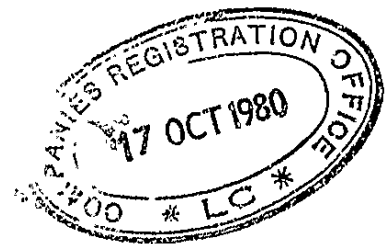


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Daejan Holdings Limited



Annual Report 1980

Daejan Holdings Limited

Directors

B. S. E. Freshwater (Chairman and Managing Director)
D. Davis
L. Scott
The Earl of Stradbroke

Secretary and Registered Office

H. E. Severn, F.C.I.S.,
High Holborn House, 52/54 High Holborn,
London WC1V 6RT

Head Office

Freshwater House,
158/162 Shaftesbury Avenue,
London WC2H 8HR

Registrars

Lloyds Bank Limited,
Registrar's Department,
The Causeway,
Goring-by-Sea,
Worthing, Sussex BN12 6DA

Auditors

Peat, Marwick, Mitchell & Co.,
1 Puddle Dock,
Blackfriars,
London EC4V 3PD

Consulting Accountants

Cohen, Arnold & Co.,
13-17 New Burlington Place,
London W1X 2JP

Principal Bankers

Barclays Bank Limited
Lloyds Bank Limited
National Westminster Bank Limited
International Westminster Bank Limited

Stockbrokers

Carr-Sebag & Co.,
Ocean House,
Little Trinity Lane,
London EC4P 4LB

Daejan Holdings Limited

Results at a glance

	Year Ended 31st March	
	1980	1979
Pre-tax Profits	£4,192,000	£3,331,000
Net Profits available for distribution	£2,732,000	£2,157,000
Earnings per Share	17.02p	13.84p
Dividends per Share, actual	3.50p	3.25p
Net Assets per Share	134p	123p

Notice of Meeting

Notice is hereby given that the **Forty-fifth Annual General Meeting of Daejan Holdings Limited** will be held at the Sussex Room, Connaught Rooms, Great Queen Street, London, W.C.2, on **Thursday, 4th September 1980 at 12 noon**, for the following purposes:—

- 1 To receive the Accounts for the year ended 31st March 1980 together with the Reports of the Directors and the Auditors. (Resolution 1)
- 2 To declare a final dividend. (Resolution 2)
- 3 To re-elect Mr L. Scott as a Director (Resolution 3)
- 4 As Special Business to consider the following Ordinary Resolution:—
"That with effect from 1st April 1980 the fees payable under Article 81 to each of the Directors including the Chairman shall be increased to the rate of £3,500 per annum." (Resolution 4)
The present fees are £1,500 per annum for Directors and £2,000 per annum for the Chairman.

- 5 To re-appoint Messrs Peat, Marwick, Mitchell & Co. as Auditors and to authorise the Directors to determine their remuneration. (Resolution 5)

By Order of the Board,
H. B. Severn, Secretary
8th August 1980

A Member entitled to attend and vote may appoint one or more proxies to attend, and on a poll, to vote instead of him. A proxy need not be a Member of the Company. To be valid forms of proxy must be received by the Company's Registrars at least 48 hours before the time fixed for the Meeting.

The recommended final dividend will, if approved, be paid on 4th September 1980, to Shareholders registered at the close of business on 8th August 1980.

A copy of the service contract between a Director and the Company will be available for inspection at the Secretary's Office at 162 Shaftesbury Avenue, W.C.2, during normal business hours, from today until the date of the Meeting at the Connaught Rooms and also before and during the Meeting.

Daejan Holdings Limited

Chairman's Statement

Before making my first report to you as Chairman of your Company I would like to place on record my sincere appreciation of the work of my predecessor, Mr Leonard Tobin, who was a Director of Daejan since its refloating in 1959 and its Chairman since 1973.

His sound business sense, coupled with a keen legal mind, enabled him to make a very valuable contribution to our deliberations, and the help and advice he was able to give us were considerable factors in the growth and success of the Company during his period of office.

I would also like to record the Board's sincere appreciation of the contribution made by Mr Joseph Szeremeta during his five years of service as a Director. Our meetings will miss his wise counsel and unfailing courtesy and good humour.

Turning now to the figures for the year ended 31st March 1980 the accompanying accounts and notes do not require much further amplification from me other than to say that in the circumstances the results are to be considered as most satisfactory. Rental income and property sales were both well maintained during a year in which the economy as a whole, from which the property sector can never be insulated, was subject to considerable stress. The prosperity of the property industry is particularly susceptible to periods of high interest rates and the concomitant shortages and high cost of mortgage finance. These factors persisted throughout the latter half of the financial year and have continued during the current year up to the time of writing this statement. There are signs however, that interest rates may fall back to more reasonable levels in the not too distant future, and if this is so we would expect to see an early improvement in the supply of mortgages and the market for houses.

