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ACCOUNTS

TILBURY DEVELOPMENTS LIMITED

31st December 1988



TILBURY DEVELOPMENTS LIMITED
[formerly Portal Developments Limited]

REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st December 1988.

ACTIVITIES

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

CHANGE OF NAME

The name of the company was changed to Tilbury Developments Limited with effect from 15th January 1988.

REVIEW OF THE BUSINESS

A satisfactory result was achieved for the period.

Commencement of new developments and acquisition of further sites will provide a basis for consolidation of the improved position and future expansion.

RESULTS

The results of the company are as set out in the accounts pages 4 to 12. The directors do not recommend the payment of a dividend (period ending 31st December 1987 - £Nil).

DIRECTORS

The following have served as directors during the year:

T. Slater	
A.C. Hill	
A.R. Cripps	(resigned 31st October 1988)
G. Wheeler	
S.J. Marley	(resigned 14th January 1989)
K. Chapman-Burnett	(appointed 25th April 1988)
C.S. Hurley	(appointed 18th January 1988)

Mr S. Brown was appointed a director on 3rd January 1989, and being eligible offers himself for re-election at the Annual General Meeting.

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:

REPORT OF THE DIRECTORS (continued)

DIRECTORS (continued)

	Shares of 25p each			
	31st December 1988		1st January 1988	
	(or earlier date of resignation)		(or later date of appointment)	
	Shares	Options	Shares	Options
A.C. Hill	nil	9,890	nil	8,390
A.R. Cripps	nil	7,865	nil	7,865
S.J. Marley	nil	nil	nil	nil
G. Wheeler	nil	8,000	nil	nil
C.S. Hurley	nil	8,000	nil	nil
K. Chapman-Burnett	nil	6,000	nil	nil

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

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



21st March 1989

TILBURY DEVELOPMENTS LIMITED
[formerly Portal Developments Limited]

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AUDITORS' REPORT TO THE MEMBERS OF TILBURY DEVELOPMENTS LIMITED

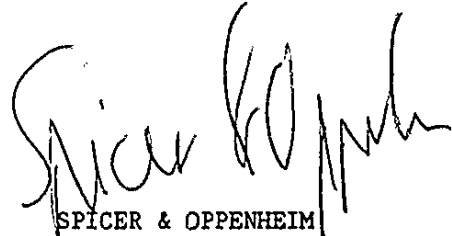
We have audited the financial statements on pages 4 to 12 in accordance with approved Auditing Standards.

The financial statements have been prepared under the historical cost convention on a going concern basis and assume the continued support of the holding company.

Subject to the foregoing, in our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1988 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

London, EC3

21st March 1989


SPICER & OPPENHEIM
Chartered Accountants

TILBURY DEVELOPMENTS LIMITED
[formerly Portal Developments Limited]

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PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1988

		Year Ended 31st December 1988	Eight Months Ended 31st December 1987
	Note		
TURNOVER	1(b)	167,250	291,163
Cost of sales	2(b)	<u>183,216</u>	<u>(200,648)</u>
GROSS PROFIT		350,466	90,515
Administrative expenses		<u>(368,478)</u>	<u>(599,684)</u>
OPERATING (LOSS)		(18,012)	(509,169)
Other operating income	5	<u>290,498</u>	<u>161,596</u>
		272,486	(347,573)
Interest receivable		152	9,750
Interest payable	6	<u>(425)</u>	<u>(225,874)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		272,213	(563,697)
Taxation	7	<u>(79,000)</u>	<u>95,000</u>
PROFIT/(LOSS) FOR THE YEAR TRANSFERRED TO RESERVES	14	<u>£193,213</u> =====	<u>£(468,697)</u> =====

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

TILBURY DEVELOPMENTS LIMITED
[formerly Portal Developments Limited]

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BALANCE SHEET
31st December 1988

	Note	1988	1987
FIXED ASSETS			
Tangible assets	8	43,488	17,148
CURRENT ASSETS			
Stock and work in progress	9	5,783,884	2,100,000
Debtors	10	185,318	3,604,573
Cash at bank and in hand		24,849	-
		<u>5,994,051</u>	<u>5,704,573</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank loans and overdrafts		-	1,270
Trade creditors		373,033	43,845
Sundry creditors	11	<u>5,687,433</u>	<u>5,857,133</u>
		<u>6,060,466</u>	<u>5,902,248</u>
NET CURRENT (LIABILITIES)		(66,415)	(197,675)
PROVISIONS FOR LIABILITIES AND CHARGES	12	(109,387)	(145,000)
		£(132,314)	£(325,527)
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account	14	(182,314)	(375,527)
		£(132,314)	£(325,527)
		=====	=====

