

976653

TILFURY DEVELOPMENTS LIMITED

31st December 1989



## REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st December 1989.

## ACTIVITIES

The principal activities of the company are commercial, retail and industrial property development and investment.

## REVIEW OF THE BUSINESS

An impressive result was achieved with the completion and sale of the developments at Plymouth and Maidstone and the purchase and part sale of the Linwood site for a sum exceeding the cost of the whole site.

On 1 January 1990 the Company acquired the business of Invita Properties Ltd.

## RESULTS

The results of the company are as set out in the accounts on pages 4 to 12. The directors recommend a dividend of £2,010,000 (1988 - nil).

## DIRECTORS

The following have served as directors during the year:

T. Slater	
S. Brown	(appointed 3rd January 1989)
A.C. Hill	
G. Wheeler	
K. Chapman-Burnett	(resigned 30th November 1989)
C.S. Hurley	(resigned 31st May 1989)

None of the directors has any beneficial interest in the shares of the company.

Directors' interests in the capital of the holding company are as stated over:

	Shares of 25p each			
	31st December 1989		1st January 1989	
	(or earlier date of resignation)		(or later date of appointment)	
	Shares	Options	Shares	Options
S. Brown	nil	12,000	nil	nil
A.C. Hill	5,190	1,500	nil	9,890
G. Wheeler	nil	8,000	nil	8,000
C.S. Hurley	nil	* nil	nil	8,000
K. Chapman-Burnett	nil.	* nil	nil	6,000

\*Options lapsed

Mr T. Slater is also a director of the holding company and his interest is disclosed in the accounts of that company.

REPORT OF THE DIRECTORS (continued)

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EMPLOYEE INVOLVEMENT

Within the bounds of commercial confidentiality management disseminates information to all levels of staff about matters that affect the progress of the company and are of interest and concern to them as employees.

A newsletter is also distributed at regular intervals to all employees which includes articles about the company's activities and its performance.

DISABLED PERSONS

The company has an established policy that disabled persons, especially should they become disabled in the course of their employment with the company, are employed where circumstances permit. The company endeavours to ensure that disabled employees benefit from training and career development programmes in common with other employees.

AUDITORS

Spicer & Oppenheim are willing to be reappointed as auditors in accordance with Section 384 of the Companies Act 1985. Resolutions will be proposed at the forthcoming Annual General Meeting to reappoint them and to authorise the directors to fix their remuneration.

Tilbury House  
230/232 London Road  
East Grinstead  
West Sussex  
RH19 1LA

By order of the board

G. Wheeler

Secretary



3rd April 1990

AUDITORS' REPORT TO THE MEMBERS OF TILBURY DEVELOPMENTS LIMITED

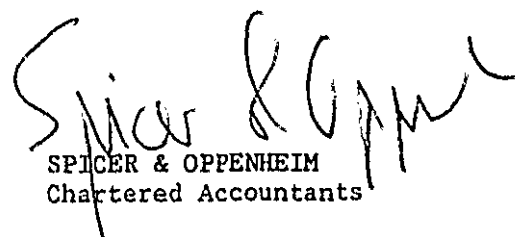
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We have audited the financial statements on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1989 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Friary Court  
65 Crutched Friars  
London  
EC3N 2NP

3rd April 1990

  
SPICER & OPPENHEIM  
Chartered Accountants

PROFIT AND LOSS ACCOUNT  
for the year ended 31st December 1989

	Note	1989	1988
TURNOVER	1(h)	17,109,214	167,250
Cost of sales		<u>(9,328,080)</u>	<u>183,216</u>
GROSS PROFIT		7,781,134	350,466
Administrative expenses		<u>(665,590)</u>	<u>(368,478)</u>
OPERATING PROFIT/(LOSS)		7,115,544	(18,012)
Other operating income	5	<u>189,097</u>	<u>290,498</u>
		7,304,641	272,486
Interest receivable	6	6,084	152
Interest payable	7	<u>(7)</u>	<u>(425)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	7,310,718	272,213
Taxation	9	<u>(2,282,777)</u>	<u>(79,000)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		5,027,941	193,213
Extraordinary item	10	<u>(638,088)</u>	<u>-</u>
		4,389,853	193,213
Dividend	11	<u>(2,010,000)</u>	<u>-</u>
RETAINED PROFIT FOR THE YEAR	18	<u>£2,379,853</u> =====	<u>£193,213</u> =====

The attached notes on pages 7 to 12 form an integral part of these accounts.