Our commercial properties continue to generate satisfactory income growth and despite the economic recession we have not so far experienced any great difficulties in maintaining a high level of lettings. This is made easier by the wide spread of our portfolio in both type and location.

We have made considerable progress on implementing the special programme of repairs and decorations for which provision was made last year and we expect this provision to be fully utilised over the next two or three years.

Our new investment in the United States, to which reference was also made last year, is proceeding well and we hope soon to be in a position to start selling individual flats in the apartment block which was purchased. This venture should produce a measure of profit in the current year.

The Board have under constant review the question of a revaluation of the Group's property portfolio. We are of course aware of the advantages of having up-to-date values, but against these must be set the formidable cost and difficulty of valuing such a unique mix of small properties spread over a wide geographical area, and with tenancies and income constantly changing, as well as daily realisations of vacant units. Nevertheless the Board are considering various methods of producing some meaningful guide to the potential of the portfolio.

I am pleased shareholders are now able to start participating in the increasing strength and prosperity of the Group through the higher dividend we were able to recommend. You will also be encouraged to see that having finally disposed of the problem of our Swiss currency borrowing we were able this year to reverse the falling trend in our net assets, which for the first time in seven years showed an increase — of £1.7 million.

As to the future, I am confident that the steady upward trend in our rental income will be maintained but profits will still be subject to the somewhat volatile factors of interest rates and the level of activity in the property market.

Nobody is more aware than I am of the contribution made to our success by my fellow Board members and by the executive and staff of the Freshwater Group, of which we are a member. Their unstinted efforts are greatly appreciated and deserve our sincere thanks and praise.


B. S. E. FRESHWATER

Daejan Holdings Limited

Directors' Report

The Directors have pleasure in presenting their Report together with Balance Sheets of the Company and of the Group as at 31st March 1980 and the Consolidated Profit and Loss Account of the Group for the year ended on that date.

Principal Activities of the Group

Daejan Holdings Limited is a holding company whose principal activities, carried on through its subsidiary companies, are property investment and trading, with some development also being undertaken. The Group's property portfolio comprises commercial, industrial and residential premises situated almost entirely in the United Kingdom. One subsidiary company is incorporated in the United States of America and undertakes property investment in that country.

Properties

A professional valuation of the Group's property portfolio was carried out at 31st March 1972 and the resultant valuations relating to investment properties were incorporated in the accounts at that date. In the case of properties held for trading the valuation revealed a substantial surplus over book values but this was not incorporated into the accounts, although some part has been realised subsequently as properties have been sold.

The Directors have reviewed all the Group's properties in the light of current market conditions and they are satisfied that in total they have an open market value above the figure at which they are included in the Balance Sheet.

Accounts and Dividend

A full statement of the Group's accounting policies is set out in Note 1 to the Accounts. Detailed results for the year are shown in the accounts and notes on pages 7 to 19.

An analysis of the Group's income and profit before taxation for the year is as follows:—

	Income £000	Profit £000
Rents and Charges	9,624	4,801
Surplus on Sale of Properties	7,416	5,471
Textile Merchanting	1,382	97
	<u>£18,422</u>	<u>10,369</u>
Financing Charges (net)		(5,455)
Management Expenses and Fees		(722)
		<u>£4,192</u>

The net profit for the year, after all charges and appropriations amounts to £2,732,000 and adding the balance brought forward of £4,412,000 the total available is £7,144,000. An Interim Dividend of 1.225p per share actual, was paid on 28th March 1980 and the Directors now recommend the payment of a Final Dividend of 2.275p per share, making a total for the year of 3.5p per share. The proposed dividends will absorb £571,000 from the amount available for distribution and will leave £6,573,000 to be carried forward to next year.

Directors

The Directors who served throughout the year and all of whom are still in office, are:—

Mr B. S. E. Freshwater
Mr D. Davis
Mr L. Scott
The Earl of Stradbroke

Following the sale by Eagle Star Insurance Co Ltd of their share holding in this Company Mr J. Szeremeta, who also served throughout the year, ceased to be a Director on 1st June 1980.

The Directors record with deep regret the death on 19th October 1979 of Mr Leonard Tobin, Chairman of the Board, who had been a Director of this Company since 1959.

The Director retiring by rotation is Mr L. Scott who, being eligible, offers himself for re-election.

Directors' Interests in Contracts

Day-to-day management of the Group's properties is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies with which this Company is closely associated. Mr B. S. E. Freshwater is a Director of Highdorn Co. Limited and is also interested in the share capital of the Company.