APPROVED BY THE BOARD OF DIRECTORS

T. Slater
G. Wheeler

21st March 1989

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

TILBURY DEVELOPMENTS LIMITED
[formerly Portal Developments Limited]

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31st December 1988

		Year Ended 31st December 1988	Eight Months Ended 31st December 1987
SOURCE/(ABSORPTION) OF FUNDS			
Profit/(Loss) for the year		272,213	(563,697)
Depreciation		19,749	9,666
Provisions		-	145,000
Proceeds on disposal of fixed assets	22,307		40,283
Loss (profit) on sale	<u>786</u>	<u>23,093</u>	<u>(387)</u>
		315,055	(369,135)
FUNDS FROM OTHER SOURCES			
Group relief received		95,000	-
Taxation recovered		2,812	-
Disposal of Investments		<u>-</u>	<u>7,279</u>
		412,867	(361,854)
APPLICATION OF FUNDS			
Bank loans repaid	-		1,493,000
Purchase of Fixed Assets	69,182		138
Taxation paid	<u>-</u>	<u>69,182</u>	<u>19,589</u>
			1,512,727
INCREASE/(DECREASE) IN WORKING CAPITAL		£343,685 =====	£(1,874,583) =====
REPRESENTED/(FUNDED) BY			
Increase/(decrease) in stock		3,683,884	(175,164)
(Decrease)/increase in debtor		(3,304,598)	3,186,672
(Increase)/decrease in creditors		(61,720)	(5,124,159)
Increase in cash balances		<u>26,119</u>	<u>238,068</u>
		£343,685 =====	£(1,874,583) =====

TILBURY DEVELOPMENTS LIMITED
[formerly Portal Developments Limited]

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NOTES TO THE ACCOUNTS
31st December 1988

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

Work in progress is valued at cost, less foreseeable losses. Where a reasonable assessment can be made of the outcome of material claims and recoveries these are recognised in assessing foreseeable losses.

f) PENSIONS

The group operates pension schemes which cover all those employees who are permanent members of the staff who have elected to join. Contributions are charged against profits as they are made up by the Group. Actuarial valuations are carried out every three years.

TILBURY DEVELOPMENTS LIMITED
[formerly Portal Developments Limited]

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NOTES TO THE ACCOUNTS (continued)
31st December 1988

2(a) OPERATING LOSS

The loss for the year is arrived at after charging:

	1988 £	1987 £
Depreciation	19,749	9,666
Auditors' remuneration	4,500	9,350
Operating lease rentals	30	-
	=====	=====

2(b) COST OF SALES

Cost of sales for year
Release of provisions made in previous years

	903	200,648
	(184,119)	-
	(183,216)	200,648
	=====	=====

3. EMPLOYEES

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

	Number	Number
Administrative staff	11	5
	==	=

The costs incurred in respect of these employees were:

	182,905	106,701
Wages and salaries	15,732	8,691
Social security	-	100,000
Other pension costs	-	-
	£198,637	£215,392
	=====	=====

4. DIRECTORS

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

	£135,466	£161,946
Management remuneration, including pension contributions	=====	=====

The emoluments, excluding pension contributions, of directors were as follows:

	nil	nil
Chairman	£44,389	£30,926
Highest paid director	=====	=====

	Number	Number
Other directors	2	5
£0 - £ 5,000	2	1
£25,001 - £30,000	1	-
£35,001 - £40,000		

TILBURY DEVELOPMENTS LIMITED
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NOTES TO THE ACCOUNTS (continued)
31st December 1988

	1988	1987
5. OTHER OPERATING INCOME		
Rent receivable	£290,498 =====	161,596 =====
6. INTEREST PAYABLE		
Bank loans and overdrafts	-	222,839
Finance charges payable under hire purchase contracts	-	3,035
Interest on overdue tax	425	-
	£425 ===	£225,874 =====
7. TAXATION		
Taxation is based on the profit for the year and comprises:		
Corporation tax at 35%	79,000	-
Group relief	-	(95,000)
	£79,000 =====	£(95,000) =====

