

Gracefield Properties Limited

609966

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 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.

Dividends

The directors recommend that a dividend of £124,500 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 P C T Warner (Chairman)

Mr N A E Robinson

Mr B Tetley

Mr N A Denby

(resigned 31 March 1997)

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

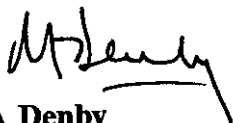
Directors' interests

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 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

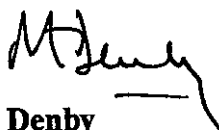
Statement of directors' responsibilities

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 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 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.

Copest & 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>228,095</u>	<u>218,754</u>
Profit on ordinary activities before interest	2	186,240	194,375
Interest payable	4	<u>(206)</u>	<u>(83)</u>
Profit on ordinary activities before taxation		186,034	194,292
Tax on profit on ordinary activities	7	<u>(61,516)</u>	<u>(63,551)</u>
Profit for the financial year		124,518	130,741
Proposed dividend		<u>(124,500)</u>	<u>(130,700)</u>
Retained profit for the year	12	<u>18</u>	<u>41</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.

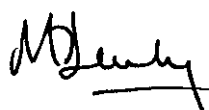
Statement of total recognised gains and losses

	Notes	1997 £	1996 £
Profit for the financial year		124,518	130,741
Unrealised surplus on revaluation of investment properties	12	<u>114,400</u>	<u>866</u>
Total gains and losses recognised since last annual report		<u>238,918</u>	<u>131,607</u>

Balance sheet at 5 April 1997

	Notes	1997 £	1996 £
Fixed assets			
Tangible assets	8	<u>2,013,199</u>	<u>1,898,799</u>
Current assets			
Debtors	9	314,814	310,470
Cash at bank		98	11,861
		<u>314,912</u>	<u>322,331</u>
Creditors: amounts falling due within one year	10	<u>(221,803)</u>	<u>(229,240)</u>
Net current assets		<u>93,109</u>	<u>93,091</u>
Net assets		<u><u>2,106,308</u></u>	<u><u>1,991,890</u></u>
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	1,995,611	1,881,211
Profit and loss account	12	110,597	110,579
Equity shareholders' funds	13	<u><u>2,106,308</u></u>	<u><u>1,991,890</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 the grants obtained.

2 Turnover and profit on ordinary activities before interest

	1997 £	1996 £
Turnover: rental income exclusive of rates	228,095	218,754
Cost of sales and other property outgoings	(41,855)	(24,379)
Profit on ordinary activities before interest	<u>186,240</u>	<u>194,375</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

	1997 £	1996 £
On bank overdraft repayable within 5 years not by instalments	<u>206</u>	<u>83</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

	1997 £	1996 £
United Kingdom corporation tax at 33% (1996: 33%):		
Current	61,400	64,000
Under/(over)provision in respect of prior year	116	(449)
	<u>61,516</u>	<u>63,551</u>

8 Tangible fixed assets

	Freehold investment properties £	Office furniture £	Total £
Cost or valuation			
At 6 April 1996	1,898,799	324	1,899,123
Revaluation	114,400	-	114,400
	<u>2,013,199</u>	<u>324</u>	<u>2,013,523</u>
At 5 April 1997			
Depreciation			
At 6 April 1996 and 5 April 1997	-	324	324
	<u>-</u>	<u>324</u>	<u>324</u>
Net book value			
At 5 April 1997	<u>2,013,199</u>	<u>-</u>	<u>2,013,199</u>
Net book value			
At 5 April 1996	<u>1,898,799</u>	<u>-</u>	<u>1,898,799</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 (1996: £98,128). The potential corporation tax liability, had these properties been sold at the balance sheet date, was approximately £487,000 (1996: £452,000).

9 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	10,943	4,523
Amounts owed by parent undertaking	303,871	305,947
	<u>314,814</u>	<u>310,470</u>

10 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	4,732	1,234
Corporation tax	61,400	64,000
Other creditors	12,775	14,378
Accruals and deferred income	18,396	18,928
Dividend payable	124,500	130,700
	<u>221,803</u>	<u>229,240</u>

11 Called up share capital

	1997 £	1996 £
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	100 <u> </u>	100 <u> </u>

12 Reserves

	Revaluation reserve £	Profit and loss account £
At 6 April 1996	1,881,211	110,579
Revaluation of investment properties	114,400	-
Retained profit for the year	-	18
	<u>1,995,611</u>	<u>110,597</u>
At 5 April 1997		

13 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Opening shareholders' funds	1,991,890	1,990,983
Profit for the financial year	124,518	130,741
Dividend	(124,500)	(130,700)
Other recognised gains and losses relating to the year	114,400	866
	<u>2,106,308</u>	<u>1,991,890</u>
Closing shareholders' funds		

14 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.