Mr B. S. E. Freshwater and companies controlled by the Freshwater family and trusts have from time to time guaranteed borrowings of the Company and its subsidiaries.

Mr L. Scott is a partner in Louis Scott & Partners which firm receives fees in connection with the acquisition and supervision of properties for the Group.

The only other contracts in which Directors were interested were those entered into in the normal course of business.

Daejan Holdings Limited

Directors' Report continued

Directors' Fees

As shareholders will see from the Notice of Meeting a Resolution will be proposed to increase the fees of the Directors. The present fees were fixed in 1964.

Capital Gains Tax

For the purpose of computing Capital Gains Tax the market value of the Company's Shares on 6th April 1965 was 49½p.

Share Capital and Substantial Interests

Set out on page 6 are details of the interests of Directors and their families in the Company's shares and in subsidiary companies' debenture and loan stocks. The only other interests notified to the Company in 5% or more of the ordinary shares are of Mr S. I. Freshwater in 1,589,270 shares, of which 1,500,000 shares are held by a family trust. The former substantial interest of Eagle Star Insurance Company Limited was acquired in December 1979 by two private companies in the Freshwater Group and these holdings are now included in the figures on page 6.

Charitable Donations

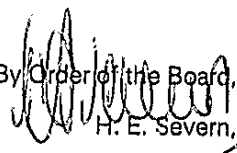
During the year the Company and its subsidiaries made charitable donations totalling £12,500 net under Deed of Covenant.

Auditors

A Resolution will be proposed at the Annual Meeting to re-appoint as auditors Messrs. Peat, Marwick, Mitchell & Co., and to authorise the Directors to determine their remuneration.

Income and Corporation Taxes Act, 1970

Following the share purchase referred to above the Directors are advised that the Company is now a Close Company within the meaning of the above Act.

By Order of the Board,

H. E. Severn,
Secretary.

8th August 1980.

Daejan Holdings Limited

Directors' Report continued

Interests of Directors and their families and trusts in shares and loan stock.

	31st March 1980	31st March 1979
Daejan Holdings Limited		
Ordinary Shares		
D. Davis	763 (Notes 2 & 3)	763
B. S. E. Freshwater	590,033 (Notes 2, 3, 4, 5 & 6)	590,033
The Earl of Stradbroke	4,750	4,750
L. Scott	3,180	3,180

The Bampton Property Group Limited 7½% Unsecured Loan Stock 1991/96

L. Scott	£11,250	£11,250
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Notes

- All the above holdings at 31st March 1980 were beneficially owned.
- At 31st March 1980 a total of 3,645,000 shares (31st March 1979 — 3,645,000) were also held by Freshwater family trusts and by a charitable company. Mr B. S. E. Freshwater and Mr D. Davis have a non-beneficial interest in these shares.
- In addition to the holdings shown in the above table and in note 2, companies owned and controlled by Mr B. S. E. Freshwater, by members of his family, and by family trusts held at 31st March 1980 a total of 8,156,413 shares
- Of these shares 89,270 are held by a company owned jointly with Mr S. I. Freshwater.
- Mr B. S. E. Freshwater also has a non-beneficial interest in 120,824 shares included in the estate of the late Mr O. M. Freshwater.
- The only change in the above holdings since 31st March 1980 has been the purchase of 17,650 shares by a Pension Fund in which Mr B. S. E. Freshwater has an interest.

Report of the Auditors to the Members

of Daejan Holdings Limited

We have examined the accounts set out on pages 7 to 18 which have been prepared under the historical cost convention, except for the inclusion of certain investment properties at professional valuation in 1972. In our opinion they give, under that convention, a true and fair view of the state of affairs of the Company and of the Group at 31st March 1980 and of the profit and source and application of funds of the Group for the year to that date, and comply with the Companies Acts 1948 and 1967.

Peat, Marwick, Mitchell & Co.
PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

LONDON, 8th August 1980.

