

Danmors PLC



*Annual Report*  
**1982**

# Daejan Holdings PLC

**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 Plc,  
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 PLC  
Lloyds Bank Plc  
National Westminster Bank PLC  
International Westminster Bank PLC

**Stockbrokers**

Grieveson, Grant & Co.,  
59 Gresham Street,  
London EC2P 2DS



# Results at a glance

	Year ended 31st March	
	1982	1981
Pre-tax Profits	£4,737,000	£3,831,000
Net Profits available for distribution	£2,900,000	£2,685,000
Earnings per Share	18.55p	16.59p
Dividends per Share, actual	4.75p	3.85p
Net Assets per Share	360p	145p
(Calculated from Balance Sheet figures)		

## Notice of Meeting

Notice is hereby given that the **Forty-seventh Annual General Meeting of Daejan Holdings PLC** will be held at The President's Committee Room, C.B.I. First Floor, Centre Point, 103 New Oxford Street, London, W.C.1, on **Thursday 9th September 1982 at 12 noon**, for the following purposes:—

- 1 To receive the Accounts for the year ended 31st March 1982 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 David Davis as a Director. (Resolution 3)
- 4 To re-appoint Messrs Peat, Marwick, Mitchell & Co. as Auditors and to authorise the Directors to determine their remuneration. (Resolution 4)

By Order of the Board,  
H E Severn, Secretary  
13th August 1982

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 9th September 1982, to Shareholders registered at the close of business on 6th August 1982.

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 and also before and during the Meeting.

# Chairman's Statement

The Accounts presented herewith register the passing of another milestone, with the Group net assets almost trebled following the publication of the results of the property revaluation referred to last year. In fact we have only incorporated into the Accounts the surplus arising on properties held for investment, but there is an additional surplus of £27 million on the value of our trading stock which is not reflected in the Balance Sheet. Had this been included, net assets, before contingent tax on realisation, would be £85.5 million or 527p per share. This not only provides us with a sound base for controlled growth in the future, but also endorses our policy of steady expansion which has enabled us successfully to survive the ups and downs of a property industry which has seen many casualties in the past.

Income for the year was also satisfactory with gross rentals and charges increased by almost £1.2 million to £13 million. Despite this improvement however profits from the investment side of the business remained virtually static at just under £5 million reflecting the continuing high levels of property expenditure, and the increasing difficulties of rent collection in a recessionary period. We have more than made up for this with improved property sales which increased by £1.4 million on last year and which yielded a profit of £5.5 million. This improvement, together with a lower finance charge enabled us to attain a record before-tax profit of £4,737,000.

The further high level of property outgoings of £3 million is a consequence of our previously declared policy of restoring the quality of the property portfolio, involving substantial expenditure on repairs and renovation. This significant expense has largely been financed from income generated, without recourse to borrowings, and will produce considerable benefits in the future.

Our property portfolio is subject to continual review and gradual disposal of investments no longer considered appropriate for the income and capital growth we envisage. Residential properties now comprise about forty per cent of our United Kingdom holdings as opposed to approximately sixty per cent ten years ago.

This change is due to our policy of, in the main, selling residential units as they become vacant rather than reletting them. In view of our considerable experience and expertise in this field we are maintaining a "watching brief" on the political and legal changes affecting residential property, so as to be able to offer a fresh and worthwhile contribution to the private rented housing market should this ever become viable again. The rest of our United Kingdom portfolio is well spread between shop, office and industrial properties in a wide mix of locations.

Our investment programme in the United States has continued during the year and we now own either outright, or in partnerships where we have not less than fifty per cent of the equity, six properties, mostly residential, with a total cost of \$16 million. Our expanding interest in this area should provide a continuing flow of profit and growth in the future.

In the current trading period residential sales have been slow, although latterly there has been an improvement. If, as I hope, this upward trend is maintained the results for the full year should again produce a satisfactory profit.

The property industry plays an important and vital role in the economy as a whole, and cannot but reflect the present general recession. In times such as these the contribution and personal endeavour of all our Directors and Staff has been indispensable in achieving the results attained. They deserve our unstinted recognition and thanks.



B S E FRESHWATER

# Directors' Report

## 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 1982 and the Consolidated Profit and Loss Account of the Group for the year ended on that date.

## Company Name

In accordance with the requirements of the Companies Act 1980, the Company was re-registered on 22nd December 1981 as Daejan Holdings PLC. This does not affect the validity of any share certificates already in issue.