BALANCE SHEET  
31st December 1989

	Note	1989	1988
<b>FIXED ASSETS</b>			
Tangible assets	12	43,930	43,488
<b>CURRENT ASSETS</b>			
Stock and work in progress	13	14,704,281	5,783,884
Debtors	14	284,897	185,318
Cash at bank and in hand		<u>107,052</u>	<u>24,849</u>
		<u>15,096,230</u>	<u>5,994,051</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade creditors		2,616,351	373,033
Sundry creditors	15	<u>10,158,409</u>	<u>5,687,433</u>
		<u>12,774,760</u>	<u>6,060,466</u>
NET CURRENT ASSETS (LIABILITIES)		<u>2,321,470</u>	<u>(66,415)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,365,400	(22,927)
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(117,861)</u>	<u>(109,387)</u>
		<u>£2,247,539</u>	<u>£(132,314)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	50,000	50,000
Profit and loss account	18	<u>2,197,539</u>	<u>(182,314)</u>
		<u>£2,247,539</u>	<u>£(132,314)</u>

APPROVED BY THE BOARD OF DIRECTORS

T. Slater  
G. Wheeler

3rd April 1990

The attached notes on pages 7 to 12 form an integral part of these accounts.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
for the year ended 31st December 1989

		1989		1988
SOURCE OF FUNDS				
Profit for the year		7,310,718		272,213
Extraordinary item gross		(739,578)		-
Depreciation		23,402		19,749
Proceeds on disposal of fixed assets	1,700		22,307	
(Profit)/loss on sale	(1,233)	467	786	23,093
TOTAL GENERATED FROM OPERATIONS		6,595,009		315,055
FUNDS FROM OTHER SOURCES				
Group relief received		-		95,000
Taxation recovered		-		2,812
		6,595,009		412,867
APPLICATION OF FUNDS				
Purchase of Fixed Assets	24,311		69,182	
Group relief paid	77,997	102,308	-	69,182
INCREASE IN WORKING CAPITAL		£6,492,701		£343,685
REPRESENTED BY				
Increase in stock		8,920,397		3,683,884
Increase/(decrease) in debtors		99,579		(3,304,598)
(Increase) in creditors		(2,609,478)		(61,720)
Increase in cash balances		82,203		26,119
		£6,492,701		£343,685

NOTES TO THE ACCOUNTS  
31st December 1989

1. ACCOUNTING POLICIES

a) CONVENTION

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

b) TURNOVER

This represents the total invoice value, excluding value added tax, of services rendered, property sold and services rendered to other group companies.

c) DEFERRED TAXATION

Provision is made at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes unless the taxation liabilities are expected to be deferred for some considerable period.

d) TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided on a straight line basis at the following principal annual rates:

Motor vehicles	25%
Furniture and equipment	20%

e) WORK IN PROGRESS

Stock and property work in progress are valued at the lower of cost or net realisable value. In the case of long term property development projects interest on borrowings relating to individual projects is included as a cost of these projects.



NOTES TO THE ACCOUNTS (continued)  
31st December 1989

## f) PENSIONS

The company participates in Tilbury Group Plc Pension Schemes, which schemes cover all employees who are members of the staff who have elected to join. Actuarial valuations are carried out every three years. As from 1st January 1989, the company has adopted Statement of Standard Accounting Practice 24 - Accounting for Pension Costs. The surplus in the Tilbury Group Pension Schemes, after off-setting regular pension costs and allowing for accruing interest, will be released to the profit and loss account of Tilbury Group Plc over the average remaining service life of employees. No charge will be made to the profit and loss account of the company until the surplus has been extinguished.

## 2. OPERATING PROFIT

	1989 £	1988 £
The profit for the year is arrived at after charging:		
Depreciation	23,402	19,749
Auditors' remuneration	4,110	4,500
Operating lease rentals	2,466	30
	=====	=====

## 3. EMPLOYEES

The average number employed by the company (including directors) within each category of persons was:

	<u>Number</u>	<u>Number</u>
Administrative staff	9	11
	==	==

The costs incurred in respect of these employees were:

Wages and salaries	341,094	182,905
Social security	34,116	15,732
Pension costs	-	-
	=====	=====
	£375,210	£198,637
	=====	=====

As stated in the Note above, there is no pension credit or cost for the year. Particulars of the pension schemes, including the latest actuarial assessment, are given in the financial statements of Tilbury Group Plc.

