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RAVENSEFT INDUSTRIAL ESTATES LIMITED

REPORT AND ACCOUNTS

31 MARCH 1987

Price Waterhouse



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RAVENSEFT INDUSTRIAL ESTATES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 1987

The directors present their report and the audited accounts of the Company for the year ended 31 March 1987.

RESULTS AND DIVIDENDS

The results for the year and the state of the Company's affairs are as shown in the accounts. The income available for distribution amounted to £2,160,405. 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.

Property movements are set out in Note 6 to the Accounts.

DIRECTORS

The directors are:

P J Hunt, BSc(Est Man) FRICS (Chairman)
C H Behrens
W Mathieson, FRICS
R C Pavitt
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.

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 1987 (Continued)

	<u>Beneficial interests</u>		<u>Non-beneficial interests</u>	
	<u>31 March 1987</u>	<u>31 March 1986</u>	<u>31 March 1987</u>	<u>31 March 1986</u>
<u>Ordinary shares</u>				
C H Behrens	11,693	14,110	-	-
R C Pavitt	3,492	5,017	-	-
J Maynard	19,333	18,986	34,038	36,463
R D S Nevett	1,136	920	-	-

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

13 May 1987

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 1987 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.

Rm Wm

Chartered Accountants

13 May 1987

RAVENSEFT INDUSTRIAL ESTATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 1987

	Notes	<u>1987</u>	<u>1986</u>
TOTAL INCOME	2	£6,287,352 =====	£6,074,028 =====
Net rents and interest receivable	2	5,372,728	5,151,872
Less: Interest payable	2	<u>2,477,724</u>	<u>2,907,367</u>
INCOME ON ORDINARY ACTIVITIES BEFORE TAXATION	2	2,895,004	2,244,505
Taxation	4	<u>734,599</u>	<u>801,328</u>
INCOME FOR THE YEAR AVAILABLE FOR DISTRIBUTION		2,160,405	1,443,177
Proposed ordinary dividend		<u>2,160,405</u>	<u>1,443,177</u>
INCREASE IN RETAINED EARNINGS		£ - =====	£ - =====

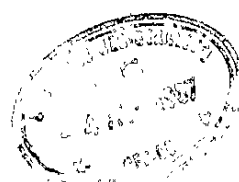
CAPITAL SURPLUSES/(DEFICITS)

Unrealised surplus/(deficit) on valuation of properties	6	5,976,150	(2,056,222)
Realised on sale of properties	5	(71,860)	(38,711)
Adjustments of tax on capital items relating to previous years		5,529	151,337
Other items		<u>9,333</u>	<u>(3,928)</u>
TOTAL SURPLUS/(DEFICIT) TRANSFERRED TO/(FROM) CAPITAL RESERVE	11	£5,919,152 =====	£(1,947,524) =====

RAVENSEFT INDUSTRIAL ESTATES LIMITED

BALANCE SHEET - 31 MARCH 1987

	Notes	<u>1987</u>	<u>1986</u>
FIXED ASSETS			
Tangible assets:			
Properties	6	<u>54,791,000</u>	<u>47,234,250</u>
CURRENT ASSETS			
Debtors	7	851,633	886,029
CREDITORS: amounts falling due within one year	8	<u>(24,389,943)</u>	<u>(22,747,805)</u>
Net current liabilities		<u>(23,538,310)</u>	<u>(21,861,776)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,252,690	25,372,474
PROVISIONS FOR LIABILITIES AND CHARGES	9	<u>(143,852)</u>	<u>(182,788)</u>
		<u>£31,108,838</u>	<u>£25,189,686</u>
CAPITAL AND RESERVES			
Called up share capital	10	563,333	563,333
Share premium account		59,916	59,916
Capital reserve	11	30,333,341	24,414,189
Profit and loss account		152,248	152,248
DIRECTORS			
C H Behrens			
W Mathieson			
Approved by the Board on 13 May 1987		<u>£31,108,838</u>	<u>£25,189,686</u>



RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1987

1. ACCOUNTING POLICIES

(a) Income for the year available for distribution

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

Realised and unrealised capital surpluses and deficits are taken direct to capital reserve.

(b) 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 accounts. 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.

(c) Properties

Properties are included in the accounts at the latest professional valuation. At 31 March 1987 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.

(d) 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 accounts 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.