Daejan Holdings Limited

and subsidiary companies

Consolidated Profit and Loss Account

for the year ended 31st March, 1980

	Notes	1980 £000	1979 £000
Rents, less property outgoings		4,801	4,681
Surplus on Sales of Properties	2	5,471	5,465
Other Income	3	270	219
		<u>10,542</u>	<u>10,365</u>
Financing Charges	4	5,628	5,170
Other Charges	5	722	614
		<u>4,192</u>	<u>4,581</u>
Exceptional Items:			
Provision for property outgoings		—	1,500
Provision for property acquisition costs no longer required		—	(250)
		<u>—</u>	<u>1,250</u>
Profit before Taxation and Extraordinary Items		4,192	3,331
Taxation	6	1,404	1,069
		<u>2,788</u>	<u>2,262</u>
Minority Interests		15	£
		<u>2,773</u>	<u>2,256</u>
Group Profit before Extraordinary Items		2,773	2,256
Extraordinary Items	7	26	24
		<u>2,799</u>	<u>2,280</u>
Group Profit after Extraordinary Items	8	2,799	2,280
Transfer to Capital Reserve	9	67	123
		<u>2,732</u>	<u>2,157</u>
Dividends:			
Interim		200	191
Proposed Final		371	339
		<u>2,161</u>	<u>1,627</u>
Balance Brought Forward		4,412	2,785
		<u>£6,573</u>	<u>£4,412</u>
Balance Carried Forward		£6,573	£4,412
Earnings per Share	10	17.02p	13.84p

The notes on pages 11 to 18 form part of these accounts.

Daejan Holdings Limited

and subsidiary companies

Consolidated Balance Sheet

as at 31st March, 1980

	Notes	1980 £000	1979 £000
Employment of Capital			
Properties held for Investment	11	53,718	54,621
Properties held for Trading	11	15,609	16,126
Mortgages granted and other Investments	12	1,033	491
Current Assets	13	4,623	4,420
Deferred Taxation	6	229	1,362
		<u>75,212</u>	<u>77,020</u>
 Less:			
Current Liabilities	14	<u>11,760</u>	<u>15,837</u>
Loans	16	<u>41,483</u>	<u>41,001</u>
		<u>53,243</u>	<u>56,838</u>
		<u>£21,969</u>	<u>£20,182</u>
 Capital Employed			
Share Capital	17	4,074	4,074
Reserves	18	17,720	15,942
		<u>21,794</u>	<u>20,016</u>
 Minority Interests		175	166
		<u>£21,969</u>	<u>£20,182</u>

B. S. E. FRESHWATER

D. DAVIS

Directors

The notes on pages 11 to 18 form part of these accounts.

Daejan Holdings Limited

Balance Sheet

as at 31st March, 1980

	Notes	1980 £000	1979 £000
Employment of Capital			
Investment in Subsidiaries	19	47,881	49,809
Current Assets	13	18	36
Deferred Taxation	6	290	467
		<u>48,189</u>	<u>50,312</u>
 Less:			
Current Liabilities	14	2,143	4,542
Loans	16	26,281	25,772
		<u>28,424</u>	<u>30,314</u>
		<u>£19,765</u>	<u>£19,998</u>
 Capital Employed			
Share Capital	17	4,074	4,074
Reserves	18	15,691	15,924
		<u>£19,765</u>	<u>£19,998</u>

B. S. E. FRESHWATER

D. DAVIS

Directors

The notes on pages 11 to 18 form part of these accounts.

Daejan Holdings Limited

and subsidiary companies

Source and Application of Funds

for the year ended 31st March, 1980

	1980 £000	1979 £000
Source of Funds		
Profit before tax and extraordinary items	4,192	3,331
Exclude: Surplus on sales of properties dealt with below	(5,471)	(5,405)
	<u>(1,279)</u>	<u>(2,134)</u>
Adjustments for items not involving the movements of funds:		
Amortisation and depreciation	93	95
Provisions	—	1,250
Other items	—	5
	<u>93</u>	<u>1,350</u>
Funds absorbed by operations other than sales of properties	(1,186)	(784)
Sales of properties (net of selling expenses £553,000) (1979 £623,000)	6,872	9,151
	<u>£5,686</u>	<u>£8,367</u>
Funds generated from operations		
Application of Funds		
Expenditure on properties:		
Investment	174	728
Trading	349	221
Acquisition of other assets	13	—
	<u>536</u>	<u>949</u>
(Increase)/Reduction in loans	(520)	303
Increase/(Reduction) in mortgages granted and other investments	542	(451)
Dividends paid	539	679
Corporation tax paid	1,166	438
Reduction in net current liabilities after excluding corporation tax, borrowings and dividends	1,278	919
	<u>3,541</u>	<u>2,837</u>
Reduction in loans repayable within one year	2,974	4,992
(Reduction)/Increase in bank balances	(829)	538
	<u>2,145</u>	<u>5,530</u>
Reduction in short term borrowings	<u>£5,686</u>	<u>£8,367</u>

Daejan
Holdings
Limited
and subsidiary companies

Notes on
the Accounts

1. Accounting Policies

The following is a statement of the principal accounting policies of the Group.

(a) Basis of Preparation of the Accounts

The accounts are prepared under the historical cost convention as adjusted by the policy of accounting for investment properties referred to in note 1 (g) (i).

The accounts of certain subsidiary companies have not been consolidated (see note 19(b)).