## Principal Activities of the Group

Daejan Holdings PLC 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 majority of the Group's property portfolio comprises commercial, industrial and residential premises throughout the United Kingdom, but mainly concentrated in London and South East England. Some subsidiary companies are incorporated in the United States of America and undertake property investment and trading in that country.

## Properties

A complete professional revaluation of the Group's properties in the United Kingdom was carried out at 31st January 1982 and a summary of the results is shown on page 19. The figures relating to investment properties have been incorporated into the Accounts now being presented, and the surplus of £33 million over previous book values has been transferred to capital reserve.

In the case of properties held for trading and development the revaluation also revealed a surplus over book values of £27 million but this has not been taken into the Accounts.

## 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 18.

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

	Income £000	Profit £000
Rents and Charges	13,089	4,983
Surplus on Sales of Properties	7,578	5,531
Textile Merchenting	1,509	72
	<u>22,176</u>	<u>10,586</u>
Financing Charges (net)		(4,856)
Management Expenses and Fees		(993)
		<u>£4,737</u>

The net profit for the year, after all charges and appropriations amounted to £4,900,000 and adding the balance brought forward of £8,631,000 the total available is £11,531,000. An Interim Dividend of 1.925p per share was paid on 19th March 1982 and the Directors now recommend the payment of a Final Dividend of 2.825p per share, making a total for the year of 4.75p per share. The dividends will absorb £774,000 from the amount available for distribution and will leave £10,757,000 to be carried forward.

# Directors' Report

continued

## Directors

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

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

The Director retiring by rotation is Mr D Davis 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 consultant to Louis Scott & Partners which firm receives fees in connection with the acquisition and sale of properties for the Group.

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

## Employees

The average number of employees during the year was 203 and their aggregate gross remuneration was £572,616. These figures relate to portorage staff only.

Both the Group and its management company, Highdorn Co Ltd, give full and fair consideration, where the requirements of the post permit, to applications for employment from disabled persons.

## Share Capital and Substantial Interests

Set out on page 6 are details of the interests of Directors and their families and family trusts in the Company's shares and in subsidiary companies' debenture and loan stocks. The only other interest notified to the Company in 5% or more of the ordinary shares is that of Mr S I Freshwater in 1,589,270 shares of which 1,500,000 shares are held by a family trust.

Mr S I Freshwater is also interested in the shares referred to in Note 3 to the table on page 6.

## Income and Corporation Taxes Act 1970

The Directors are advised that the Company is a Close Company within the meaning of the above Act.

## 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.

## Charitable Donations

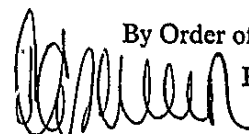
During the year the Company and its subsidiaries made charitable donations totalling £21,000 net under Deed of Covenant.

## 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.

13th August 1982

By Order of the Board

 H E Severn  
Secretary

# Directors' Report

continued

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

	31st March 1982	31st March 1981
<i>Daejan Holdings PLC</i>		
Ordinary Shares		
D Davis	763 (notes 2 & 3)	763
B S E Freshwater	590,033 (notes 2, 3, 4 & 5)	590,033
The Earl of Stradbroke	4,750	4,750
L Scott	3,181	3,181
<i>The Bampton Property Group Limited</i>		
7½% Unsecured Loan Stock 1991/96		
L Scott	£11,250	£11,250

### Notes:

1. All the above holdings were beneficially owned.
2. A total of 2,586,822 shares (31st March 1981 – 2,145,000) were held by Freshwater family trusts of which Mr D Davis is a trustee, and by charitable companies of which Mr B S E Freshwater and Mr D Davis are Directors, but in every case with no beneficial interest in the shares.
3. In addition to the holdings shown in the table and note 2 above, companies owned and controlled by Mr B S E Freshwater and members of his family and by family trusts, held at 31st March 1982 a total of 8,156,431 shares (31st March 1981 – 8,156,431). Mr D Davis has a non-beneficial interest in some of these shares as a Director of the companies concerned, or as a trustee.
4. Of these shares 89,270 are held by a company owned jointly with Mr S I Freshwater.
5. 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.
6. There have been no changes in any of the above interests since 31st March 1982.

## Auditors Report to the Members

of Daejan Holdings PLC

We have audited the accounts on pages 7 to 18 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on pages 11 and 12, give a true and fair view of the state of affairs of the Company and of the Group at 31st March 1982, 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 to 1981.

