

**BURTON PROPERTY TRUST LIMITED**  
**(REGISTERED NUMBER 1848857)**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**29TH AUGUST 1998**



**BURTON PROPERTY TRUST LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 29TH AUGUST 1998**

The directors present their annual report together with the audited accounts of the company for the year ended 29th August 1998.

**ACTIVITIES AND RESULTS**

In 1995 the company disposed of its remaining development properties and terminated its joint ventures. The company continues to incur expenses in connection with its ongoing obligations under the sale and development agreements.

The results of the company for the financial year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend and the loss retained of £264,000 (1997 profit of £79,000) has been transferred from reserves.

**DIRECTORS AND DIRECTORS' INTERESTS**

The following served as directors during the year:

DN Brown

GA Bullworthy (appointed 19<sup>th</sup> January 1998)

AA Goldman (appointed 19<sup>th</sup> January 1998)

NP Hall (resigned 22<sup>nd</sup> October 1998)

J Hodges (resigned 19<sup>th</sup> January 1998)

IP Jackman

DL Shaw

PV Skinner (resigned 19<sup>th</sup> January 1998)

None of the directors had an interest in the share capital of the company or received any remuneration in respect of his services to the company. The interests of the directors in the share and loan capital of the ultimate parent undertaking, Arcadia Group plc (formerly The Burton Group plc), were as follows:

**Arcadia Group plc shares**

	At 29 <sup>th</sup> August 1998			Options	
	Ordinary shares of 80p each		Provisional Share	Exercised	Granted
	Shares	Options	Allocation		
D N Brown	1,568	24,563	2,596		24,563
GA Bullworthy	19,368	5,627	3,367		5,627
A A Goldman	29	14,115	753		14,115
NP Hall	22,343	216,651	17,132		191,277
I P Jackman	30,064	74,862	11,962		74,862
DL Shaw	13,965	207,517	15,652		90,184

**The Burton Group plc shares**

	At 31 <sup>st</sup> August 1997 or later date of appointment			Options	
	Ordinary shares of 10p each		Provisional Share	Exercised	Granted
	Shares	Options	Allocation		
D N Brown	15,858	72,915	7,503	72,915	
GA Bullworthy	154,957	10,900	9,733	10,900	
A A Goldman	5,571	661	2,176	661	
NP Hall	121,306	90,669	49,511	17,342	
I P Jackman	232,948	22,754	34,571	22,754	
DL Shaw	5,200	450,495	45,232	21,428	

## **BURTON PROPERTY TRUST LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 29TH AUGUST 1998 (CONTINUED)**

#### **DIRECTORS AND DIRECTORS' INTERESTS (CONTINUED)**

On 26th January 1998 every 8 shares of 10p each in The Burton Group plc were consolidated into 1 share of 80p each and The Burton Group plc changed its name to Arcadia Group plc. The provisional share allocations were made under the Long Term Share Plan operated by Arcadia Group plc and have been adjusted in number to reflect the demerger of Debenhams plc.

#### **YEAR 2000**

The company is a subsidiary undertaking of Arcadia Group plc, which has developed a comprehensive compliance project which was started in October 1996 and is expected to result in all of its systems being millennium compliant by June 1999.

The Group is working towards the British Standard Institute definition of compliance – DISC PD 2000-1. It is a member of Impact, an organisation which shares information on the millennium issue and helps to benchmark progress. The estimated total revenue cost of the project for the Group is £5m, of which £4.5m was spent in the year under review with the remainder to be spent in 1998/99. It is envisaged that none of this cost will be recharged to the company.

#### **ECONOMIC AND MONETARY UNION**

The company is a subsidiary of Arcadia Group plc, which is making preparation for the introduction of the Euro on behalf of the whole group, including the company. Should the UK adopt the Euro in future, the impact on all of Arcadia Group's business would be significant. All systems would be affected and all of them would have to made Euro-compatible. Group contingency planning for the necessary investment in systems and training are in place.

#### **DIRECTORS' RESPONSIBILITIES**

The directors set out below their responsibilities in connection with the financial statements.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period. In preparing those financial statements, the directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BURTON PROPERTY TRUST LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 29TH AUGUST 1998 (CONTINUED)**

**AUDITORS**

Following their merger with Coopers & Lybrand to form PricewaterhouseCoopers, Price Waterhouse resigned as auditors. The board appointed PricewaterhouseCoopers to fill the casual vacancy arising. PricewaterhouseCoopers have indicated their willingness to be re-appointed at the forthcoming annual general meeting.

On behalf of the Board



D N Brown  
Director

Registered Office

Colegrave House  
70 Berners Street  
London W1P 3AE

21st October 1998

## **AUDITORS' REPORT TO THE MEMBERS OF BURTON PROPERTY TRUST LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **Respective responsibilities of directors and auditors**

As described on page 2 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 affairs of the company at 29th August 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

**PricewaterhouseCoopers**

Chartered Accountants  
and Registered Auditors

21st October 1998

9 Bond Court  
Leeds LS1 2SN

**BURTON PROPERTY TRUST LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE FINANCIAL YEAR ENDED 29TH AUGUST 1998**

	Notes	<u>1998</u> £'000	<u>1997</u> £'000
Administrative expenses		<u>(281)</u>	<u>8</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	2	<b>(281)</b>	<b>8</b>
Taxation	3	<u>17</u>	<u>71</u>
<b>TRANSFER (FROM)/TO PROFIT AND LOSS ACCOUNT</b>		<u><b>(264)</b></u>	<u><b>79</b></u>

**STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**(DEFICIT)**

At 31st August 1997	<b>(142,204)</b>	<b>(142,283)</b>
Transfer (from)/to profit and loss account	<u><b>(264)</b></u>	<u><b>79</b></u>
At 29th August 1998	<u><b>(142,468)</b></u>	<u><b>(142,204)</b></u>

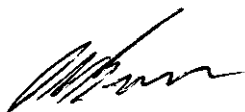
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

The only recognised gains and losses for the year are those dealt with in the profit and loss account above.

