

Barratt International Resorts Ermita Limited
(formerly TM 1127 Limited)
Annual report
for the year ended 30 June 2000

Registered Number SC187439 (Registered in Scotland)



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Barratt International Resorts Ermita Limited

Annual report

for the year ended 30 June 2000

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Barratt International Resorts Ermita Limited

Directors' report for the year ended 30 June 2000

The directors present their report and the audited accounts for the year ended 30 June 2000.

Principal activities

The principal activity of the company is the sale of timeshare units and associated activities.

Business review

The results for the year are shown in the profit and loss account on page 5.

The directors are satisfied with the company's results and progress to date and expect the company to operate at a similar level of activity in the foreseeable future.

The company paid a dividend during the year of £277,000 (1999: £nil). Part of the dividend was in excess of distributable profits in contravention of the Companies Act 1985 (see note 6).

Directors

The directors of the company at 30 June 2000, all of whom have been directors for the whole of the year ended on that date, were:

J G W Busby	(Chairman)
W C G Day	
A J Howes	
D J Macdonald	
D S Anderson	(Alternate director)

Directors' interests

None of the directors had any interests in the share capital of the company at the year end.

Directors' responsibilities

The directors are required by UK company law to prepare accounts 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 year.

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 accounts for the year ended 30 June 2000. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

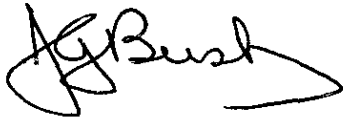
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Barratt International Resorts Ermita Limited

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'A. B. B.', with a long horizontal stroke extending to the right.

Director

25 May 2001

Barratt International Resorts Ermita Limited

Auditors' report to the members of Barratt International Resorts Ermita Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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 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.

Explanatory paragraph – illegal dividends

In forming our opinion we have considered the adequacy of the disclosure made in the financial statements concerning dividends of £277,000 paid in the year in contravention of the Companies Act 1985. The annual accounts for the year ended 30 June 2000, when prepared, showed insufficient profits. Details of the circumstances relating to the payment of the illegal dividends are set out in note 6. Our opinion is not qualified in this respect.

Barratt International Resorts Ermita Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

25 May 2001

Barratt International Resorts Ermita Limited

Profit and loss account for the year ended 30 June 2000

	Note	2000 £'000	1999 £'000
Turnover		1,101	112
Operating profit	1	366	28
Profit on ordinary activities before taxation	4	366	28
Taxation	5	(127)	(10)
Profit on ordinary activities after taxation		239	18
Dividends	6	(257)	-
Retained (loss)/profit for the year	12	(18)	18

All activities of the company are continuing.

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.

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

Barratt International Resorts Ermita Limited

Balance sheet as at 30 June 2000

	Note	2000 £'000	1999 £'000
Current assets			
Stocks	7	850	572
Debtors	8	153	90
Cash at bank and in hand		729	-
		1,732	662
Creditors: amounts falling due within one year	9	(488)	(94)
Net current assets		1,244	568
Creditors: amounts falling due after more than one year	10	(1,244)	(550)
Net assets		-	18
Capital and reserves			
Called-up share capital	11	-	-
Profit and loss account	12	-	18
Equity shareholders' funds	13	-	18

The accounts on pages 5 to 12 were approved by the board of directors on 25 May 2001 and signed on its behalf by:



Director

Barratt International Resorts Ermita Limited

Accounting policies

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Basis of accounting

The company prepares its accounts under the historical cost convention.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Turnover

Turnover consists of sales of timeshare units and management fee income, exclusive of value added tax.

Deferred taxation

Provision is made under the liability method for those liabilities that are expected to arise in the foreseeable future.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year end. Exchange differences arising on retranslations are taken to the profit and loss account.

Cash flow statement exemption

The company has taken advantage of the exemptions available under the Financial Reporting Standard 1 (Revised) and has not prepared a cash flow statement.

