

Registered no: 609966

Gracefield Properties Limited
Annual report
for the year ended 5 April 1999



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	Pages
Directors' report	1 - 2
Statement of directors' responsibilities	3
Auditors' report	4 - 5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 12

Directors' report for the year ended 5 April 1999

The directors present their report and the audited financial statements for the year ended 5 April 1999.

Principal activities

The principal activities of the company during the year continued to be the investment in, and management and letting of, residential property. However, following the transfer of the net assets and property investment activities on 6 April 1999 (as detailed in note 14 to the accounts) the company became dormant.

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 6. Both the level of business and the year end financial position were satisfactory.

Dividends

The directors recommend that a dividend of £118,000 (1998: £124,000) be paid in respect of the year ended 5 April 1999.

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.

Year 2000

Although the financial and operating systems of the company are the responsibility of the directors, the parent company, The Bradford Property Trust PLC, has taken responsibility for addressing the issue of Year 2000 compliance, for the group as a whole.

As a consequence, all costs of ensuring Year 2000 compliance are borne by the parent company.

Full disclosure of the risks and uncertainties, relating to Year 2000 compliance, is given in the directors' report in the financial statements of the parent company.

Directors

The directors of the company at 5 April 1999, all of whom have been directors for the whole of the year ended on that date, except as stated below, were:

Mr P C T Warner (Chairman)
Mr N A E Robinson (resigned 25 February 1999)
Mr N A Denby
Mr D G Baker (appointed 25 February 1999)
Mr T N Watts (appointed 25 February 1999)

Mr G R Butterworth was appointed on 6 April 1999.

The director due for retirement by rotation is Mr P C T Warner who, being eligible, offers himself for re-election.

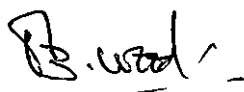
Directors' interests

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 1999 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

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers as auditors to the company, will be proposed at the annual general meeting.

By order of the board



T B Wood
Secretary
Jardine House
3 Commercial Street
Bradford
16 June 1999

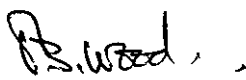
Statement of directors' responsibilities

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 1999. 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

A handwritten signature in dark ink, appearing to read 'T B Wood', with a small flourish at the end.

T B Wood
Secretary
16 June 1999

Report of the auditors to the members of Gracefield Properties Limited

We have audited the financial statements on pages 6 to 12 which have been prepared in accordance with the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report including, as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Leeds

16 June 1999

Profit and loss account for the year ended 5 April 1999

	Notes	1999 £	1998 £
Turnover	2	<u>234,432</u>	<u>224,567</u>
Profit on ordinary activities before interest	2	171,775	180,019
Interest payable	4	(232)	(59)
Profit on ordinary activities before taxation		<u>171,543</u>	<u>179,960</u>
Tax on profit on ordinary activities	7	(53,142)	(55,740)
Profit for the financial year		<u>118,401</u>	<u>124,220</u>
Proposed dividend		(118,000)	(124,000)
Retained profit for the year	12	<u>401</u>	<u>220</u>

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

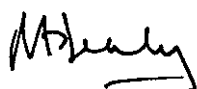
Statement of total recognised gains and losses

	Notes	1999 £	1998 £
Profit for the financial year		118,401	124,220
Unrealised surplus on revaluation of investment properties	12	<u>333,740</u>	<u>350,961</u>
Total gains and losses recognised since last annual report		<u>452,141</u>	<u>475,181</u>

Balance sheet at 5 April 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	8	2,697,900	2,364,160
Current assets			
Debtors	9	306,009	308,763
Cash at bank		2,846	171
		308,855	308,934
Creditors: amounts falling due within one year	10	(215,125)	(215,605)
Net current assets		93,730	93,329
Net assets		2,791,630	2,457,489
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	2,680,312	2,346,572
Profit and loss account	12	111,218	110,817
Equity shareholders' funds	13	2,791,630	2,457,489

The financial statements on pages 6 to 12 were approved by the board of directors on 16 June 1999 and were signed on its behalf by:



N A Denby
Director

Notes to the financial statements for the year ended 5 April 1999

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 the grants obtained.

2 Turnover and profit on ordinary activities before interest

	1999 £	1998 £
Turnover: rental income	234,432	224,567
Cost of sales and other property outgoings	(62,657)	(44,548)
Profit on ordinary activities before interest	<u>171,775</u>	<u>180,019</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

	1999 £	1998 £
On bank overdraft repayable within 5 years not by instalments	<u>232</u>	<u>59</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 Tax on profit on ordinary activities

	1999 £	1998 £
United Kingdom corporation tax at 31% (1998: 31%):		
Current	53,155	55,800
Over provision in respect of prior year	(13)	(60)
	<u>53,142</u>	<u>55,740</u>

8 Tangible fixed assets

	Freehold investment properties £
Cost or valuation	
At 6 April 1998	
Revaluation	2,364,160
	333,740
At 5 April 1999	<u>2,697,900</u>
At 5 April 1998	<u>2,364,160</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 (1998: £98,128). The potential corporation tax liability, had these properties been sold at the balance sheet date, was approximately £637,000 (1998: £560,000).

9 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	27,193	7,827
Amounts owed by parent undertaking	278,816	300,936
	<u>306,009</u>	<u>308,763</u>

10 Creditors: amounts falling due within one year

	1999 £	1998 £
Trade creditors	574	646
Corporation tax	53,155	55,800
Other creditors	15,893	14,693
Accruals and deferred income	27,503	20,466
Dividend payable	118,000	124,000
	<u>215,125</u>	<u>215,605</u>

11 Called up share capital

	1999 £	1998 £
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	100	100

12 Reserves

	Revaluation reserve £	Profit and loss account £
At 6 April 1998	2,346,572	110,817
Revaluation of investment properties	333,740	-
Retained profit for the year	-	401
At 5 April 1999	2,680,312	111,218

13 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Opening shareholders' funds	2,457,489	2,106,308
Profit for the financial year	118,401	124,220
Dividend	(118,000)	(124,000)
Other recognised gains and losses relating to the year	333,740	350,961
Closing shareholders' funds	2,791,630	2,457,489

14 Post balance sheet event

On 6 April 1999, the net assets and property investment activities of the company, less inter-company balances and liabilities in respect of corporation tax and dividends, were transferred through an intra group transfer agreement to BPT (Residential Investments) Limited (formerly Ashday Property Company Limited), a fellow wholly owned subsidiary of The Bradford Property Trust plc.

15 Related party transactions

The company has taken advantage of the exemption available under FRS 8 "Related Party disclosures" from disclosing transactions with related parties within The Bradford Property Trust PLC group.

16 Parent undertaking

At 5 April 1999, the company was a wholly owned subsidiary of The Bradford Property Trust PLC, a company registered in England and Wales, which the directors regard as the ultimate controlling party.

Copies of the parent's consolidated financial statements may be obtained from The Secretary, Jardine House, 3 Commercial Street, Forster Square, Bradford BD1 4AN.