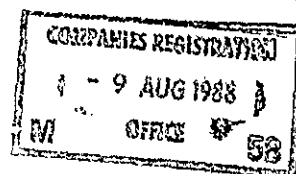


RAVENSEFT INDUSTRIAL ESTATES LIMITED

REPORT AND ACCOUNTS

31 MARCH 1988

444531



RAVENSEFT INDUSTRIAL ESTATES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 1988

The directors present their report and the audited financial statements of the Company for the year ended 31 March 1988.

RESULTS AND DIVIDENDS

The results for the year and the state of the Company's affairs are as shown in the financial statements. The profit available for distribution amounted to £2,215,214. The directors recommend that this amount be paid as a dividend.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year the Company has continued its business of industrial property development and investment throughout the United Kingdom. There will be no change in the Company's principal activities in the foreseeable future.

DIRECTORS

The directors are:

P J Hunt, BSc (Est Man), FRICS (Chairman)
C H Behrens (resigned 19 June 1987)
W Mathieson, FRICS
R C Pavitt (deceased 31 January 1988)
J M Moar, FRICS
J Maynard
R D S Nevett, FRICS

DIRECTORS' INTERESTS

The interests of the directors in the shares of the Company were nil throughout the year.

P J Hunt, J M Moar and W Mathieson are directors of Land Securities PLC, the ultimate holding company, and their interests are shown in the directors' report of that company.

The interests of the other directors in the shares of Land Securities PLC were as follows:



RAVENSEFT INDUSTRIAL ESTATES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1988 (CONTINUED)

DIRECTORS' INTERESTS (Continued)

	<u>Beneficial interests</u>		<u>Non-beneficial interests</u>	
	<u>31 March 1988</u>	<u>31 March 1987</u>	<u>31 March 1988</u>	<u>31 March 1987</u>
Ordinary shares				
J Maynard	18,284	19,333	34,038	34,038
R D S Nevett	1,333	1,136	-	-

R D S Nevett holds options granted under the Land Securities 1983 Savings Related Share Option Scheme and J Maynard and R D S Nevett both hold options under the Land Securities 1984 Executive Share Option Scheme, to subscribe for Ordinary Shares of Land Securities PLC, as set out below:

	<u>1983 Savings Related Share Option Scheme</u>		<u>1984 Executive Share Option Scheme</u>	
	<u>31 March 1988</u>	<u>31 March 1987</u>	<u>31 March 1988</u>	<u>31 March 1987</u>
J Maynard	-	-	58,500	45,000
R D S Nevett	3,542	3,542	41,000	20,000

The options granted under the 1983 Savings Related Share Option Scheme are exercisable at prices of 255p or 242p per share after 7 years from the date of the option being granted.

The options granted during the year under the 1984 Executive Share Option Scheme are exercisable at 292.7p, 315.1p or 429.9p per share in financial years ending 1989 to 1997.

AUDITORS

In accordance with Section 384(1) of the Companies Act 1985, a resolution will be put to the members at the Annual General Meeting to reappoint the auditors, Price Waterhouse, Chartered Accountants.

By Order of the Board

Landsec House
21 New Fetter Lane
London EC4P 4PY

L A Jones
Secretary

18 May 1988

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF RAVENSEFT INDUSTRIAL ESTATES LIMITED

We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1988 and of its profit for the year then ended and comply with the Companies Act 1985.

The financial statements do not include a statement of source and application of funds as required by Statement of Standard Accounting Practice No 10.

Riv m

Chartered Accountants

18 May 1988

RAVENSEFT INDUSTRIAL ESTATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1988

	Notes	1988	1987
TOTAL INCOME	2	£6,660,220 =====	£6,287,352 =====
Net rents and interest receivable	2	5,661,114	5,372,728
Less: Interest payable	2	<u>2,430,300</u>	<u>2,477,724</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	3,230,814	2,895,004
Taxation	4	<u>1,015,600</u>	<u>734,599</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,215,214	2,160,405
Proposed ordinary dividend		<u>2,215,214</u>	<u>2,160,405</u>
RETAINED PROFIT FOR THE YEAR		-	-
BALANCE BROUGHT FORWARD		<u>152,248</u>	<u>152,248</u>
BALANCE CARRIED FORWARD		<u>£152,248</u> =====	<u>£152,248</u> =====
RESERVE MOVEMENTS			
			<u>1988</u>
REVALUATION RESERVE			
Surplus on valuation of properties	6		8,414,625
Realised on sale of properties	5		<u>(3,508,183)</u>
	11		<u>£4,906,442</u> =====
			<u>1988</u>
OTHER RESERVES			
Realised on sales of properties	5		4,858,954
Cost of abortive sale			(17,558)
Other items			<u>163</u>
	12		<u>£4,841,559</u> =====