(b) Income Available for Distribution

Under the Articles of Association of certain Group Investment Companies, realised capital surpluses are not available for distribution as dividends and these surpluses together with unrealised surpluses and deficits are taken to capital reserve.

(c) Depreciation

No depreciation is provided on Freehold properties nor on Leasehold properties having an unexpired term of more than fifty years.

Low value items of furniture and fittings are written off in the year in which they are acquired. Major items are depreciated by an annual percentage of written down value estimated to write them off over their anticipated useful lives.

(d) Amortisation of Short Leases

Leases having an unexpired term of less than fifty years are amortised evenly over the remaining period of the lease.

(e) Acquisitions and Disposals of Properties

Acquisitions and disposals are considered to have taken place at the date of legal completion.

(f) Taxation

Deferred taxation is provided, where necessary, using the liability method so as to eliminate the effect of timing differences between the financial years in which income and expenditure are recognised in the profit and loss account and the chargeable accounting periods in which they are brought into charge for taxation.

No provision is made in the Accounts for the corporation tax on chargeable capital gains which would arise if the Group's investment properties were sold at the amounts stated in the Balance Sheet.

(g) Properties

(i) Investment Properties

These properties are included in the Balance Sheet at professional valuation on 31st March, 1972 with subsequent additions at cost, less provisions.

(ii) Trading and Development Properties

These properties are stated at the lower of cost and net realisable value. In the case of properties acquired from other Group companies any revaluation surplus in the transferor company is eliminated on consolidation until realised by the Group. Such properties are thus stated in the Consolidated Balance Sheet at original cost to the Group. On realisation by the Group, any revaluation surplus in a transferor investment company is included in the Consolidated Profit and Loss Account in Surplus on Sales of Properties.

**Daejan
Holdings
Limited**
and subsidiary companies

**Notes on
the Accounts**
continued

1. Accounting Policies (continued)

(h) Stock in Trade

This is stated at the lower of cost and net realisable value.

(i) Foreign Currencies

Foreign currency borrowing and the assets, liabilities and results of the overseas subsidiary companies are expressed in sterling at the rates of exchange ruling at the Balance Sheet date. Any exchange differences are taken to Profit and Loss Account.

(j) Sales of Investment Properties

It is group policy to sell in significant numbers, as individual units, flats in residential blocks which have been held as investments but which are now considered uneconomic to retain. Occasionally there are sales of residential and commercial investment blocks. Since such sales of all types of investment property are expected to continue, the resulting surpluses based on the excess of sales proceeds over cost, plus additions, is included with the Group Profit before extraordinary items. Taxation on the gains arising on these sales is shown as part of the taxation charge.

(k) Repairs

The cost of repairs is written off to Profit and Loss Account in the year in which the expenditure is incurred, except where it forms part of a Provision for Exceptional Property Outgoings previously authorised by the Board when it is charged against that Provision (see note 15).

2. Surplus on Sales of Properties

	1980 £000	1979 £000
Investment Properties:		
Transfer from Capital Reserve of Surpluses on revaluation now realised (note 18)	462	1,594
Surplus over book value	2,115	1,445
	<u>2,577</u>	<u>3,039</u>
Surplus on properties formerly held for investment (note 1 (g) (ii))	39	110
	<u>£2,616</u>	<u>£3,149</u>
Trading Properties:		
Profit on properties sold	2,861	2,735
Less: Provision for diminution in value	6	419
	<u>£2,855</u>	<u>£2,316</u>
Total Surplus	<u>£5,471</u>	<u>£5,465</u>

3. Other Income

	1980 £000	1979 £000
Interest receivable	173	107
Textile merchandising	97	112
	<u>£270</u>	<u>£219</u>

4. Financing Charges

	1980 £000	1979 £000
Interest payable:		
Loans terminating after 31st March, 1985	4,443	3,808
Loans terminating prior to 1st April, 1985 and other short term interest	1,212	1,378
Less:		
Applied to development properties	(27)	(16)
	<u>£5,628</u>	<u>£5,170</u>

**Daejan
Holdings
Limited**
and subsidiary companies

**Notes on
the Accounts**
continued

5. Other Charges

	1980 £000	1979 £000
These include:		
Amortisation of short leases	91	91
Depreciation of furniture, fittings and equipment	2	4
Audit fees	72	63
Pension paid to widow of former managing director	8	8
Directors' emoluments (see notes (i) to (iii) below):—		
Fees	9	10
Other remuneration	30	30
(i) Former Chairman's emoluments (to 19th October 1979)	£1,360	£2,500
(ii) Highest paid director	£31,750	£31,750
(iii) Other directors £0 to £5,000	Number 4	Number 4

