

Sterling Capitol Properties (South Yorkshire)
Limited

Directors' report and accounts
for the year ended 31 December 2001

Registered Number 2968415



Sterling Capitol Properties (South Yorkshire) Limited

Financial statements

for the year ended 31 December 2001

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Sterling Capitol Properties (South Yorkshire) Limited

Directors' report for the year ended 31 December 2001

The directors present their report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 December 2001.

Principal activity and business review

The principal activity of the group is property development.

The directors consider the results for the year to be satisfactory.

Results and dividends

The results for the year ended 31 December 2001 are set out on page 4.

Directors and their interests

The directors do not recommend the payment of a dividend (2000: £660,348).

The directors who served during the period were:

M Croxen

C J Dalzell (resigned 27 April 2001)

ML Armstrong (appointed 27 April 2001)

The directors' have no beneficial interest in the share capital of the company. The interests of Mr M Croxen in the shares of the ultimate holding company, Sterling Capitol plc are shown in the annual report of Sterling Capitol plc.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.


The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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.

Sterling Capitol Properties (South Yorkshire) Limited

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

By order of the Board


M Croxen
Secretary

22 July 2002

Sterling Capitol Properties (South Yorkshire) Limited

Independent auditors' report to the members of Sterling Capitol Properties (South Yorkshire) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 1985. 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. The other information comprises only the directors' report.

Basis of audit 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 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The logo for PricewaterhouseCoopers, featuring a stylized graphic of interconnected lines forming a circular shape.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
22 July 2002

Sterling Capitol Properties (South Yorkshire) Limited

Profit and loss account for the year ended 31 December 2001

	Note	2001 £	2000 £
Sales	1	-	3,061,900
Cost of sales		(7,644)	(2,795,285)
Gross (loss)/profit		(7,644)	266,615
Administration expenses		(6,741)	(69,629)
Operating (loss)/profit		(14,385)	196,986
Interest receivable		8,715	32
Interest payable		(480)	-
(Loss)/profit on ordinary activities before taxation	2	(6,150)	197,018
Tax on loss on ordinary activities	3	-	-
(Loss)/profit on ordinary activities after tax		(6,150)	197,018
Dividends		-	(660,348)
Loss for the financial year	7	(6,150)	(463,330)

All of the company's activities were continuing.

There were no recognised gains or losses other than the loss for the financial year.


There is no difference between the (loss)/profit on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents.

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Balance sheet as at 31 December 2001

	Note	2001 £	2000 £
Current assets			
Debtors	4	475	16,285
Cash		97,987	89,752
		98,462	106,037
Creditors: amounts falling due within one year	5	(104,611)	(106,036)
Net (liabilities)/assets		(6,149)	1
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account	7	(6,150)	-
Equity shareholders' (deficit)/funds	8	(6,149)	1

The financial statements on pages 4 to 9 were approved by the board of directors on 22 July 2002 and were signed on its behalf by:


M Croxen
Directors

Sterling Capitol Properties (South Yorkshire) Limited

Accounting policies

A summary of the company's principal accounting policies, all of which have been applied consistently throughout the year is set out below:

Basis of accounting

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

As at the year end the company had net liabilities of £6,149. However, the directors have prepared the accounts on the going concern basis because an undertaking has been received from the company's parent undertaking, Sterling Capitol PLC, to continue to provide financial support to the company to enable it to meet its debts as they fall due for the foreseeable future.

Cash flow statement

As the company is wholly owned by an entity that has published a consolidated cash flow statement, the company has taken advantage of the exemption under Financial Reporting Standard 1 (revised 1996) from preparing a cash flow statement.

Turnover

Turnover represents the value of legally completed property sales net of related taxes.

Government Grants

Government grants relating to properties held for development are treated as deferred income and released to the profit and loss account as the costs of those developments are charged to the profit and loss account.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Stock

Stocks are valued at the lower of cost and net realisable value.

Where the directors consider developments to be substantial with practical completion expected after more than one year from commencement and have been financed by specific identifiable borrowings, the cost of those developments includes interest attributable to those borrowings up to the point of practical completion.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences, to the extent that it is probable a liability or asset will crystallise.

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Notes to the financial statements for the year ended 31 December 2001

1 Segment information

All of the company's turnover and operating profit before interest are derived from its principal activity in the United Kingdom.

2 (Loss)/profit on ordinary activities before taxation

	2001	2000
	£	£
Staff costs	-	-
Auditors' remuneration	-	-

Auditor's remuneration and staff costs were borne by the company's ultimate parent undertaking Sterling Capitol PLC.

The average monthly number of persons employed by the company was 1 (2000 - 1). None of the directors received any emoluments for their services to the company.

3 Tax on loss on ordinary activities

Tax on loss on ordinary activities comprises UK corporation tax of £Nil (2000: £Nil).

In the directors' opinion no provision is required for deferred taxation.

4 Debtors

Debtors comprise amounts falling due within one year.

	2001	2000
	£	£
Other debtors	475	16,285

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5 Creditors - Amounts falling due within one year

	2001	2000
	£	£
Amounts due to ultimate parent undertaking	96,357	101,705
Corporation tax	4,331	4,331
Accruals and deferred income	3,923	-
	104,611	106,036

6 Called up equity share capital

	2001	2000
	£	£
Authorised, ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid, ordinary shares of £1 each	1	1

7 Reserves

	Profit and loss account
	£
At 1 January 2001	-
Loss for the year	(6,150)
At 31 December 2001	(6,150)

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8 Reconciliation of movements in shareholders' (deficit)/funds

	2001	2000
	£	£
Loss for the financial year	(6,150)	(463,330)
Net decrease in equity shareholders' funds	(6,150)	(463,330)
Equity shareholders' funds at the beginning of year	1	463,331
Equity shareholders' deficit at the end of year	(6,149)	1

9 Related party transactions

Transactions with other companies within the Sterling Capitol Group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "Related Party Disclosures".

10 Ultimate parent undertaking

The company's ultimate parent undertaking is Sterling Capitol PLC, a company registered in England and Wales. Group accounts have been prepared by this company and are not available to the public.