

616559 / 69

REPORT OF THE DIRECTORS

The Directors present herewith their Report, together with the Audited Accounts of the Company for the year ended 31st March 1980.

PRINCIPAL ACTIVITY

The principal activity of the Company is property trading.

ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Daejan Holdings Limited.

ACCOUNTS AND DIVIDEND

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

The Directors do not recommend a dividend.

PROPERTIES

A valuation at 31st March 1972 of properties held for trading revealed a substantial surplus over book value, but this surplus was not incorporated into the Accounts. These properties and subsequent purchases are shown in the Balance Sheet at the lower of cost and net realisable value. The Directors have reviewed the trading stock and are satisfied that each property still has a value at least equal to the figure at which it is included in the Balance Sheet at 31st March 1980.

DIRECTORS

The Directors of the Company during the year were:- Mr. B.S.E. Freshwater and Mr. D. Davis.

The Directors record with regret the death on 19th October 1979 of Mr. L. L. Tobin, who was a Director of the Company until his death.

The Articles of Association of the Company do not required the Directors to retire by rotation.

No Director has a service contract, nor does any one of them receive any emoluments from the Company.

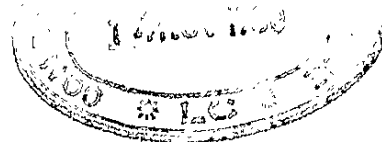
DIRECTORS' INTEREST IN CONTRACTS

Day-to-day management of the Company's properties is carried out under an agreement 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.

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

DIRECTORS' INTEREST IN CAPITAL

No Director has any interest in the share capital of the Company. Their interest together with those of their families and family trusts, in the share capital of Daejan Holdings Limited are set out in the Report of the Directors of that Company.



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AUDITORS

A resolution will be proposed at the Annual General Meeting to reappoint Messrs. Cohen, Arnold & Co., Chartered Accountants, and to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD

H.E. Severn,
Secretary

HEAD OFFICE

FRESHWATER HOUSE,
158/162 Shaftesbury Avenue,
London, WC2H 8HR.

8th August, 1980.

AUDITORS' REPORT TO THE MEMBERS

- OF-

SEAGLEN INVESTMENTS LIMITED

We have examined the annexed Balance Sheet, Profit and Loss Account and source and application of funds statement which have been prepared in accordance with the historic cost convention.

In our opinion, these Accounts, together with the Notes annexed thereto, under that convention, give a true and fair view of the state of affairs of the Company at 31 March 1980 and of the profit and source and application of funds for the year to that date, and they also comply with the Companies Acts 1948 and 1967.

LONDON

8 AUGUST 1980

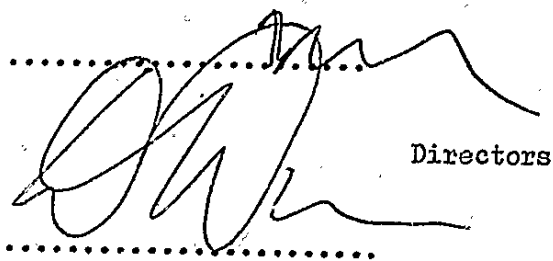
COHEN, ARNOLD & CO.
Chartered Accountants.

SEAGLEN INVESTMENTS LIMITED

BALANCE SHEET AT 31 MARCH 1980

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>1979</u>	<u>£</u>
<u>EMPLOYMENT OF CAPITAL</u>					
Properties held for Trading	2		135,603		141,271
Other Investments	3		74,227		70,215
Current Assets	4		68,247		45,999
Amount Due from Fellow Subsidiaries (Interest Free)			55,526		55,526
			<u>333,603</u>		<u>313,011</u>
<u>LESS:</u>					
Current Liabilities	5	32,146		13,145	
Amounts Due To:-					
Parent Company (Interest Free)		106,517		113,485	
Fellow Subsidiary (Interest Free)		16,845		16,845	
		<u> </u>	<u>155,508</u>	<u> </u>	<u>143,475</u>
			<u>£178,095</u>		<u>£169,536</u>
<u>CAPITAL EMPLOYED</u>					
Share Capital	6		200		200
Reserves	7		177,895		169,336
			<u>£178,095</u>		<u>£169,536</u>

The attached Notes form part of these Accounts

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Directors

SEAGLEN INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1980

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u> <u>1979</u>	<u>£</u>
Rents and Charges Receivable	8		104,235		77,073
<u>LESS: Property Outgoings</u>			107,807		66,431
			(3,572)		10,642
Trading Profit			22,811		24,675
			<u>19,239</u>		<u>35,317</u>
Financing Charges	9	-		43	
Other Charges	10	<u>1,092</u>		<u>540</u>	
			<u>1,092</u>		<u>583</u>
<u>PROFIT BEFORE TAXATION</u>			18,147		34,734
Taxation	11		9,588		18,063
<u>PROFIT AFTER TAXATION</u>			<u>8,559</u>		<u>16,671</u>
<u>DEDUCT:</u>					
Proposed Dividend			-		16,671
			<u>£ 8,559</u>		<u>£ NIL</u>

The attached Notes form part of these Accounts.