RAVENSEFT INDUSTRIAL ESTATES LIMITED

BALANCE SHEET - 31 MARCH 1988

	Notes	<u>1988</u>	<u>1987</u>
FIXED ASSETS			
Tangible assets:			
Properties	6	<u>56,144,000</u>	<u>54,791,000</u>
CURRENT ASSETS			
Debtors	7	830,332	851,633
CREDITORS: amounts falling due within one year	8	<u>(15,973,641)</u>	<u>(24,389,943)</u>
Net current liabilities		<u>(15,143,309)</u>	<u>(23,538,310)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		41,000,691	31,252,690
PROVISIONS FOR LIABILITIES AND CHARGES	9	<u>(143,852)</u>	<u>(143,852)</u>
		<u>£40,856,839</u>	<u>£31,108,838</u>
CAPITAL AND RESERVES			
Called up share capital	10	563,333	563,333
Share premium account		59,916	59,916
Revaluation reserve	11	7,256,532	2,350,090
Other reserves	12	32,824,810	27,983,251
Profit and loss account		<u>152,248</u>	<u>152,248</u>
		<u>£40,856,839</u>	<u>£31,108,838</u>

DIRECTORS

P J Hunt

W Mathieson

Approved by the Board on 18 May 1988

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1988

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historic cost convention modified by the revaluation of properties.

(b) Profit for the year available for distribution

The profit for the year available for distribution is arrived at after taking into account income and outgoings on all properties, including those under development.

Unrealised capital surpluses and deficits, including those arising on valuation of properties, are taken to revaluation reserve. Realised capital surpluses and deficits are taken to other reserves.

(c) Taxation

Tax on capital gains arising on sales of properties is charged against the surpluses realised.

No provision is made for the amount of taxation which would become payable under present legislation in the event of future sales of properties at the amounts at which they are stated in the financial statements. However, an estimate of the potential liability is shown in Note 6.

Deferred taxation is provided in full in respect of industrial buildings allowances claimed on unlet properties. Where a building is subsequently let to a qualifying tenant the related provision is credited to profit and loss account; if the building is let to a non-qualifying tenant the additional tax liability is offset against the provision.

(d) Properties

Properties are included in the financial statements at the latest professional valuation. At 31 March 1988 a valuation was carried out by Knight Frank & Rutley who reported that the valuation was made at open market values at that date.

Additions to properties include costs of a capital nature only. Costs such as interest and other property outgoings in respect of developments and refurbishments are treated as revenue expenditure and written off as incurred.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1988 (CONTINUED)

1. ACCOUNTING POLICIES (Continued)

(e) Depreciation and amortisation

No depreciation or amortisation is provided in respect of freehold or leasehold properties. The directors consider that because properties are included at their open market values this accounting policy is necessary for the financial statements to give a true and fair view. It would not be practicable nor of real value to determine the depreciation or amortisation taken into account when arriving at the open market values.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1988</u>	<u>1987</u>
Rental income	6,223,589	5,814,645
Service charges and other recoveries	432,950	350,762
Interest receivable	<u>3,681</u>	<u>121,945</u>
Total income	6,660,220	6,287,352
<u>Less:</u>		
Ground rents payable	20,326	13,407
Other property outgoings	515,199	455,957
Administration expenses (Note 3)	<u>463,581</u>	<u>445,260</u>
	<u>999,106</u>	<u>914,624</u>
Net rents and interest receivable	5,661,114	5,372,728
<u>Less: Interest payable:</u>		
On amount owing to a group company	<u>2,430,300</u>	<u>2,477,724</u>
Profit on ordinary activities before taxation	<u>£3,230,814</u> =====	<u>£2,895,004</u> =====

Ground rents are payable for terms in excess of five years.

All income was derived from within the United Kingdom.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1988 (CONTINUED)

3. ADMINISTRATION EXPENSES

(a) Management services

The Company had no employees during either year. Management services were provided to the Company throughout the period by Land Securities Properties Limited, formerly known as Land Securities (Management) Limited, which is a group company.

(b) Directors' emoluments

The directors received no emoluments in respect of their services to the Company and no part of the fee for management services is identified as relating to those services.

(c) Auditors' remuneration

Administration expenses include auditors' remuneration of £5,300 (1987: £5,300).

