

SEAGLEN INVESTMENTS LIMITED

616559

REPORT OF THE DIRECTORS

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The Directors have pleasure in presenting their Report, together with the Accounts of the company for the year ended 31 March 1984.

Business Review:

The principal activity of the company is property trading. There has been no significant change in the nature of the company's business activities during the year under review nor is any envisaged in the immediate future.

Results and Dividend:

The results for the year are set out in the attached Profit and Loss Account and Explanatory Notes.

The Directors recommend no dividend be paid for the year.

Properties:

A professional valuation of the Company's property held for trading was carried out at 31 January 1982 and revealed a surplus over book value, but this was not incorporated into the Accounts. The Board are satisfied that at 31 March 1984 the property held for trading still had a value considerably in excess of its book value.

Directors:

The Directors throughout the year were:-

B S E Freshwater

D Davis

The Articles of Association of the company do not require the Directors to retire by rotation.

Neither Director has a service contract, nor does either one receive any emoluments from, the company.

Directors' Interest in Capital:

Neither Director has any interest in the share capital of the company. Their interests and those of their families and family trusts, in the share capital of Daejan Holdings PLC, are set out in the Directors' Report of the company.

Auditors:

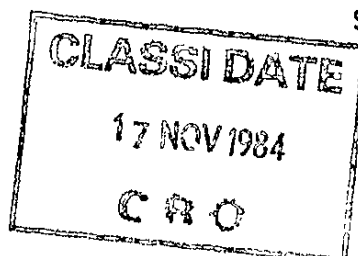
A resolution for the re-appointment of Cohen, Arnold & Co as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Head Office:
Freshwater House
158-162 Shaftesbury Avenue
LONDON
WC2H 8HR

16 August 1984

BY ORDER OF THE BOARD

H E SEVERN
Secretary



REPORT OF THE AUDITORS TO THE MEMBERS

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SEAGLEN INVESTMENTS LIMITED

We have audited the Accounts set out on pages 3 to 9 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 page 6 give a true and fair view of the state of affairs of the Company at 31st March 1984 and of the loss and source and application of funds of the Company for the year to that date and comply with the Companies Acts 1948 to 1981.

LONDON

16th August 1984

COHEN, ARNOLD & CO.

Chartered Accountants.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1984

	<u>Notes</u>	£	<u>1984</u>	£	£	<u>1983</u>	£
Rents and charges receivable	2		147,234			147,023	
Property Outgoings			(174,985)			(170,492)	
			<u>(27,751)</u>			<u>(23,469)</u>	
Property Sales	2	22,500			-		
Cost of Sales		(10,959)			-		
			<u>11,541</u>			<u>-</u>	
GROSS LOSS			<u>(16,210)</u>			<u>(23,469)</u>	
Administrative Expenses	3	(1,610)			(1,554)		
Interest Payable	4	(123,500)			-		
			<u>(125,110)</u>			<u>(1,554)</u>	
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>(141,320)</u>			<u>(25,023)</u>	
Taxation on loss on ordinary activities	5		56,784			808	
LOSS FOR THE FINANCIAL YEAR	12		<u>£(84,536)</u>			<u>£(24,215)</u>	

The attached Notes form part of these Accounts

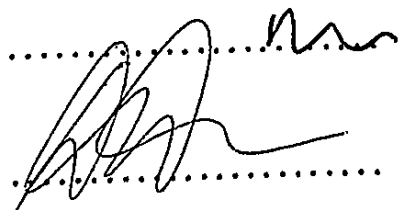
SEAGLEN INVESTMENTS LIMITED

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BALANCE SHEET AS AT 31 MARCH 1984

	<u>Notes</u>	<u>1984</u>	<u>1983</u>
		£	£
<u>FIXED ASSETS</u>			
Investments	7	90,275	86,263
<u>CURRENT ASSETS</u>			
Stocks - Properties held for trading	8	951,224	961,754
Debtors	9	85,004	69,328
Cash at Bank		5	5
		<u>1,036,233</u>	<u>1,031,087</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	10	<u>(1,092,938)</u>	<u>(999,244)</u>
<u>NET CURRENT (LIABILITIES)/ ASSETS</u>		(56,705)	31,843
<u>NET ASSETS</u>		<u>£ 33,570</u>	<u>£118,106</u>
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	11	200	200
Profit and Loss Account	12	33,370	117,906
		<u>£ 33,570</u>	<u>£118,106</u>
		=====	=====

