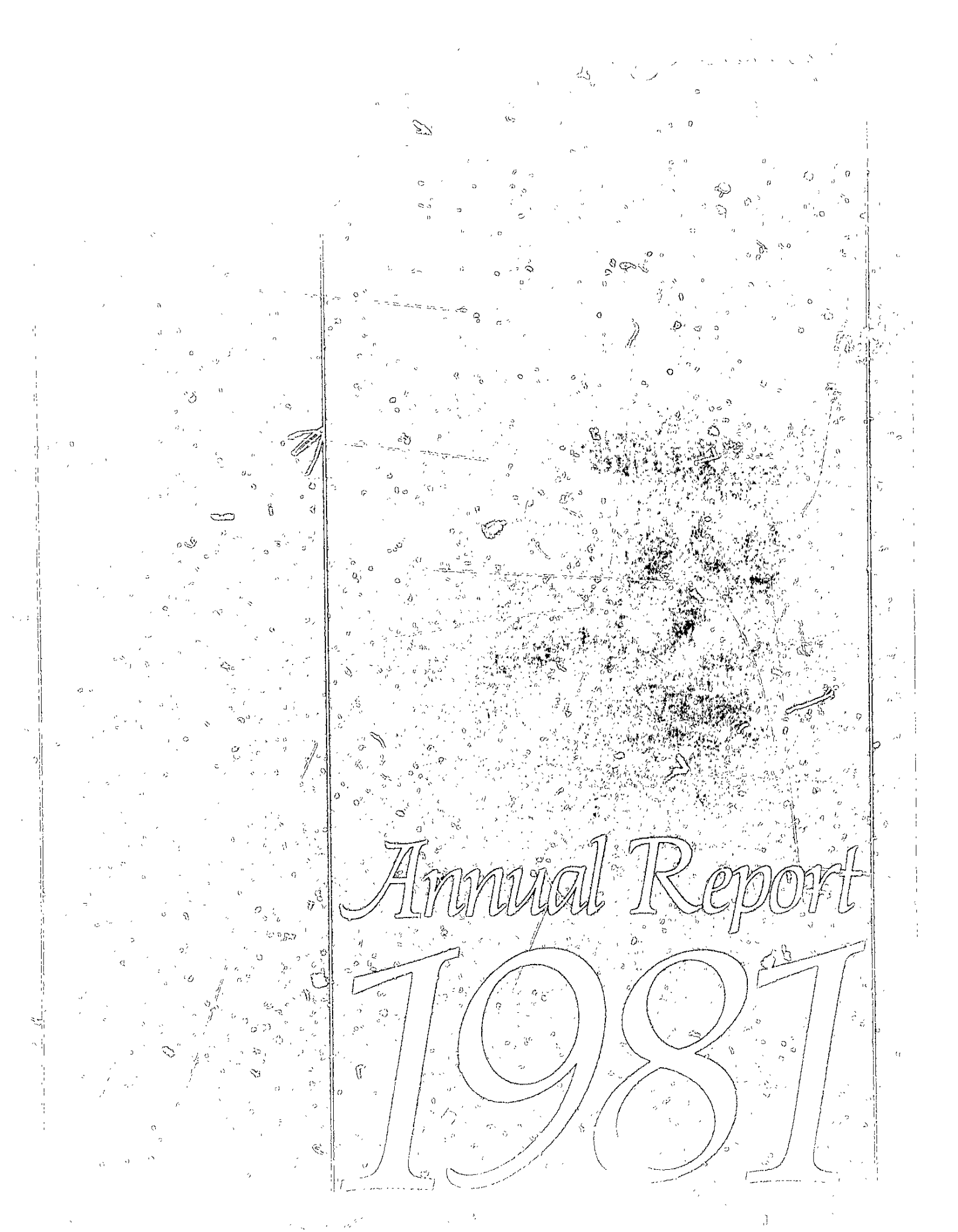

Annual Report 1981

SC5105/103.