London  
13th August 1982

*Peat Marwick Mitchell & Co.*  
Peat, Marwick, Mitchell & Co.  
Chartered Accountants

# Consolidated Profit and Loss Account

for the year ended 31st March 1982

	Notes	1982 £000	1981 £000
Rents, less property outgoings		4,943	4,862
Surplus on Sales of Properties	2	5,531	5,046
Other Income	3	112	137
		<u>10,586</u>	<u>10,045</u>
Financing Charges	4	4,856	5,735
Other Charges	5	993	845
		<u>4,737</u>	<u>3,465</u>
Exceptional Item: <i>Rent increase relating to previous year</i>		—	366
Profit before Taxation and Extraordinary Items		4,737	3,831
Taxation	6	1,741	1,085
		<u>2,996</u>	<u>2,746</u>
Minority Interests		5	42
Group Profit before Extraordinary Items		2,991	2,704
Extraordinary Items	7	21	18
Group Profit after Extraordinary Items	8	3,012	2,722
Transfer to Capital Reserve	9	112	37
		<u>2,900</u>	<u>2,685</u>
Dividends:			
Interim		313	200
Proposed Final		461	427
		<u>2,126</u>	<u>2,058</u>
Balance Brought Forward		8,631	6,573
Balance Carried Forward		<u>£10,757</u>	<u>£8,631</u>
Earnings per Share	10	18.35 p	16.59 p

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



# Consolidated Balance Sheet

as at 31st March 1982

	Notes	1982 £000	1981 £000
<b>Employment of Capital</b>			
Properties held for Investment	11	85,085	52,986
Properties held for Trading	11	15,848	15,316
Mortgages granted and Other Investments	12	2,945	1,293
Current Assets	13	7,196	5,979
Deferred Taxation	6	632	553
		<u>111,706</u>	<u>76,127</u>
 <i>Less:</i>			
Current Liabilities	14	11,846	11,569
Loans	16	41,008	40,703
		<u>52,854</u>	<u>52,272</u>
		<u>£58,852</u>	<u>£23,855</u>
 <b>Capital Employed</b>			
Share Capital	17	4,074	4,074
Reserves	18	54,534	19,568
		<u>58,608</u>	<u>23,642</u>
Minority Interests		244	213
		<u>£58,852</u>	<u>£23,855</u>

B S E FRESHWATER

D DAVIS

Directors

Approved by the Board at a meeting held  
on 14th July 1982

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

# Balance Sheet

as at 31st March 1982

## Employment of Capital

Investment in Subsidiaries  
Current Assets  
Deferred Taxation

Notes	1982 £000	1981 £000
19	46,232	46,826
13	28	28
6	591	370
	<u>46,851</u>	<u>47,224</u>

Less:

Current Liabilities  
Loans

14	2,478	1,815
16	25,942	26,184
	<u>28,420</u>	<u>27,999</u>
	<u>£18,431</u>	<u>£19,225</u>

## Capital Employed

Share Capital  
Reserves

17	4,074	4,074
18	14,357	15,151
	<u>£18,431</u>	<u>£19,225</u>

B S E FRESHWATER

D DAVIS

Directors

Approved by the Board at a meeting held  
on 14th July 1982

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

# Source and Application of Funds

for the year ended 31st March 1982

	1982		1981	
	£000	£000	£000	£000
<b>Source of Funds</b>				
Profit before tax and extraordinary items		4,737		3,831
<i>Exclude: Surplus on sales of investment properties dealt with below</i>		(3,148)		(2,011)
		<u>1,589</u>		<u>1,820</u>
Adjustments for items not involving the movements of funds:				
Amortisation and depreciation		<u>49</u>		<u>98</u>
Funds generated by operations other than sales of investment properties		1,638		1,918
Sales of investment properties (net of selling expenses £220,000) (1981 £90,000)		<u>3,669</u>		<u>2,356</u>
Funds generated from operations		<u><u>£5,307</u></u>		<u><u>£4,274</u></u>
 <b>Application of Funds</b>				
Expenditure on properties for				
Investment		22		26
Acquisition of other assets		<u>—</u>		<u>11</u>
		22		37
(Increase)/Reduction in loans		(326)		761
Increase in mortgages granted and other investments		1,604		363
Dividends paid		740		571
Corporation tax paid		585		596
Increase in net current assets after including properties held for trading and excluding corporation tax, borrowings and dividends		<u>1,845</u>		<u>988</u>
		4,470		3,316
Reduction in loans repayable within one year	518		1,135	
Increase/(Reduction) in bank balances	<u>319</u>		<u>(177)</u>	
Reduction in short term borrowings		<u>837</u>		<u>958</u>
		<u><u>£5,307</u></u>		<u><u>£4,274</u></u>

# 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) and in compliance with Section 152A and Schedule 6 of the Companies Act 1948.