These accounts were approved by the Board of Directors on 11th July 1984

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 Directors

The attached notes are part of these Accounts

SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1984

	£	<u>1984</u>	£	£	<u>1983</u>	£
<u>SOURCE OF FUNDS</u>						
Sales of Trading Properties			22,071			-
Loss on ordinary activities before taxation		(141,320)			(25,023)	
Profit from Property Trading (dealt with separately above)		(11,541)			-	
		<u>(152,861)</u>			<u>(25,023)</u>	
FUNDS ABSORBED FROM OPERATIONS		<u>£(130,790)</u>			<u>£(25,023)</u>	
<u>APPLICATION OF FUNDS</u>						
Expenditure on Property held for Trading			-			868,460
Consideration received for surrender of tax losses			(56,784)			(808)
Collateral Endowment Policy Premium Paid			4,012			4,012
			<u>(52,772)</u>			<u>871,664</u>
<u>MOVEMENTS IN NET WORKING CAPITAL</u>						
Increase/(Reduction) in Current Assets		15,676			(16,569)	
Reduction/(Increase) in Creditors falling due within one year		19,909			(28,441)	
		<u>35,585</u>			<u>(45,010)</u>	
		<u>(17,187)</u>			<u>826,654</u>	
<u>MOVEMENTS IN NET LIQUID FUNDS</u>						
Increase in amount due to Immediate Holding Company			(113,603)			(851,677)
			<u>£(130,790)</u>			<u>£(25,023)</u>

NOTES TO THE ACCOUNTS1. ACCOUNTING POLICIES

The following is a statement of the Principal Accounting Policies of the Company:-

(a) Basis of Preparation of the Accounts

The Accounts are prepared under the historical cost convention.

(b) Trading Properties

These properties are stated at the lower of cost and net realisable value.

(c) Disposal of Properties

Disposals are considered to take place at the date of legal completion.

(d) Comparatives

Comparative figures for 1983 have been reclassified where appropriate, so as to comply with the requirements of the Companies Act 1981. Revaluation surpluses arising on trading properties during the years when the company had investment status have now been eliminated.

	<u>1984</u> £	<u>1983</u> £
2. <u>TURNOVER</u>		
Trading property sales	22,500	-
Rent and charges receivable	147,234	147,023
	<u>£169,734</u> =====	<u>£147,023</u> =====
3. <u>ADMINISTRATIVE EXPENSES</u>		
Legal and Professional charges	748	692
Audit Fees	862	862
	<u>£ 1,610</u> =====	<u>£ 1,554</u> =====
4. <u>INTEREST PAYABLE</u>		
Interest payable to Immediate Holding Company	<u>£123,500</u> =====	<u>£ -</u> =====

NOTES TO THE ACCOUNTS
(Cont'd)

5. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the year was as follows:

	<u>1984</u> Number	<u>1983</u> Number
Administration	4 ==	4 ==

The aggregate payroll costs of these persons were as follows:

	<u>1984</u> £	<u>1983</u> £
Wages and Salaries	10,868	9,132
Social security costs	915	885
	<u>£ 11,783</u> =====	<u>£ 10,017</u> =====

6. TAXATION ON LOSS ON ORDINARY ACTIVITIES

Credit in the Profit and Loss Account:

Corporation Tax based on Loss on ordinary activities for the year at 50% (1983: 52%)	£ 56,784 =====	£ 808 =====
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The credit is in respect of a receipt as consideration for proposed group relief available under Section 258, Income and Corporation Taxes Act 1970.

	<u>1984</u> £	<u>1983</u> £
7. <u>OTHER INVESTMENTS</u>		
Capital Redemption Assurance Policy at Cost	£ 90,275 =====	£ 86,263 =====
Surrender Value	£107,935 =====	£102,100 =====

8. TRADING PROPERTIES

At the lower of cost and net realisable value (Note 1 (d))	£951,224 =====	£961,754 =====
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NOTES TO THE ACCOUNTS
(Cont'd)

	<u>1984</u> £	<u>1983</u> £
9. <u>DEBTORS</u>		
Rents and service charges due and accrued	72,807	65,988
Other Debtors	12,197	3,340
	<u>£ 85,004</u> =====	<u>£ 69,328</u> =====
10. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Rents and service charges charged and paid in advance	2,390	2,450
Other creditors and accruals	27,099	46,948
Due to Immediate Holding Company	1,063,449	949,846
	<u>£1,092,938</u> =====	<u>999,244</u> =====
11 <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised, Issued and Fully Paid:</u>		
100 Ordinary Shares of £1 each	100	100
100 Deferred Ordinary Shares of £1 each	100	100
	<u>£ 200</u> =====	<u>£ 200</u> =====
12. <u>PROFIT AND LOSS ACCOUNT</u>		
	£	
At 1st April 1983 (Note 1(d))	117,906	
Loss for the Financial Year	(84,536)	
At 31st March 1984	<u>£ 33,370</u> =====	

SEAGLEN INVESTMENTS LIMITED

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NOTES TO THE ACCOUNTS
(Cont'd)

13. DIRECTORS' INTEREST IN CONTRACTS

Day to day management of the Company's properties is carried out by Highdorn Company Limited and its subsidiary company, Freshwater Property Management Limited, which are members of the Freshwater Group of Companies with which this Company is closely associated. Mr. B.S.E. Freshwater is a Director of both companies and is also interested in the share capital of the Company. During the year £24,376 was paid to Highdorn Company Limited and Freshwater Property Management Limited for the provision of a full range of management services, which were charged for at normal commercial rates.

14. The Company has paid no Directors' remuneration during the year.

15. The Company's ultimate Holding Company is Daejan Holdings Plc, a company incorporated in the United Kingdom.