Daejan Holdings Limited

Directors
B S E Freshwater (Chairman and Managing Director)
D Davis
L Scott
The Earl of Stradbroke

Secretary and Registered Office
H E Severn, F.C.I.S.,
High Holborn House, 52/54 High Holborn,
London WC1V 6RT

Head Office
Freshwater House,
158/162 Shaftesbury Avenue,
London WC2H 8HR

Registrars
Lloyds Bank Limited,
Registrar's Department,
The Causeway,
Goring-by-Sea,
Worthing, Sussex BN12 6DA

Auditors
Peat, Marwick, Mitchell & Co.,
1 Puddle Dock,
Blackfriars,
London EC4V 3PD

Consulting Accountants
Cohen, Arnold & Co.,
13–17 New Burlington Place,
London W1X 2JP

Principal Bankers
Barclays Bank Limited
Lloyds Bank Limited
National Westminster Bank Limited
International Westminster Bank Limited

Stockbrokers
Carr-Sebag & Co.,
Ocean House,
Little Trinity Lane,
London EC4P 4LB

22 DEC 1981

Results at a glance

	Year ended 31st March 1981	1980
Pre-tax Profits	£3,831,000	£4,192,000
Net Profits available for distribution	£2,685,000	£2,732,000
Earnings per Share	16.59p	17.02p
Dividends per Share, actual	3.85p	3.50p
Net Assets per Share	145p	134p

Notice of Meeting

Notice is hereby given that the **Forty-sixth Annual General Meeting of Daejan Holdings Limited** will be held at the Devon & Stafford Rooms, Connaught Rooms, Great Queen Street, London, W.C.2, on **Wednesday 9th September 1981 at 12 noon,** for the following purposes:—

1 To receive the Accounts for the year ended 31st March 1981 together with the Reports of the Directors and the Auditors. (Resolution 1)

2 To declare a final dividend. (Resolution 2)

3 To re-elect the Earl of Stradbroke as a Director. (Resolution 3)

4 To re-appoint Messrs Peat, Marwick, Mitchell & Co. as Auditors and to authorise the Directors to determine their remuneration. (Resolution 4)

By Order of the Board,
H E Severn, Secretary
14th August 1981

A Member entitled to attend and vote may appoint one or more proxies to attend, and on a poll, to vote instead of him. A proxy need not be a Member of the Company. To be valid forms of proxy must be received by the Company's Registrars at least 48 hours before the time fixed for the Meeting.

The recommended final dividend will, if approved, be paid on 9th September 1981, to Shareholders registered at the close of business on 10th August 1981.

A copy of the service contract between a Director and the Company will be available for inspection at the Secretary's Office at 162 Shaftesbury Avenue, W.C.2, during normal business hours, from today until the date of the Meeting at the Connaught Rooms and also before and during the Meeting.

Chairman's Statement

It is with pleasure that I present to you the accompanying results for the year ended 31st March 1981, which I feel sure you will consider to be satisfactory. I hope you will also welcome the modest increase in dividend which the Board have recommended.

Gross rental income for the year was £11,894,000 and despite the vagaries of the economic climate we anticipate this figure to continue to show improvement as a result of negotiations for rent reviews and new leases. The increase in income this year was achieved through almost one thousand such individual negotiations.

This enhanced income has enabled us to finance — without recourse to borrowings — increased expenditure on property repairs and improvements of over £3 million.

You will recollect that two years ago we set aside a special once for all provision for repairs of £1.5 million. Approximately £600,000 of this provision remains to be spent and it is anticipated that this will be more than fully absorbed by improvement works authorised during the current year.

The second largest source of group income arises from the sale of properties held for trading, and also the realisation of investment properties. The market for these has been below peak for the entire period under review, with sales of houses and flats both at a lesser volume and also slower to achieve and complete than previously. Despite this, prices, whilst not increasing, have remained relatively constant and profits achieved from this source are regarded as satisfactory.

During the year and since we hav invested in two further properties in the United States of America costing $5 [illegible] We have also realised by way of sale of flats, part of our original US[illegible] in 1979. This has yielded a first contribution to group p[illegible] We are regularly considering further propositions and hope t[illegible] investment in America will prove a valuable source of income and c[illegible] the future.

As already announced and fo[illegible] the review mentioned last year, the Board have commissioned a professional revaluation of the whole of t[illegible] property portfolio. Due to the very wide geographical spread of th[illegible] and the large number of properties involved it will be early 1982 before [illegible] results are available. I am sure, however, they will prove to have been worth waiting for and that they will show a worthwhile surplus over book values.

