

Leyton Properties Limited

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Annual report for the year ended 5 April 1995

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Directors' report for the year ended 5 April 1995

The directors present their report and the audited financial statements for the year ended 5 April 1995.

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 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 and transfers to reserves

The directors do not recommend the payment of a dividend in respect of the year ended 5 April 1995. The retained profit for the year of £315,390 will be transferred to reserves.

Movements in fixed assets

The movements in tangible fixed assets during the year are set out in note 8 to the financial statements.

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 1995, 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 D J Veaser
Mr H R J Burgess
Mr B Tetley

Mr H R J Burgess retired on 28 April 1995. In accordance with the Articles of Association the directors are not required to retire by rotation.

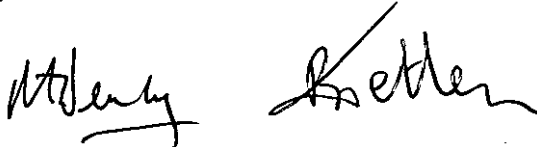
Directors' interests

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 1995 had any interest in the shares of the company either at the beginning or end of the year ended on that date.

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
Market Street
Bradford
13 June 1995

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 1995. 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.

The directors, having prepared the financial statements, have requested the auditors to take whatever steps and undertake whatever inspections they consider appropriate for the purpose of enabling them to give their audit report.

By order of the board



N A Denby
Secretary
13 June 1995

Report of the auditors to the members of Leyton 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand

Chartered Accountants and Registered Auditors

Leeds

13 June 1995

**Profit and loss account
for the year ended 5 April 1995**

	Notes	1995 £	1994 £
Turnover	2	<u>£225,479</u>	<u>£211,910</u>
Operating profit	2	276,841	178,430
Surplus on revaluation of investment properties	8	<u>77,524</u>	<u>99,568</u>
Profit on ordinary activities before interest		354,365	277,998
Interest receivable	4	<u>10,749</u>	<u>18,785</u>
Profit on ordinary activities before taxation		365,114	296,783
Taxation	7	<u>(49,724)</u>	<u>(61,287)</u>
Retained profit for the financial year	11	<u>£315,390</u>	<u>£235,496</u>

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

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

Note of historical cost profits and losses

	1995 £	1994 £
Reported profit on ordinary activities before taxation	365,114	296,783
Realisation of property revaluation (deficits)/gains of previous years	<u>(22,659)</u>	<u>32,942</u>
Historical cost profit on ordinary activities before taxation	<u>342,455</u>	<u>£329,725</u>
Historical cost profit for the year retained after taxation and dividends	<u>£292,731</u>	<u>£268,438</u>

Balance sheet at 5 April 1995

	Notes	1995 £	1994 £
Fixed assets			
Tangible assets	8	<u>2,692,350</u>	<u>2,887,798</u>
Current assets			
Debtors	9	-	9,199
Cash at bank and in hand		<u>64,456</u>	<u>705,023</u>
		<u>64,456</u>	<u>714,222</u>
		<u>£2,756,806</u>	<u>£3,602,020</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	<u>367,380</u>	<u>51,990</u>
		<u>367,480</u>	<u>52,090</u>
Equity shareholders' funds			
Creditors: amounts falling due within one year	12	<u>2,389,326</u>	<u>3,549,930</u>
		<u>£2,756,806</u>	<u>£3,602,020</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 13 June 1995 and were signed on its behalf by:



Director

Notes to the financial statements for the year ended 5 April 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. However, compliance with SSAP 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 is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

Financial Reporting Standard No 1

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

Investment properties

In accordance with Statement of Standard Accounting Practice No 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 accounts.

Sales of properties are recognised on completion of the sale.

All repairs and renewals are written off as incurred.

1 Principal accounting policies (continued)

Housing improvement grants

Expenditure which is the subject of housing improvement grants is dealt with net of the grants obtained.

2 Turnover and operating profit

	1995 £	1994 £
Turnover: rental income exclusive of rates	225,479	211,910
Cost of sales and other property outgoings	(53,690)	(60,405)
	<u>171,789</u>	<u>151,505</u>
Surplus from property rentals		
Profit on sale of investment properties	113,028	33,250
Gross profit	(7,976)	(6,325)
Administration expenses		
	<u>105,052</u>	<u>26,925</u>
Operating profit	<u><u>£276,841</u></u>	<u><u>£178,430</u></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 Interest receivable

	1995	1994
On cash at bank	<u><u>£10,749</u></u>	<u><u>£18,785</u></u>

5 Directors' emoluments

The directors have not received any emoluments from the company during the year.

6 Employee information

Other than the directors, the company has no employees.

7 Taxation

	1995	1994
United Kingdom corporation tax at 33% (1994: 33%)		
Current	61,265	61,287
Overprovision in respect of prior years	(11,541)	-
	<u>£49,724</u>	<u>£61,287</u>

8 Tangible fixed assets

	Freehold investment properties £
Valuation	
Valuation at 6 April 1994	2,887,798
Revaluation	77,524
Disposals	(272,972)
	<u>£2,692,350</u>
Valuation at 5 April 1995	

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 one of the two joint venture parties who own the company's shares, one being an Associate of the Royal Institution of Chartered Surveyors. The historical cost of these properties is £3,109,068 (1994: £3,404,699).

9 Debtors

	1995	1994
Amounts falling due within one year		
Prepayments and accrued income	£Nil	£9,199
	<u></u>	<u></u>

10 Called up share capital

	1995 £	1994 £
Authorised, allotted, called-up and fully paid		
50 "A" ordinary shares of £1 each	50	50
50 "B" ordinary shares of £1 each	50	50
	<u>£100</u>	<u>£100</u>

11 Reserves

	Profit and loss account £
At 6 April 1994	51,990
Retained profit for the year	315,390
	<u>£367,380</u>
At 5 April 1995	

12 Creditors: amounts falling due within one year

	1995 £	1994 £
Loans from joint venture parties	2,321,000	3,471,000
Corporation tax	61,265	61,287
Accruals and other creditors	7,061	17,643
	<u>£2,389,326</u>	<u>£3,549,930</u>

The loans from joint venture parties are unsecured and bear interest at a rate from time to time agreed between the parties and in default of agreement at a rate 1% above the bank base rate. The parties have agreed that no interest be charged in respect of the year ended 5 April 1995.

Each loan is repayable by the company in instalments and at the times mutually agreed between the joint venture parties but in the absence of agreement each loan is repayable on demand.

13 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Opening shareholders' funds/(deficit)	52,090	(183,406)
Profit for the financial year	315,390	235,496
	<u>£367,480</u>	<u>£52,090</u>
Closing shareholders' funds		