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 reflected in the Accounts, 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.

Deferred taxation is provided at the current rates of tax on timing differences only where it is expected that a taxation liability may arise in the foreseeable future.

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.

No provision is made in the Accounts for the corporation tax on chargeable capital gains which would arise if the Company's investments in subsidiaries 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 as at 31st January 1982 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.

# 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 translated into sterling at the rates of exchange ruling at the Balance Sheet date, and any surplus or deficit arising on such translation is dealt with through Capital Reserve.

### (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

### Investment Properties:

Transfer from Capital Reserve of Surpluses on  
revaluation now realised (note 18)  
Surplus over book value

1982 £000	1981 £000
514	323
2,521	1,674
3,035	1,997
113	14
£3,148	£2,011

Surplus on properties formerly held for  
investment (note 1 (g) (ii))

### Trading Properties:

Profit on Properties sold – U.S.A.  
– U.K.

Less: Provision for diminution in value

1982 £000	1981 £000
—	458
2,506	2,577
(123)	—
£2,383	£3,035
£5,531	£5,046

Total Surplus

## 3. Other Income

### Textile Merchandising

Share of US partnerships' net profits  
Sundry Income

1982 £000	1981 £000
72	106
34	—
6	31
£112	£137

## 4. Financing Charges

### Interest payable:

Bank loans and overdrafts

Loans repayable prior to 1st April 1987

Other loans

Less:

Applied to development properties

1982 £000	1981 £000
4,309	4,823
392	37
1,257	1,642
(45)	(32)
5,913	6,470
(1,057)	(735)
£4,856	£5,735

Less: Interest receivable

# Notes on the Accounts

continued

## 5. Other Charges

	1982 £000	1981 £000
These include:		
Amortisation of short leases	44	91
Depreciation of furniture, fittings and equipment	5	7
Audit fees	110	92
Pension paid to widow of former managing director	8	8
Directors' emoluments (see notes (i) and (ii) below):—		
Fees	14	15
Other remuneration	45	30
(i) Chairman	<u>£48,750</u>	<u>£33,750</u>
(ii) Other directors	Number	Number
£0 to £5,000	3	4

## 6. Taxation

	1982 £000	1981 £000
1. Charge in the Profit and Loss Account:—		
United Kingdom taxation:		
Based on the profit for the year at 52% (1981 – 52%)		
Current	1,515	1,255
Deferred	97	(281)
	<u>1,612</u>	<u>974</u>
Prior year adjustments	160	(111)
	<u>1,772</u>	<u>863</u>
Overseas taxation	(31)	222
	<u>£1,741</u>	<u>£1,085</u>

The charge for United Kingdom corporation tax on the profits for the year has been reduced by stock relief of £18,000 (1981 £119,000) and accelerated capital allowances of £136,000 (1981 £244,000).

### 2. Deferred Taxation Asset

	The Group		The Company	
	1982 £000	1981 £000	1982 £000	1981 £000
Advance corporation tax recoverable	515	345	515	316
Taxation deferred by capital allowances	(224)	(223)	—	—
Stock relief	(46)	(40)	—	—
Short term timing differences	180	221	76	54
Other timing differences	207	250	—	—
	<u>£632</u>	<u>£553</u>	<u>£591</u>	<u>£370</u>

Apart from the above items there was at 31st March 1982 a further potential liability for deferred tax in respect of Capital Allowances of £380,000. No provision has been made in the accounts in respect of this liability as it is not expected to arise in the foreseeable future.

In the event of a realisation of the Group's investment properties and of the Company's investment in subsidiaries at an amount equal to the valuation recorded in the Accounts a liability to corporation tax on chargeable gains would arise estimated at not more than £14.5m and £6m respectively (1981 £5.3m and £6m) 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 £7m (1981 £4.9m).