The 1980 Housing Act, now fully operational, has had some beneficial effects, but one of its major provisions which might have been fruitful in increasing the supply of rented residential accommodation, namely the new provision of shorthold tenure, has unfortunately proved to be of very limited value, primarily because of the threat of repeal in the event of a change of Government. It is all too clear that only the prospect of a period of stability in legislation could be effective in restoring a healthy free market in rented accommodation but this unfortunately does not seem likely.

Whilst present economic conditions in the country as a whole are such as to make a detailed forecast of future trading and profits, a "hostage to fortune" I am pleased to say that trading so far this year has been satisfactory and that I am looking forward in the full year to results that will not disappoint you.

In conclusion, I would like in all sincerity and not just as a matter of form, to pay tribute to the contribution made by my colleagues on the Board and by each member of the Executive and Staff in helping to build up this Group to its present strong position. With their continued support we can look forward to the future with confidence.

B S E FRESHWATER

Directors' Report

The Directors have pleasure in presenting their Report together with Balance Sheets of the Company and of the Group as at 31st March 1981 and the Consolidated Profit and Loss Account of the Group for the year ended on that date.

Principal Activities of the Group

Daejan Holdings Limited is a holding company whose principal activities, carried on through its subsidiary companies, are property investment and trading, with some development also being undertaken. The majority of the Group's property portfolio comprises commercial, industrial and residential premises throughout the United Kingdom, but mainly concentrated in London and South East England. Three subsidiary companies are incorporated in the United States of America and undertake property investment and trading in that country

Properties

The Directors have reviewed all the Group's investment and trading properties in the light of current market conditions and they are satisfied that in total they have an open market value above the figure at which they are included in the Balance Sheet.

As has already been announced, the Board have commissioned a revaluation of the whole of the Group's portfolio, which it is expected will be completed by early in 1982.

Accounts and Dividend

A full statement of the Group's accounting policies is set out in Note 1 to the Accounts. Detailed results for the year are shown in the Accounts and notes on pages 7 to 19.

An analysis of the Group's income and profit before taxation for the year is as follows:–

	Income £000	Profit £000
Rents and Charges	11,894	5,259
Surplus on Sale of Properties		
Great Britain	6,180	4,588
USA	507	458
Textile Merchanting	1,467	106
	£20,048	10,411
Financing Charges (net)		(5,735)
Management Expenses and Fees		(845)
		£3,831

The net profit for the year, after all charges and appropriations amounted to £2,685,000 and adding the balance brought forward of £6,573,000 the total available is £9,258,000. An Interim Dividend of 1.225p per share actual was paid on 20th March 1981 and the Directors now recommend the payment of a Final Dividend of 2.625p per share, making a total for the year of 3.85p per share. The dividends will absorb £627,000 from the amount available for distribution and will leave £8,631,000 to be carried forward to next year.

Directors' Report

continued

Directors

The Directors who served throughout the year, all of whom are still in office, are:–

Mr B S E Freshwater
Mr D Davis
Mr L Scott
The Earl of Stradbroke

Mr J Szeremeta ceased to be a Director on 1st June 1980.

The Director retiring by rotation is The Earl of Stradbroke who, being eligible, offers himself for re-election.

Directors' Interests in Contracts

Day-to-day management of the Group's properties is carried out 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 and is also interested in the share capital of the company.

Mr B S E Freshwater and companies controlled by the Freshwater family and trusts have from time to time guaranteed borrowings of the Company and its subsidiaries.

Mr L Scott is a consultant to Louis Scott & Partners which firm from time to time receives fees in connection with the acquisition and supervision of properties for the Group.

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

Employees

The average number of employees during the year was 216 (both full and part-time) and their aggregate gross remuneration was £528,389. These figures relate to porterage staff only.

Share Capital and Substantial Interests

Set out on page 6 are details of the interests of Directors and their families and family trusts in the Company's shares and in subsidiary companies' debenture and loan stocks. The only other interest notified to the Company in 5% or more of the ordinary shares is of Mr S I Freshwater in 1,589,270 shares of which 1,500,000 shares are held by a family trust.