Barratt International Resorts Ermita Limited

Notes to the financial statements for the year ended 30 June 2000

1 Operating profit

	2000	1999
	£'000	£'000
Turnover	1,101	112
Cost of sales	(566)	(62)
Gross profit	535	50
Administrative expenses	(169)	(22)
Operating profit	366	28

2 Directors' emoluments

None of the directors received any emoluments from the company during the year ended 30 June 2000.

3 Employee information

The average weekly number of persons (including executive directors) employed during the year was 9 (1999: 9).

	2000	1999
	£'000	£'000
Staff costs	33	18

The above persons do not have contracts of service with Barratt International Resorts Ermita Limited. The persons are contracted to Barratt International Resorts Limited, which recharges the costs to the company for work performed on the company's behalf.

4 Profit on ordinary activities before taxation

	2000	1999
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit services	6	3

Barratt International Resorts Ermita Limited

5 Taxation

	2000	1999
	£'000	£'000
United Kingdom corporation tax at 35% (1999: 35%):		
Current	127	10
Deferred	-	-
	127	10

6 Dividends

	2000	1999
	£'000	£'000
Equity - ordinary		
Interim paid £2,770 per £1 share (1999: £nil)	277	-
Repayment of illegal dividend	(20)	-
	277	-

During the year the company paid dividends amounting to £277,000 in contravention of the Companies Act 1985. The annual accounts for the year ended 30 June 2000 showed distributable profits of only £257,000.

It is therefore proposed that a resolution be passed at the Extraordinary General Meeting, for the non distributable profits amounting to £20,000 be repaid to the Company.

The company has received irrecoverable undertakings from its shareholders, that they will vote unanimously in favour of the resolution.

7 Stocks

	2000	1999
	£'000	£'000
Work in progress	449	-
Timeshare units available for sale	401	572
	850	572

Barratt International Resorts Ermita Limited

8 Debtors

	2000 £'000	1999 £'000
Amounts falling due within one year		
Trade debtors	14	13
Amounts owed by related parties	-	77
Other debtors	26	-
Repayment of illegal dividend due from shareholders (note 6)	20	-
Prepayments and accrued income	1	-
	61	90
Amounts falling due after one year		
Other debtors	92	-
	153	90

Other debtors receivable after more than one year represents Spanish IVA tax recoverable. The amount was incurred on the purchase of land for the development but under Spanish legislation cannot be recovered until the whole development is completed.

9 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Corporation tax	137	10
Amounts owed to related parties	180	50
Accruals and deferred income	171	34
	488	94

10 Creditors: amounts falling due after one year

	2000 £'000	1999 £'000
Amounts owed to related parties	1,244	550

Barratt International Resorts Ermita Limited

11 Called up share capital

	2000	1999
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

12 Profit and loss account

	Company
	£'000
At 1 July 1999	18
Retained loss for the year	(18)
At 30 June 2000	-

13 Reconciliation of movements in equity shareholders' funds

	2000	1999
	£'000	£'000
(Loss)/profit for the year	(18)	18
Net (reduction)/addition to equity shareholders' funds	(18)	18
Opening equity shareholders' funds	18	-
Closing equity shareholders' funds	-	18

14 Financial commitments

The company was committed to contracts at 31 December 2000 amounting to £1,350,000 for future development of the resort.

Barratt International Resorts Ermita Limited

15 Related party transactions

The company is jointly owned by Barratt International Resorts Limited and Ermita Leisure Limited, each having a 50% interest in the share capital of the company. Neither is considered to be the ultimate controlling party.

The value of services rendered and goods supplied by Barratt International Resorts Limited and its subsidiaries, for the year ended 30 June 2000 amounted to £137,509. At 30 June 2000 the amounts owed by the company to Barratt International Resorts Limited were £179,503 for trading balances and £653,171 for funding.

At 30 June 2000 the amounts owed by the company to Ermita Leisure Limited was £591,170 for funding.