**BURTON PROPERTY TRUST LIMITED**  
**BALANCE SHEET - 29TH AUGUST 1998**

		<u>1998</u> £'000	<u>1997</u> £'000
<b>CURRENT ASSETS</b>			
Debtors	5	59,779	59,836
Cash at bank and in hand		<u>-</u>	<u>20</u>
		59,779	59,856
<b>CREDITORS (due within one year)</b>	6	<u>(1,085)</u>	<u>(2,337)</u>
<b>NET CURRENT ASSETS</b>		<u>58,694</u>	<u>57,519</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		58,694	57,519
<b>CREDITORS (due after one year)</b>	7	<u>(200,912)</u>	<u>(199,473)</u>
<b>NET LIABILITIES</b>		<u>(142,218)</u>	<u>(141,954)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	250	250
Profit and loss account (deficit)		<u>(142,468)</u>	<u>(142,204)</u>
<b>SHAREHOLDERS' FUNDS (deficit)</b>	10	<u>(142,218)</u>	<u>(141,954)</u>

Approved by the Board on 21st October 1998



DN Brown  
DIRECTOR

**BURTON PROPERTY TRUST LIMITED**  
**NOTES TO THE ACCOUNTS - 29TH AUGUST 1998**

**1 ACCOUNTING POLICIES**

(a) Accounting convention

The accounts are drawn up under the historical cost convention and in accordance with applicable accounting standards.

(b) Deferred taxation

Provision is made for deferred taxation arising from the allocation of income and expenditure for tax purposes to periods different from those used for accounting purposes, unless there is reasonable probability that such timing differences will not give rise to a taxation liability in the foreseeable future.

**2 ACTIVITIES AND PROFIT AND LOSS ACCOUNT**

During this year and the previous year the main activity of the company has been in respect of ongoing obligations under the sale and development agreements.

None of the directors received any remuneration in respect of their services to the company (1997 - £Nil).

**3 TAXATION**

	<u>1998</u> £'000	<u>1997</u> £'000
Based on the (loss) / profit for the year:		
UK corporation tax at 31% (1997 - 32 1/6%)		
Current year	<u>17</u>	<u>71</u>

There is no potential liability for deferred tax.

**4 FIXED ASSET INVESTMENTS**

Investment in subsidiaries:

At 31 August 1997 and 29th August 1998 £Nil

The company owns the whole of the issued share capital of the following companies (except where otherwise stated), all of which are registered in England and no longer trade:

Law 128 Limited  
 Uxbridge Springwaters Developments Limited  
 Burton Property Trust (Dartford) Limited  
 Barforce Limited (50% owned)

Group accounts are not submitted as the company is a wholly owned subsidiary of Arcadia Group plc. In the opinion of the directors the aggregate value of the company's investments is not less than the amount at which they are stated in the company's balance sheet.



**BURTON PROPERTY TRUST LIMITED**  
**NOTES TO THE ACCOUNTS - 29TH AUGUST 1998 (CONTINUED)**

<b>5 DEBTORS</b>	<u><b>1998</b></u> <b>£'000</b>	<u><b>1997</b></u> <b>£'000</b>
Other debtors	-	9
Amounts owed by fellow subsidiary undertakings	<b>30,373</b>	30,438
Group relief receivable	<u><b>29,406</b></u>	<u>29,389</u>
	<u><b>59,779</b></u>	<u>59,836</u>

**6 CREDITORS (due within one year)**

Bank Overdraft	<b>5</b>	-
Other creditors	<b>630</b>	643
Accruals	<b>450</b>	450
Amounts owed to subsidiary undertakings	<u>-</u>	<u>1,244</u>
	<u><b>1,085</b></u>	<u>2,337</u>

**7 CREDITORS (due after one year)**

Loan from ultimate parent undertaking	<u><b>200,912</b></u>	<u>199,473</u>
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The loan from ultimate parent undertaking is interest free and has no fixed repayment terms.

**8 CALLED UP SHARE CAPITAL**

Authorised, allotted and fully paid Ordinary shares of £1 each	<u><b>250</b></u>	<u>250</u>
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**9 CONTINGENT LIABILITY**

The company has guaranteed the overdrafts of the ultimate parent undertaking and certain fellow subsidiary undertakings which, at 29th August 1998, amounted to £548,000 (1997 : £8,533,000).

**BURTON PROPERTY TRUST LIMITED**  
**NOTES TO THE ACCOUNTS - 29TH AUGUST 1998 (CONTINUED)**

**10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1998</u> £'000	<u>1997</u> £'000
Transfer to profit and loss account	(264)	79
Opening shareholders' funds (deficit)	<u>(141,954)</u>	<u>(142,033)</u>
Closing shareholders' funds (deficit)	<u>(142,218)</u>	<u>(141,954)</u>

**11 ULTIMATE PARENT UNDERTAKING AND RELATED PARTY DISCLOSURES**

The company's ultimate parent undertaking is Arcadia Group plc and the company is included in its consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of Arcadia Group plc group or investees of Arcadia Group plc. Copies of the accounts of Arcadia Group plc can be obtained by writing to the Secretary at Colegrave House, 70 Berners Street, London W1P 3AE.

Arcadia Group plc has indicated its willingness to provide the necessary financial support so as to enable the company to meet its liabilities to third parties.