Mr S I Freshwater is also interested in the shares referred to in Note 3 to the table on page 6.

Income and Corporation Taxes Act 1970

The Directors are advised that the Company is a Close Company within the meaning of this Act.

Capital Gains Tax

For the purpose of computing Capital Gains Tax the market value of the Company's Shares on 6th April 1965 was 49⅜p.

Charitable Donations

During the year the Company and its subsidiaries made charitable donations totalling £12,500 net under Deeds of Covenant.

Auditors

A resolution will be proposed at the Annual Meeting to re-appoint as auditors Messrs Ernst, Marwick, Mitchell & Co and to authorise the Directors to determine their remuneration.

By Order of the Board

H E Bovern
Secretary

14th August 1981

Directors' Report

continued

Interests of Directors and their families and trusts in shares and loan stock

Daejan Holdings Limited	*31st March*	*31st March*
Ordinary Shares	*1981*	*1980*
D Davis	763 (notes 2 & 3)	763
B S E Freshwater	590,033 (notes 2, 3, 4 & 5)	590,033
The Earl of Stradbroke	4,750	4,750
L Scott	3,181	3,181
The Bampton Property Group Limited		
7¾% Unsecured Loan Stock 1991/96		
L Scott	11,250	11,250

Notes:

1. All the above holdings at 31st March 1981 were beneficially owned.
2. A total of 2,145,000 shares (31st March 1980 – 2,145,000) were held by Freshwater family trusts of which Mr D Davis is a trustee, and by charitable companies of which Mr B S E Freshwater and Mr D Davis are Directors, but in every case with no beneficial interest in the shares. Since 31st March 1981 one of the charitable companies has agreed to acquire a further 441,822 shares from a member of the Freshwater family.
3. In addition to the holdings shown in the table and note 2 above, companies owned and controlled by Mr B S E Freshwater and members of his family and by family trusts, held at 31st March 1981 a total of 8,156,431 shares (31st March 1980 – 8,156,431). Mr D Davis has a non-beneficial interest in some of these shares as a Director of the companies concerned, or as a trustee.
4. Of these shares 89,270 are held by a company owned jointly with Mr S I Freshwater.
5. Mr B S E Freshwater also has a non-beneficial interest in 120,824 shares included in the estate of the late Mr O M Freshwater.

Auditors Report to the Members

of Daejan Holdings Limited

We have audited the accounts on pages 7 to 18 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 pages 11 and 12, give a true and fair view of the state of affairs of the Company and of the Group at 31st March 1981, and of the Profit and Source and Application of Funds of the Group for the year to that date and comply with the Companies Acts 1948 to 1980.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

London
14th August 1981

Consolidated Profit and Loss Account

for the year ended 31st March 1981

	Notes	1981 £000	1981 £000	1980 £000	1980 £000
Rents, less property outgoings			4,862		4,801
Surplus on Sales of Properties	2		5,046		5,471
Other Income	3		137		97
			10,045		10,369
Financing Charges	4	5,735		5,455	
Other Charges	5	845	6,580	722	6,177
			3,465		4,192
Exceptional Item:					
Rent increase relating to previous year			366		—
Profit before Taxation and Extraordinary Items			3,831		4,192
Taxation	6		1,085		1,404
			2,746		2,788
Minority Interests			42		15
Group Profit before Extraordinary Items			2,704		2,773
Extraordinary Items	7		18		26
Group Profit after Extraordinary Items	8		2,722		2,799
Transfer to Capital Reserve	9		37		67
			2,685		2,732
Dividends:					
Interim		200		200	
Proposed Final		427	627	371	571
			2,058		2,161
Balance Brought Forward			6,573		4,412
Balance Carried Forward			£8,631		£6,573
Earnings per Share	10		16.59p		17.02p

The notes on pages 11 to 18 form part of these accounts.