6. Taxation

	1980 £000	1979 £000
1. Charge in the Profit and Loss Account:—		
United Kingdom taxation:		
Based on the profit for the year at 52% (1979—52%)		
Current	904	1,678
Deferred	1,061	(656)
	1,965	1,022
Prior year adjustments arising from utilisation of losses	(563)	45
	1,402	1,067
Overseas taxation (all deferred)	2	2
	£1,404	£1,069

	<i>The Group</i>		<i>The Company</i>	
	1980 £000	1979 £000	1980 £000	1979 £000
2. Deferred Taxation				
Advance corporation tax recoverable	232	314	206	122
Taxation deferred by capital allowances	(455)	(444)	—	—
Stock relief	(125)	(46)	—	—
Short term timing differences	163	620	84	345
Other timing differences	414	918	—	—
	£229	£1,362	£290	£467

In the event of a realisation of the Group's investment properties at an amount equal to the valuation recorded in the accounts a liability to corporation tax on chargeable gains would arise which is estimated at not more than £5,194,263 (1979—£5,728,000) and for which no provision has been made in these Accounts.

3. Tax losses

The liability to corporation tax charged in the profit and loss account and included in the balance sheet has been arrived at without taking account of taxation relief which may be available on capital losses in certain subsidiary companies estimated at not more than £3,987,000 (1979—£4,197,000)

**Daejan
Holdings
Limited**
and subsidiary companies

**Notes on
the Accounts**
continued

7. Extraordinary Items

	1980 £000	1979 £000
Surplus arising on redemption of Debentures and Loan Stock	26	24

8. Group Profit after Taxation and Extraordinary Items

Of the Group Profit after Taxation and Extraordinary Items, £327,000 (1979—£2,093,000) is dealt with in the accounts of the holding company.

9. Transfer to Capital Reserve

	1980 £000	1979 £000
Extraordinary Items (note 7)	26	24
Surplus on sales of properties	41	99
	<u>£67</u>	<u>£123</u>

10. Earnings per Share

Earnings per share is based on earnings before Extraordinary Items of £2,773,000 (1979—£2,256,000) and 16,295,357 shares in issue at 31st March, 1980 (1979—16,295,357).

11. Properties

Investment Properties:

	Freeholds £000	Long Leases £000	Short Leases £000	Total 1980 £000	Total 1979 £000
At 1st April 1979	38,734	13,097	2,779	54,610	
Additions	121	53	—	174	
Disposals	(812)	(176)	—	(988)	
Reclassifications	381	(381)	—	—	
Amortisation	—	—	(91)	(91)	
	<u>£38,424</u>	<u>£12,593</u>	<u>£2,688</u>	<u>£53,705</u>	
At professional valuation 31st March 1972	31,939	5,070	3,198	40,207	
At cost	6,485	7,523	192	14,200	
Amortisation	—	—	(702)	(702)	
	<u>£38,424</u>	<u>£12,593</u>	<u>£2,688</u>	<u>53,705</u>	54,610

Furniture, Fittings and Equipment: At cost less Depreciation

	1980 £000	1979 £000
	13	11
	<u>£53,718</u>	<u>£54,621</u>

Trading Properties:

At the lower of cost and net realisable value at
31st March 1980
Completed properties
Developments

	1980 £000	1979 £000
	15,419	15,884
	190	242
	<u>£15,609</u>	<u>£16,126</u>

**Daejan
Holdings
Limited**
and subsidiary companies

**Notes on
the Accounts**
continued

12. Mortgages granted and other Investments

Notes	1980 £000	1979 £000
Mortgage to associated partnership—repayable 31st December 1981	416	—
Mortgages granted—repayable after 31st March 1981	35	55
Collateral endowment insurance policies at cost	343	322
Collateral deposits	19	19
Investments in subsidiaries not consolidated (note 19 (b))	178	73
Listed Securities at the lower of cost or market value	42	22
	<u>£1,033</u>	<u>£491</u>

Notes:

- a. Surrender values—£370,748 (1979—£341,000).
b. Represents deposits by certain subsidiaries given as security for the loans of third parties.