4. TAXATION

	<u>1988</u>	<u>1987</u>
The taxation charge is made up as follows:		
Corporation tax at 35% on the profit before taxation	1,130,785	1,013,251
(Deduct)/Add:		
Tax allowances on expenditure included in additions to properties	(125,150)	(130,058)
Balancing charges	-	2,489
Other adjustments	<u>259</u>	<u>(75,472)</u>
	1,005,894	810,210
Adjustments relating to previous years	<u>9,706</u>	<u>(75,611)</u>
	<u>£1,015,600</u>	<u>£734,599</u>

Other adjustments include deferred tax credits totalling £Nil (1987: £38,936) arising on properties which have now been let to qualifying tenants.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1988 (CONTINUED)

5. SURPLUS ON SALES OF PROPERTIES

	<u>1988</u>	<u>1987</u>
Surplus over book value	1,696,798	742
Valuation surplus of previous years on properties sold	3,508,183	329,740
Tax on capital gains	<u>(346,083)</u>	<u>(72,602)</u>
Overprovision of tax relating to previous years	4,858,898	257,880
	<u>56</u>	<u>14,191</u>
	<u>£4,858,954</u>	<u>£272,071</u>

6. PROPERTIES

	<u>Freehold</u>	<u>Over 50 years to run</u>	<u>Leaseholds</u> <u>Under 50 years to run</u>	<u>Total</u>
At 1 April 1987: at valuation	52,070,000	2,684,000	37,000	54,791,000
Additions	67,294	514	-	67,808
Sales	(1,680,000)	-	-	(1,680,000)
Transfers to group companies	<u>(5,449,433)</u>	<u>-</u>	<u>-</u>	<u>(5,449,433)</u>
	45,007,861	2,684,514	37,000	47,729,375
Surplus on valuation	<u>8,191,139</u>	<u>219,486</u>	<u>4,000</u>	<u>8,414,625</u>
At 31 March 1988: at valuation	<u>£53,199,000</u>	<u>2,904,000</u>	<u>41,000</u>	<u>56,144,000</u>

The amount of tax on capital gains which would become payable under present legislation in the event of sales of the properties at the amounts at which they are stated is in the region of £5,100,000 (1987: £3,600,000 calculated at the rate of 30%).

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1988 (CONTINUED)

7. DEBTORS

	<u>1988</u>	<u>1987</u>
Amounts falling due within one year:		
Trade debtors	652,106	544,826
Capital debtors	25,000	39,702
Other debtors	58,509	77,489
Prepayments and accrued income	<u>94,717</u>	<u>189,616</u>
	<u>£830,332</u>	<u>£851,633</u>

8. CREDITORS: amounts falling due within one year

	<u>1988</u>	<u>1987</u>
Amount owing to a group company	10,927,129	19,806,657
Taxation	1,404,068	927,110
Proposed ordinary dividend	2,215,214	2,160,405
Capital creditors	24,795	23,445
Other creditors	62,763	62,043
Accruals and deferred income	<u>1,339,672</u>	<u>1,410,283</u>
	<u>£15,973,641</u>	<u>£24,389,943</u>

The amount owing to a group company has no fixed repayment date.

9. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1988</u>	<u>1987</u>
Deferred taxation - industrial buildings allowances	<u>£143,852</u>	<u>£143,852</u>

10. CALLED UP SHARE CAPITAL

	<u>1988</u>	<u>1987</u>
Authorised		
3,750,000 Ordinary Shares of 20p each	£750,000	£750,000
Allotted and fully paid		
2,816,667 Ordinary Shares of 20p each	<u>£563,333</u>	<u>£563,333</u>

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1988 (CONTINUED)

11. REVALUATION RESERVE

	<u>1988</u>
At 1 April 1987	2,350,090
Surplus arising in year (page 4)	<u>4,906,442</u>
At 31 March 1988	£7,256,532 =====

12. OTHER RESERVES

	<u>1988</u>
At 1 April 1987	27,983,251
Surplus arising in year (page 4)	<u>4,841,559</u>
At 31 March 1988	£32,824,810 =====

13. COMMITMENTS FOR FUTURE CAPITAL EXPENDITURE

	<u>1988</u>	<u>1987</u>
Board authorisations not contracted	£ - ===	£70,700 =====

14. CONTINGENT LIABILITIES

A substantial number of the Company's properties are charged as security for debenture stocks and other borrowings of the ultimate holding company and group companies.

15. HOLDING COMPANY

The ultimate holding company is Land Securities PLC which is registered in England.