NOTES TO THE ACCOUNTS (continued)  
31st December 1989

## 4. DIRECTORS

1989

1988

Emoluments of directors of the company included  
in staff costs were as follows:

Management remuneration	£188,420	£135,466
Compensation for loss of office	£14,000	£ -
	=====	=====

The emoluments of directors were as follows:

Chairman	nil	nil
Highest paid director	£91,445	£44,389
	=====	=====

	<u>Number</u>	<u>Number</u>
Other directors		
£0 - £ 5,000	2	2
£20,001 - £25,000	1	-
£25,001 - £30,000	-	2
£30,001 - £35,000	1	-
£35,001 - £40,000	-	1
£55,001 - £60,000	1	-

## 5. OTHER OPERATING INCOME

Rent receivable	£189,097	£290,498
	=====	=====

## 6. INTEREST RECEIVABLE

Bank deposit interest	964	-
Other interest	5,120	£152
	£6,084	£152
	=====	===

## 7. INTEREST PAYABLE

Other interest	7	-
Interest on overdue tax	-	425
	£7	£425
	=	===

## 9. TAXATION

Taxation is based on the profit for the  
year and comprises:

Corporation tax at 35%	2,310,000	79,000
Adjustment re prior year's corporation tax	(27,223)	-
	£2,282,777	£79,000
	=====	=====

NOTES TO THE ACCOUNTS (continued)  
31st December 1989

10. EXTRAORDINARY ITEM	1989	1988	
Share of defence costs relating to bid by Lilley Plc for Tilbury Group Plc less tax recoverable of £101,490.	£638,088 =====	£nil ===	
11. DIVIDEND			
On 50,000 Ordinary Shares of £1 each	£2,010,000 =====	£nil ===	
12. TANGIBLE ASSETS			
	<u>Motor vehicles</u>	<u>Furniture &amp; equipment</u>	<u>TOTAL</u>
COST			
1st January 1989	63,020	18,478	81,498
Additions	18,668	4,396	23,064
Disposals	(11,305)	-	(11,305)
Group Transfers	<u>2,584</u>	<u>-</u>	<u>2,584</u>
At 31st December 1989	<u>72,967</u>	<u>22,874</u>	<u>95,841</u>
DEPRECIATION			
1 January 1989	27,867	10,143	38,010
Provided during the period	19,566	3,736	23,402
Disposals	(10,838)	-	(10,838)
Group Transfers	<u>1,337</u>	<u>-</u>	<u>1,337</u>
At 31st December 1989	<u>38,032</u>	<u>13,879</u>	<u>51,911</u>
NET BOOK VALUE			
At 31st December 1989	£34,935 =====	£8,995 =====	£43,930 =====
NET BOOK VALUE			
At 31st December 1988	£35,153 =====	£8,335 =====	£43,488 =====
13. STOCK AND WORK IN PROGRESS	1989	1988	
Property work in progress	£14,704,281 =====	£5,783,884 =====	
14. DEBTORS			
Trade debtors	153,250	76,765	
Amounts owed by group companies	90,369	75,637	
Prepayments and accrued income	4,549	8,070	
Other debtors	<u>36,729</u>	<u>24,846</u>	
	£284,897 =====	£185,318 =====	

NOTES TO THE ACCOUNTS (continued)  
31st December 1989

15. SUNDRY CREDITORS	1989	1988
Amounts owed to group companies	5,889,617	5,538,130
Other creditors	52,411	52,209
Other tax and social security	10,936	24,886
Corporation tax	2,165,445	62,155
Accruals	30,000	10,053
Dividend payable	<u>2,010,000</u>	<u>-</u>
	<u>£10,158,409</u>	<u>£5,687,433</u>
	=====	=====
16. PROVISIONS FOR LIABILITIES AND CHARGES		
Other provisions	<u>£117,861</u>	<u>£109,387</u>
	=====	=====
17. SHARE CAPITAL		
Authorised		
10,000 cumulative convertible preferred ordinary shares of £1 each	10,000	10,000
45,000 ordinary shares of £1 each	<u>45,000</u>	<u>45,000</u>
	<u>£55,000</u>	<u>£55,000</u>
	=====	=====
Allotted and fully paid		
10,000 cumulative convertible preferred ordinary shares of £1 each	10,000	10,000
40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
	<u>£50,000</u>	<u>£50,000</u>
	=====	=====
18. PROFIT AND LOSS ACCOUNT		
Balance 1st January 1989	(182,314)	(375,527)
Profit for the year	<u>2,379,853</u>	<u>193,213</u>
Balance 31st December 1989	<u>£2,197,539</u>	<u>£(182,314)</u>
	=====	=====

NOTES TO THE ACCOUNTS (continued)  
31st December 1989

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19. CONTINGENT LIABILITIES

There are contingent liabilities at 31st December 1989 in respect of guarantees given in the ordinary course of business, and guarantees covering bank overdrafts in other group companies. The total of such overdrafts at 31st December 1989 was £650,727 (31st December 1988 - £8,000,000).

20. HOLDING COMPANY

The company's holding company is Tilbury Group Public Limited Company, which is registered in England.