# Notes on the Accounts

continued

## 7. Extraordinary Items

Surplus arising on redemption of Debentures  
and Loan Stock

1982 £000	1981 £000
<u>£21</u>	<u>£18</u>

## 8. Group Profit after Taxation and Extraordinary Items

Of the Group Profit after Taxation and Extraordinary Items, a deficit of £67,000 (*profit 1981* £68,000) is dealt with in the Accounts of the Holding Company.

## 9. Transfer to Capital Reserve

Extraordinary Items (note 7)  
Surplus on sales of properties

1982 £000	1981 £000
21	18
91	19
<u>£112</u>	<u>£37</u>

## 10. Earnings per Share

Earnings per share are based on earnings before Extraordinary Items of £2,991,000 (*1981* £2,704,000) and 16,295,357 shares in issue at 31st March 1982 (*1981* 16,295,357).

## 11. Properties

<i>Investment Properties:</i>	<i>Freeholds</i>	<i>Long Leases</i>	<i>Short Leases</i>	<i>Total 1982</i>	<i>Total 1981</i>
	£000	£000	£000	£000	£000
At 1st April 1981	37,941	12,432	2,597	52,970	53,705
Surplus arising on revaluation	26,846	4,392	1,923	33,161	—
Additions	22	—	—	22	26
Disposals	(848)	(190)	—	(1,038)	(670)
Amortisation	—	—	(44)	(44)	(91)
	<u>£63,961</u>	<u>£16,634</u>	<u>£4,476</u>	<u>£85,071</u>	<u>£52,970</u>
At professional valuation					
31st January 1982	63,933	16,618	4,508	85,059	39,514
At cost	28	16	—	44	14,249
Amortisation	—	—	(32)	(32)	(793)
	<u>£63,961</u>	<u>£16,634</u>	<u>£4,476</u>	<u>85,071</u>	<u>52,970</u>

*Furniture, Fittings and Equipment:* At cost less  
Depreciation

14	16
<u>£85,085</u>	<u>£52,986</u>

### *Trading Properties:*

At the lower of cost and net realisable value at  
31st March 1982

Completed properties  
Developments

15,589	15,047
259	269
<u>£15,848</u>	<u>£15,316</u>

A revaluation of the Group's properties was carried out as at 31st January 1982 by Messrs Keith Cardale Groves and Messrs Goddard & Smith on the basis of open market value, the previous valuation having been carried out in 1972.

# Notes on the Accounts

continued

## 12. Mortgages granted and Other Investments

	Notes	1982 £000	1981 £000
Deposit on U.S. contract		357	—
Investment in U.S. partnerships		1,522	650
Interest in syndicate to acquire industrial buildings		368	—
Mortgages granted – repayable after 31st March 1982		40	40
Collateral endowment insurance policies at cost	a	384	363
Collateral deposits	b	20	19
Investments in subsidiaries not consolidated (note 19 (b))		153	153
Listed Securities at the lower of cost or market value	c	101	68
		<u>£2,945</u>	<u>£1,293</u>

### Notes:

- a. Surrender values – £431,000 (1981 £400,000).
- b. Represents deposits by certain subsidiaries given as security for the loans of third parties.
- c. Market Value £109,000 (1981 £76,000).

## 13. Current Assets

	The Group		The Company	
	1982 £000	1981 £000	1982 £000	1981 £000
Stock in trade	296	397	—	—
Rents due and accrued	3,093	2,374	—	—
Debtors	2,119	1,762	28	28
Due from subsidiary companies not consolidated	336	384	—	—
Taxation recoverable	141	176	—	—
Bank balances	553	234	—	—
Mortgages granted repayable within one year	61	146	—	—
Deposits with Friendly Society and Trustees of Debenture holders	509	506	—	—
Due from managing agent Highdorn Co. Limited	88	—	—	—
	<u>£7,196</u>	<u>£5,979</u>	<u>£28</u>	<u>£28</u>

## 14. Current Liabilities

	Notes	The Group		The Company	
		1982 £000	1981 £000	1982 £000	1981 £000
Rents received in advance		1,737	1,623	—	—
Creditors and provisions	a	2,775	2,698	687	425
Provision for property outgoing (note 15)		381	599	—	—
Taxation – current		2,432	1,952	404	296
Taxation – payable 1st January 1983		1,775	1,055	—	—
Loans repayable within one year (note 16)	b	2,286	2,804	926	667
Proposed final dividend		460	427	461	427
Due to managing agent Highdorn Co. Limited		—	411	—	—
		<u>£11,846</u>	<u>£11,569</u>	<u>£2,478</u>	<u>£1,815</u>