13. Current Assets

	<i>The Group</i>		<i>The Company</i>	
	1980 £000	1979 £000	1980 £000	1979 £000
Stock in trade	340	161	—	—
Rents due and accrued	1,865	1,541	—	—
Debtors	1,176	1,247	18	35
Due from managing agents Highdorn Co. Limited	—	12	—	—
Due from subsidiary companies not consolidated	281	72	—	—
Taxation recoverable	112	22	—	—
Bank balances	411	1,240	—	1
Mortgages granted repayable within one year	74	106	—	—
Deposits with Friendly Society and Trustees of Debenture holders	364	19	—	—
	<u>£4,623</u>	<u>£4,420</u>	<u>£18</u>	<u>£36</u>

14. Current Liabilities

Notes	<i>The Group</i>		<i>The Company</i>	
	1980 £000	1979 £000	1980 £000	1979 £000
Rents received in advance	1,305	1,229	—	—
Creditors and provisions	2,463	2,884	305	819
Provision for property outgoings (note 15)	1,117	1,500	—	—
Taxation—current	1,627	1,530	332	145
Taxation—payable 1st January, 1981	655	1,442	—	—
Loans repayable within one year (note 16)	3,939	6,913	1,135	3,239
Proposed final dividend	371	339	371	339
Due to managing agents Highdorn Co. Limited	283	—	—	—
	<u>£11,760</u>	<u>£15,837</u>	<u>£2,143</u>	<u>£4,542</u>
Notes:				
a. Creditors—secured	323	962	140	663
b. Loans—secured	3,862	6,744	1,135	3,239
	<u>£4,185</u>	<u>£7,706</u>	<u>£1,275</u>	<u>£3,902</u>

**Daejan
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**Notes on
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continued

15. Provision for Property Outgoings

	£000
At 1st April 1979	1,500
Less: Expenditure during year ended 31st March 1980	383
At 31st March 1980	<u>£1,117</u>

The expenditure on exceptional repairs stated above is additional to repair expenditure of £1,110,000 which has been charged direct to Profit and Loss Account.

16. Loans

	Interest Rate	The Group		The Company	
		1980 £000	1979 £000	1980 £000	1979 £000
Terminating after 31st March 1985:					
Unsecured Loan Stock 2002/07	8½%	2,211	2,227	—	—
Unsecured Loan Stock 1991/96	7½%	1,119	1,119	—	—
Instalment Mortgages 1984–2001	6½%–13½%	12,851	14,139	5,005	5,987
Debenture Stocks 1983–1997	6½%–8½%	3,819	3,895	—	—
Bank Loan 1985	variable	3,740	—	2,586	—
Bank Loan 1988	variable	16,254	17,054	16,254	17,054
		<u>39,994</u>	<u>38,434</u>	<u>23,845</u>	<u>23,021</u>
Terminating prior to 1st April 1985:					
Instalment Mortgages 1980–1984	7½%–17½%	1,861	2,314	1,859	2,307
Bank Loans and Overdrafts	variable	3,567	7,166	1,712	3,683
		<u>5,428</u>	<u>9,480</u>	<u>3,571</u>	<u>5,990</u>
		45,422	47,914	27,416	29,011
Amounts repayable prior to 1st April 1981, transferred to current liabilities (note 14)		(3,939)	(6,913)	(1,135)	(3,239)
		<u>£41,483</u>	<u>£41,001</u>	<u>£26,281</u>	<u>£25,772</u>
Amount of Long Term Loans secured		<u>£38,154</u>	<u>£37,655</u>	<u>£26,281</u>	<u>£25,772</u>

Loans repayable between 1st April 1981 and 31st March 1982 amount to £1,257,000 (1979 £3,041,000) in the case of the Group and £728,000 (1979 £2,857,000) in the case of the Company.

17. Share Capital

	Number	£
Ordinary Shares of 25p:		
Authorised at 31st March 1980 and 1979	18,722,596	£4,680,649
Issued and fully paid at 31st March 1980 and 1979	<u>16,295,357</u>	<u>£4,073,839</u>

Daejan Holdings Limited

and subsidiary companies

Notes on the Accounts

continued

18. Reserves	The Group		The Company	
	£000	£000	£000	£000
Share Premium Account:				
At 1st April 1979 and 31st March 1980		2,830		555
Capital Reserve:				
At 1st April 1979	8,700		10,968	
Transfer to Profit and Loss Account of surpluses on prior years' revaluation of investment properties now realised (note 2)	(462)		—	
Transfer from Profit and Loss Account (note 9)	67		—	
Sundry adjustments	12		11	
At 31st March 1980		8,317		10,979
Retained Earnings:				
At 1st April 1979	4,412		4,401	
Surplus for the year	2,161		(244)	
At 31st March 1980		6,573		4,157
Total reserves and retained earnings at 31st March 1980		<u>£17,720</u>		<u>£15,691</u>

19. Investment in Subsidiaries

	1980	1979
	£000	£000
(a) The Company		
Shares at cost	1,486	1,277
Surplus on revaluation	20,400	20,400
	<u>21,886</u>	<u>21,677</u>
Amounts due from subsidiaries	43,874	39,104
	<u>65,760</u>	<u>60,781</u>
Amounts due to subsidiaries	17,879	10,972
	<u>£47,881</u>	<u>£49,809</u>

(b) The Group—Subsidiaries not consolidated at directors' valuation £178,000.