(e) Companies Act

The accounts have been prepared in compliance with the Companies Act 1985.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1987 (CONTINUED)

2. INCOME ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1987</u>	<u>1986</u>
Rental income	5,814,645	5,693,001
Service charges and other recoveries	350,762	374,122
Interest receivable	<u>121,945</u>	<u>6,905</u>
Total income	6,287,352	6,074,028
<u>Less:</u>		
Ground rents payable	13,407	39,240
Other property outgoings	455,957	460,308
Administration expenses (Note 3)	<u>445,260</u>	<u>422,608</u>
	<u>914,624</u>	<u>922,156</u>
Net rents and interest receivable	5,372,728	5,151,872
<u>Less: Interest payable:</u>		
On amounts owing to a fellow subsidiary	2,477,724	2,882,367
Other	<u>-</u>	<u>25,000</u>
	<u>2,477,724</u>	<u>2,907,367</u>
Income on ordinary activities before taxation	<u>£2,895,004</u>	<u>£2,244,505</u>

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

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 (Management) Limited, which is a fellow subsidiary 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 (1986: £5,300).

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1987 (CONTINUED)

4. TAXATION

The taxation charge is made up as follows:

Corporation tax at 35% (1986: 40%)
on the income on ordinary activities
before taxation

<u>1987</u>	<u>1986</u>
1,013,251	897,802

Add/(deduct):

Tax allowances on expenditure included in
additions to properties

(130,058)	(178,780)
2,489	87,116

Balancing charges

(75,472)	(2,236)
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Other adjustments for taxation purposes

810,210	803,902
(75,611)	(2,574)

Adjustments relating to previous years

£734,599	£801,328
=====	=====

Other adjustments for taxation purposes include deferred tax credits totalling £38,936 (1986: £13,507) arising on properties which have now been let to qualifying tenants.

5. CAPITAL (DEFICIT)/SURPLUS ON SALES OF PROPERTIES

Surplus/(deficit) over book value
Tax on capital (gains)/losses

<u>1987</u>	<u>1986</u>
742	(88,143)
(72,602)	49,432
£(71,860)	£(38,711)
=====	=====

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1987 (CONTINUED)

6. PROPERTIES

	<u>Freehold</u>	<u>Leaseholds</u>		<u>Total</u>
		<u>Over 50 years to run</u>	<u>Under 50 years to run</u>	
At 1 April 1986:				
At valuation by Knight Frank & Rutley	44,613,250	2,584,000	37,000	47,234,250
Movements during year:				
Additions	46,073	-	-	46,073
Disposals	(328,184)	(27,000)	-	(355,184)
Transfer from a subsidiary	<u>1,889,711</u>	<u>-</u>	<u>-</u>	<u>1,889,711</u>
Surplus on valuation	46,220,850	2,557,000	37,000	48,814,850
	<u>5,849,150</u>	<u>127,000</u>	<u>-</u>	<u>5,976,150</u>
At 31 March 1987:				
At valuation by Knight Frank & Rutley	<u>£52,070,000</u>	<u>£2,684,000</u>	<u>£37,000</u>	<u>£54,791,000</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 £3,600,000. (1986: £4,500,000)

7. DEBTORS

	<u>1987</u>	<u>1986</u>
Amounts falling due within one year:		
Trade debtors	544,826	621,140
Capital debtors	39,702	26,590
Other debtors	77,489	114,960
Prepayments and accrued income	<u>189,616</u>	<u>123,339</u>
	<u>£851,633</u>	<u>£886,029</u>

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1987 (CONTINUED)

8. CREDITORS: amounts falling due within one year

	<u>1987</u>	<u>1986</u>
Amount owed to a group company	19,806,657	19,344,450
Taxation	927,110	590,786
Proposed ordinary dividend	2,160,405	1,443,177
Capital creditors	23,445	54,886
Other creditors	62,043	82,444
Accruals and deferred income	<u>1,410,283</u>	<u>1,232,062</u>
	<u>£24,389,943</u>	<u>£22,747,805</u>

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

9. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1987</u>	<u>1986</u>
Deferred taxation - industrial buildings allowances	<u>£143,852</u>	<u>£182,788</u>

10. CALLED UP SHARE CAPITAL

	<u>1987</u>	<u>1986</u>
Authorised 3,750,000 ordinary shares of 20p each	<u>£750,000</u>	<u>£750,000</u>
Allotted and fully paid 2,816,667 ordinary shares of 20p each	<u>£563,333</u>	<u>£563,333</u>

11. CAPITAL RESERVE

The movement on capital reserve for the year was:

At 1 April 1986	24,414,189
Surplus arising in the year (Page 4)	<u>5,919,152</u>
At 31 March 1987	<u>£30,333,341</u>

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1987 (CONTINUED)

12. COMMITMENTS FOR FUTURE CAPITAL EXPENDITURE

	<u>1987</u>	<u>1986</u>
Under contracts	-	3,410
Board authorisations not contracted	<u>70,700</u>	<u>-</u>
	<u>£70,700</u>	<u>£3,410</u>
	<u>=====</u>	<u>=====</u>

13. 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 fellow subsidiaries.

14. HOLDING COMPANY

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