### Notes:

- a. Creditors – secured
- b. Loans – secured

	297	285	112	74
	2,144	2,563	926	667
	<u>£2,441</u>	<u>£2,848</u>	<u>£1,038</u>	<u>£741</u>



# Notes on the Accounts

continued

## 15. Provision for Property Outgoings

At 1st April 1981	£000
Less: Expenditure during year ended 31st March 1982	599
	218
At 31st March 1982	<u>£381</u>

The expenditure on exceptional repairs stated above is additional to repair expenditure of £3m which has been charged direct to Profit and Loss Account.

## 16. Loans

	Interest Rate	The Group		The Company	
		1982	1981	1982	1981
		£000	£000	£000	£000
Amounts repayable after 1st April 1987:					
Unsecured Loan Stock 2002/07	8½%	2,148	2,180	—	—
Unsecured Loan Stock 1991/96	7½%	1,119	1,119	—	—
Instalment Mortgages 1987–2001	6%–17½%	10,755	12,548	4,412	4,459
Debenture Stocks 1983–1997	6½%–8½%	3,446	3,794	—	—
Bank Loans and Overdrafts	variable	17,094	17,054	94	104
		<u>34,562</u>	<u>36,695</u>	<u>4,506</u>	<u>4,363</u>
Amounts repayable between 1st April 1984 and 31st March 1987:					
Debenture Stocks 1983–1986	6½%	324	—	—	—
Instalment Mortgages 1982–1987	6%–17½%	1,263	837	648	648
Bank Loans and Overdrafts	variable	2,810	2,204	2,962	19,955
		<u>4,397</u>	<u>3,041</u>	<u>3,610</u>	<u>20,603</u>
Amounts repayable between 1st April 1983 and 31st March 1984:					
Instalment Mortgages	6%–17½%	390	280	216	1,008
Bank Loan and Overdrafts	variable	1,659	687	17,610	10
		<u>2,049</u>	<u>967</u>	<u>17,826</u>	<u>1,018</u>
Total amount of Long Term Loans		<u>£41,008</u>	<u>£40,703</u>	<u>£25,942</u>	<u>£26,184</u>
Amount of Long Term Loans secured		<u>£36,215</u>	<u>£37,336</u>	<u>£25,942</u>	<u>£26,184</u>
Amounts repayable before 31st March 1983 included in current liabilities (see note 14)					
Instalment Mortgages	6%–17½%	389	281	216	216
Bank Loans and Overdrafts	variable	1,897	2,523	710	451
		<u>£2,286</u>	<u>£2,804</u>	<u>£926</u>	<u>£667</u>

The bank loans of The Company include £18.35m (1981 £17.6m) which is secured by and which may be legally offset against a bank deposit made by a subsidiary company: these amounts have been eliminated from the Consolidated Accounts.

## 17. Share Capital

	Number	£000
Ordinary Shares of 25p:		
Authorised at 31st March 1981 and 1982	<u>18,722,596</u>	<u>£4,681</u>
Issued and fully paid at 31st March 1981 and 1982	<u>16,295,357</u>	<u>£4,074</u>

# Notes on the Accounts

continued

## 18. Reserves

	<i>The Group</i>		<i>The Company</i>	
	£000	£000	£000	£000
<i>Share Premium Account:</i>				
At 1st April 1981 and 31st March 1982		2,830		555
<i>Capital Reserve:</i>				
At 1st April 1981	8,107		10,998	
Surplus arising on revaluation of investment properties (see note 11)	33,161		—	
Transfer to Profit and Loss Account of surpluses on prior years' revaluation of investment properties now realised (note 2)	(514)		—	
Transfer from Profit and Loss Account (note 9)	112		—	
Surplus arising on translation of reserves of overseas subsidiaries at current rates	108		48	
Sundry adjustments	(27)		—	
At 31st March 1982		40,947		11,046
<i>Retained Earnings:</i>				
At 1st April 1981	8,631		3,598	
Surplus for the year	2,126		(842)	
At 31st March 1982		10,757		2,756
Total reserves and retained earnings at 31st March 1982		<u>£54,534</u>		<u>£14,357</u>

## 19. Investment in Subsidiaries

	1982	1981
	£000	£000
(a) <i>The Company</i>		
Shares at cost	1,445	1,445
Surplus on revaluation	20,400	20,400
	<u>21,845</u>	<u>21,845</u>
Amounts due from subsidiaries	64,138	53,133
	<u>85,983</u>	<u>74,978</u>
Amounts due to subsidiaries	(39,751)	(28,152)
	<u>£46,232</u>	<u>£46,826</u>

A list of principal subsidiary companies is given on page 18.