There have been excluded from the Consolidated Accounts the results of certain subsidiary companies acquired at a cost of £178,000 (1979—£73,000). Their combined losses since acquisition attributable to the holding company as indicated by their accounts amounted to £88,000 (1979—£99,000) and their aggregate liabilities at 31st March 1980 were substantially in excess of their assets. In the directors' opinion the liabilities of these companies could not fall upon other group companies and therefore the consolidation of the above mentioned accounts would have been misleading. A list of principal subsidiary companies is given on page 18.

20. Turnover

	1980	1979
	£000	£000
Rents and charges receivable	9,624	8,384
Trading property sales	4,150	5,112
Investment property sales	3,266	4,682
Textile merchandising sales	1,282	1,275
	<u>£18,422</u>	<u>£19,433</u>

21. Contingent Liabilities

The Company has guaranteed bank and mortgage indebtedness and unsecured loan stock of certain subsidiaries which at 31st March 1980 amounted to £3,039,262 (1979—£8,147,000).

Daejan Holdings Limited

Principal Subsidiary Companies

Astral Estates (London) Limited
Bampton Holdings Limited
Bampton (Redbridge) Limited (75%)
Brickfield Properties Limited
City and Country Properties Limited
City and Country Properties (Birmingham) Limited
City and Country Properties (Camberley) Limited
City and Country Properties (Midlands) Limited
Chilon Investment Co. Limited
Daejan Developments Limited
Daejan Estates Limited
Daejan Investments Limited
Daejan Investments BV (*Incorporated in Holland*)
Daejan Investments (Grove Hall) Limited
Daejan Investments (Harrow) Limited
Daejan Investments (Park) Limited
Daejan Properties Limited
Daejan Securities Limited — *Share Dealer*
Daejan 260 Realty Limited (*Incorporated in U.S.A.*)
Hampstead Way Investments Limited
Junquart Investments Limited
Kintsilk Investments Limited
Limebridge Co. Limited
Mont Investments Limited
Moss Miller Limited (75%) — *Textile Merchants*
Pegasus Investment Company Limited
Rosebel Holdings Limited
Seaglen Investments Limited
St. Leonards Properties Limited
The Bampton Property Group Limited
The Cromlech Property Co. Limited
The Halliard Property Co. Limited

All the above are Property Companies unless otherwise noted. Except where indicated they are all incorporated in England and are wholly owned subsidiaries unless there is a figure in brackets after the name, which indicates the percentage of the equity held by the Group.

Daejan Holdings Limited

and subsidiary companies

Statistical Record

	Year ending 31st March,									
	1971	1972	1973	1974	1975	1976	1977*	1978	1979	1980
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Rental Income	1,371	1,348	3,500	4,117	4,142	4,752	4,151	3,850	4,681	4,801
Surplus on Sale of Properties*	545	619	2,125	2,058	2,698	2,594	4,215	4,342	5,465	5,471
Other Income	93	35	73	103	112	202†	25†	218	219	270
	2,009	2,002	5,698	6,278	6,952	7,548	8,617	8,410	10,365	10,542
Group Profit before Tax	749	1,139	2,219	1,320	1,295	1,668	1,838	2,474	3,331	4,192
Taxation	321	482	1,064	657	773	685	745	700	1,069	1,404
Minority interests	—	—	14	19	7	14	16	13	6	15
Profits not available for distribution	—	—	—	—	—	496	103	148	99	41
Available for dividend	428	657	1,141	644	515	473	974	1,613	2,157	2,732
Earnings: p. per share	3.71	5.68	7.01	3.95	3.17	5.95	6.61	10.80	13.84	17.02
Dividends: p. per share (Gross)	3.25	3.75	4.50	4.50	4.50	4.50	4.50	4.50	4.72	5.00
Gross Assets	23,006	38,331	79,108	86,320	86,792	88,395	87,270	80,804	77,020	75,212
Net Assets	6,655	21,603	31,670	30,394	29,068	26,788	24,682	20,952	20,016	21,794
Net Assets: p. per share	58	187	195	187	178	164	151	128	123	134
Represented by:										
Share Capital	2,888	2,888	4,069	4,073	4,073	4,074	4,074	4,074	4,074	4,074
Reserves and Retained Profit	3,767	18,715	27,601	26,321	24,995	22,714	20,608	16,878	15,942	17,720
Net Interest of members	6,655	21,603	31,670	30,394	29,068	26,788	24,682	20,952	20,016	21,794

*Surplus on investment sales not included prior to 1976 (see note 1 (j))

†Prior to 1976 profit on textile merchandising included in surplus on sale of properties.