130,700	52,438
	<u>229,240</u>	<u>106,282</u>

**11 Called up share capital**

	1996	1995
Authorised, allotted, called up and fully paid 100 (1995: 100) ordinary shares of £1 each	£100	£100
	<u>      </u>	<u>      </u>

**12 Reserves**

	Revaluation reserve £	Profit and loss account £
At 6 April 1995	1,880,345	110,538
Revaluation of investment properties	866	-
Retained profit for the year	-	41
	<u>1,881,211</u>	<u>110,579</u>
At 5 April 1996		

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

	1996 £	1995 £
Opening shareholders' funds	1,990,983	2,060,450
Profit for the financial year	130,741	52,438
Dividend	(130,700)	(52,438)
Other recognised gains and losses relating to the year	866	(69,467)
	<u>1,991,890</u>	<u>1,990,983</u>
Closing shareholders' funds		

**14 Parent undertaking**

At 5 April 1996 the company was a wholly owned subsidiary of The Bradford Property Trust PLC. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Jardine House, 3 Commercial Street, Forster Square, Bradford BD1 4AN.