(b) *The Group—Subsidiaries not consolidated at directors' valuation £153,000*

There have been excluded from the Consolidated Accounts the results of certain subsidiary companies acquired at a cost of £153,000 (1981 £153,000). Their combined losses since acquisition attributable to The Company as indicated by their accounts amounted to £29,000 (1981 £22,000) and their aggregate liabilities at 31st March 1982 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.

## 20. Turnover

	1982	1981
	£000	£000
Rents and charges receivable	13,089	11,894
Trading property sales	3,879	4,224
Investment property sales	3,699	2,463
Textile merchanting sales	1,509	1,467
	<u>£22,176</u>	<u>£20,048</u>

## 21. 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 Group 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. During the year £1.55m was paid to Highdorn Co. Limited for the provision of a full range of management services, which were charged for at normal commercial rates.

## 22. Contingent Liabilities

The Company has guaranteed bank and mortgage indebtedness and unsecured loan stock of certain subsidiaries which at 31st March 1982 amounted to £24.6m (1981 £23.7m).

# 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 (Grove Hall) Limited  
Daejan Investments (Harrow) Limited  
Daejan Investments (Park) Limited  
Daejan Properties Limited  
Daejan Securities Limited — *Share Dealer*  
Daejan Holdings (U.S.) Inc. (*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.

# Summary of Professional Valuation

of the Group's Property Portfolio in the United Kingdom as at 31st January 1999

	Investment Properties £	Trading Properties £	Total £
<b>FREEHOLDS</b>			
Residential properties	16,208,480	20,148,625	36,357,105
Mixed residential and commercial properties	17,657,250	6,006,750	23,664,000
Commercial properties	30,181,000	3,989,500	34,170,500
	<u>64,046,730</u>	<u>30,144,875</u>	<u>94,191,605</u>
 <b>LEASEHOLDS</b> having unexpired terms in excess of 50 years			
Residential properties	3,768,500	7,670,280	11,438,780
Mixed residential and commercial properties	2,130,000	2,821,000	4,951,000
Commercial properties	10,750,000	98,000	10,848,000
	<u>16,648,500</u>	<u>10,589,280</u>	<u>27,237,780</u>
 <b>LEASEHOLDS</b> having unexpired terms of less than 50 years			
Residential properties	—	1,007,000	1,007,000
Mixed residential and commercial properties	—	620,000	620,000
Commercial properties	4,492,500	5,750	4,498,250
	<u>4,492,500</u>	<u>1,632,750</u>	<u>6,125,250</u>
 <b>TOTALS</b>	<u><u>5,187,730</u></u>	<u><u>42,366,905</u></u>	<u><u>127,554,635</u></u>

# Statistical Record

	Year ending 31st March,				
	1978	1979	1980	1981	1982
	£000	£000	£000	£000	£000
Net Rental Income	3,850	4,681	4,801	5,228	4,943
Surplus on Sale of Properties	4,342	5,465	5,471	5,046	5,531
Other Income	218	219	97	137	112
	8,410	10,365	10,369	10,411	10,586
Group Profit before Tax	2,474	3,331	4,192	3,831	4,737
Taxation	700	1,069	1,404	1,085	1,741
Minority Interests	13	6	15	42	5
Profits not available for distribution	148	99	41	19	91
Available for dividend	1,613	2,157	2,732	2,685	2,900
Earnings: p. per share	10.80	13.84	17.02	16.59	18.35
Dividends: p. per share (Gross)	4.50	4.72	5.00	5.50	6.79
Gross Assets	80,804	77,020	75,212	76,127	111,706
Net Assets	20,952	20,016	21,794	23,642	58,608
Net Assets: p. per share	128	123	134	145	360
Represented by:					
Share Capital	4,074	4,074	4,074	4,074	4,074
Reserves and Retained Profit	16,878	15,942	17,720	19,568	54,534
Net Interest of Members	20,952	20,016	21,794	23,642	58,608