SEAGLEN INVESTMENTS LIMITED

SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 MARCH 1980

			1979	
	£	£	£	£
<u>SOURCE OF FUNDS</u>				
Sales of Trading Property		28,479		30,848
Operations other than Sales of Property				
Profit Before Taxation	18,147		34,734	
DEDUCT:				
Profit from Property Trading (dealt with separately above)	22,811		24,675	
		(4,664)		10,059
<u>FUNDS GENERATED FROM OPERATIONS</u>		<u>£23,815</u>		<u>£40,907</u>
<u>APPLICATION OF FUNDS</u>				
Dividend Paid		-		16,671
Corporation Tax Paid		9,588		18,063
Capital Redemption Assurance Policy Premium Paid		4,012		4,012
		<u>13,600</u>		<u>38,746</u>
<u>MOVEMENTS IN NET WORKING CAPITAL</u>				
Increase in Current Assets	22,304		3,715	
(Increase)/Reduction in Current Liabilities	(19,001)		6,266	
		<u>3,303</u>		<u>9,981</u>
<u>MOVEMENTS IN NET LIQUID FUNDS</u>		<u>16,903</u>		<u>48,727</u>
(Reduction)/Increase in Cash at Bank	(56)		679	
Reduction/(Increase) in amount owing to Parent Company	6,968		(8,499)	
		<u>6,912</u>		<u>(7,820)</u>
		<u>£23,815</u>		<u>£40,907</u>

SEAGLEN INVESTMENTS LIMITED

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Basis of Preparations of the Accounts

The accounts are prepared under the historic cost convention.

(b) Disposal of Properties

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

(c) Trading Properties

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

2. PROPERTIES HELD FOR TRADING

At the lower of cost and net realisable value at 31 March 1980.

	<u>£</u>	<u>1979</u> <u>£</u>
	<u>£135,603</u>	<u>£141,271</u>

3. OTHER INVESTMENTS

Capital Redemption Assurance Policy at Cost
Surrender value 1980 £85,169 (1979-£79,726)

	<u>£74,227</u>	<u>£ 70,215</u>
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The policy has been charged as part security for a loan of £218,000 (1979 £218,000) to the Parent Company, the Bampton Property Group Limited.

4. CURRENT ASSETS

Rents Due and Accrued
Debtors
Cash at Bank

	<u>£</u>	<u>£</u>
Rents Due and Accrued	7,589	6,328
Debtors	60,648	39,605
Cash at Bank	10	66
	<u>£68,247</u>	<u>£45,999</u>

5. CURRENT LIABILITIES

Rents charged and received in advance
Creditors and Provisions

Rents charged and received in advance	2,511	2,555
Creditors and Provisions	29,635	10,590
	<u>£32,146</u>	<u>£13,145</u>

SEAGLEN INVESTMENTS LIMITED

NOTES ON THE ACCOUNTS (Contd..)

	£	1979 £
6. <u>SHARE CAPITAL</u>		
<u>AUTHORISED, ISSUED AND FULLY PAID</u>		
Ordinary Shares of £1 each	100	100
Deferred Ordinary Shares of £1 each	100	100
	<u>£200</u>	<u>£200</u>
7. <u>RESERVES</u>		
Capital Reserve at 31 March 1980	169,336	169,336
Retained Earnings Profit for the Year	8,559	-
	<u>£177,895</u>	<u>£169,336</u>
8. <u>TURNOVER</u>		
Receivables and Charges Receivable	104,235	77,075
Property Trading Sales	29,750	31,900
	<u>£133,985</u>	<u>£108,973</u>
9. <u>FINANCING CHARGES</u>		
Bank Interest	NIL	£43
10. <u>OTHER CHARGES</u>		
Legal & Professional Charges	660	108
Audit Fees	432	432
	<u>£1,092</u>	<u>£ 540</u>
11. <u>TAXATION</u>		
Charge in the Profit and Loss Account:-	<u>£9,588</u>	<u>£18,063</u>
United Kingdom Tax based on the Profit for the year at 52%		

The provision is in respect of a payment to the Parent Company, Bampton Holdings Limited as consideration for proposed group relief available under Section 258, Income and Corporation Taxes Act, 1970.

12. The Company has paid no Directors' remuneration during the year.
13. The company's ultimate Holding Company is Daojan Holdings Limited, a company incorporated in the United Kingdom.