8. TANGIBLE ASSETS

	Motor vehicles	Furniture & equipment	TOTAL
COST			
1st January 1988	20,177	10,531	30,708
Additions	36,798	1,291	38,089
Disposals	(34,972)	-	(34,972)
Group Transfers	41,017	6,656	47,673
At 31st December 1988	63,020	18,478	81,498
DEPRECIATION			
1 January 1988	10,713	2,847	13,560
Provided during the period	16,561	3,188	19,749
Disposals	(11,879)	-	(11,879)
Group Transfers	12,472	4,108	16,580
At 31st December 1988	27,867	10,143	38,010
NET BOOK VALUE			
At 31st December 1988	£35,153 =====	£8,335 =====	£43,488 =====
NET BOOK VALUE			
At 31st December 1987	£ 9,464 =====	£7,684 =====	£17,148 =====

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NOTES TO THE ACCOUNTS (continued)
31st December 1988

	1988	1987
9. STOCK AND WORK IN PROGRESS		
Land for development	-	45,000
Property work in progress	<u>5,783,884</u>	<u>2,055,000</u>
	<u>£5,783,884</u>	<u>£2,100,000</u>
	=====	=====
10. DEBTORS		
Trade debtors	76,765	102,382
Amounts owed by group companies	75,637	3,386,461
Prepayments and accrued income	8,070	1,073
Taxation recoverable	-	19,657
Group relief receivable	-	95,000
Other debtors	<u>24,846</u>	<u>-</u>
	<u>£185,318</u>	<u>£3,604,573</u>
	=====	=====
11. SUNDRY CREDITORS		
Amounts owed to group companies	5,538,130	5,690,617
Other creditors	52,209	159,473
Other tax and social security	24,886	7,043
Corporation tax	62,155	-
Accruals	<u>10,053</u>	<u>-</u>
	<u>£5,687,433</u>	<u>£5,857,133</u>
	=====	=====

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[formerly Portal Developments Limited]

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NOTES TO THE ACCOUNTS (continued)
31st December 1988

12. PROVISIONS FOR LIABILITIES AND CHARGES

Other provisions	£109,387 =====	£ 145,000 =====
DEFERRED TAXATION		
Arising from:		
Accelerated capital allowances	-	113,000
Other short term timing differences	-	(113,000)
	£ - ===	£ - =====

13. SHARE CAPITAL

Authorised		
10,000 cumulative convertible preferred ordinary shares of £1 each	10,000	10,000
45,000 ordinary shares of £1 each	45,000	45,000
	£55,000 =====	£55,000 =====
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	40,000	40,000
	£50,000 =====	£50,000 =====

14. PROFIT AND LOSS ACCOUNT

Balance 1st January 1988	(375,527)	93,170
Profit/(Loss) for the year	193,213	(468,697)
Balance 31st December 1988	£(182,314) =====	£(375,527) =====

TILBURY DEVELOPMENTS LIMITED
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NOTES TO THE ACCOUNTS (continued)
31st December 1988

15. CONTINGENT LIABILITIES

There are contingent liabilities at 31st December 1988 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 1988 was £8,000,000 (31st December 1987 - £1,091,000).

- 16. HOLDING COMPANY

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

TILBURY DEVELOPMENTS LIMITED
[formerly Portal Developments Limited]

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PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1988

		<u>1988</u>
Turnover		167,250
Direct Costs		<u>183,216</u>
		350,466
Gross Profit		
Salaries	198,277	
Rent	11,027	
Management Fees	16,295	
Repairs and renewals	78	
Temporary staff	4,129	
Telephone	2,093	
Printing and stationery	1,519	
Equipment leasing	30	
Subscriptions and donations	1,123	
Insurance	11,909	
Miscellaneous expenses	746	
Grants written off	6,376	
Legal and professional fees	7,447	
Audit fees	4,500	
Motor expenses	17,778	
VAT provision	14,387	
Bank charges	25	
Redundancy and unfair dismissal	7,000	
Travel and entertaining	23,094	
Staff Advertising and recruitment	5,636	
Depreciation: motor vehicles	16,561	
furniture and fittings	3,188	
Loss on sale of fixed assets	786	
VAT recoverable	(14,180)	
Ex Gratia payments	700	
Disturbance allowance	2,000	
Discounts Received	(252)	
Bad Debts	149	
Profit Share	26,057	
		<u>368,478</u>
		(18,012)
Rental Income		290,498
Interest Receivable		152
Interest paid		<u>(425)</u>
NET PROFIT FOR THE YEAR		272,213
		=====