Consolidated Balance Sheet

as at 31st March 1981

	Notes	1981 £000	1980 £000
Employment of Capital			
Properties held for Investment	11	52,986	53,718
Properties held for Trading	11	15,316	15,609
Mortgages granted and other Investments	12	1,293	1,033
Current Assets	13	5,979	4,623
Deferred Taxation	6	553	229
		76,127	75,212
Less:			
Current Liabilities	14	11,569	11,760
Loans	16	40,703	41,483
		52,272	53,243
		£23,855	£21,969
Capital Employed			
Share Capital	17	4,074	4,074
Reserves	18	19,568	17,720
		23,642	21,794
Minority Interests		213	175
		£23,855	£21,969

B S E FRESHWATER
D DAVIS } *Directors*

The notes on pages 11 to 18 form part of these accounts.

Balance Sheet

as at 31st March 1981

	Notes	1981 £000	1980 £000
Employment of Capital			
Investment in Subsidiaries	19	46,826	47,881
Current Assets	13	28	18
Deferred taxation	6	370	290
		47,224	48,189
Less:			
Current Liabilities	14	1,815	2,143
Loans	16	26,184	26,281
		27,999	28,424
		£19,225	£19,765
Capital Employed			
Share Capital	17	4,074	4,074
Reserves	18	15,151	15,691
		£19,225	£19,765

B S E FRESHWATER
D DAVIS
Directors

The notes on pages 11 to 18 form part of these accounts.

Source and Application of Funds

for the year ended 31st March 1981

	1981 £000	1981 £000	1980 £000	1980 £000
Source of Funds				
Profit before tax and extraordinary items		3,831		4,192
Exclude: Surplus on sales of properties dealt with below		(5,046)		(5,471)
		(1,215)		(1,279)
Adjustments for items not involving the movements of funds:				
Amortisation and depreciation		98		93
Funds absorbed by operations other than sales of properties		(1,117)		(1,186)
Sales of properties (net of selling expenses £576,000) *(1980 £553,000)*		6,067		6,872
Funds generated from operations		£4,950		£5,686
Application of Funds				
Expenditure on properties:				
Investment		26		174
Trading		369		349
Acquisition of other assets		11		13
		406		536
Reduction/(Increase) in loans		761		(520)
Increase in mortgages granted and other investments		363		542
Dividends paid		571		539
Corporation tax paid		596		1,166
Reduction in net current liabilities after excluding corporation tax, borrowings and dividends		1,295		1,278
		3,992		3,541
Reduction in loans repayable within one year	1,135		2,974	
Reduction in bank balances	(177)		829	
Reduction in short term borrowings		958		3,145
		£4,950		£5,686

Notes on the Accounts

1 Accounting Policies

The following is a statement of the principal accounting policies of the Group.

(*a*) *Basis of Preparation of the Accounts*
The accounts are prepared under the historical cost convention as adjusted by the policy of accounting for investment properties referred to in note 1 (g) (i).

The accounts of certain subsidiary companies have not been consolidated (see note 19 (b)).

(*b*) *Income Available for Distribution*
Under the Articles of Association of certain Group Investment Companies, realised capital surpluses are not available for distribution as dividends and these surpluses together with unrealised surpluses and deficits are taken to capital reserve.

(*c*) *Depreciation*
No depreciation is provided on Freehold properties nor on Leasehold properties having an unexpired term of more than fifty years.

Low value items of furniture and fittings are written off in the year in which they are acquired. Major items are depreciated by an annual percentage of written down value estimated to write them off over their anticipated useful lives.

(*d*) *Amortisation of Short Leases*
Leases having an unexpired term of less than fifty years are amortised evenly over the remaining period of the lease.

(*e*) *Acquisitions and Disposals of Properties*
Acquisitions and disposals are considered to have taken place at the date of legal completion.

(*f*) *Taxation*
Deferred taxation is reflected in the accounts, using the liability method so as to eliminate the effect of timing differences between the financial years in which income and expenditure are recognised in the profit and loss account and the chargeable accounting periods in which they are brought into charge for taxation.

Deferred taxation is provided at the current rates of tax on timing differences only where it is expected that a taxation liability may arise in the foreseeable future.

No provision is made in the Accounts for the corporation tax on chargeable capital gains which would arise if the Group's investment properties were sold at the amounts stated in the Balance Sheet.

No provision is made in the Accounts for the corporation tax on chargeable capital gains which would arise if the Company's investments in subsidiaries were sold at the amounts stated in the Balance Sheet.

(*g*) *Properties*
(i) *Investment Properties*
These properties are included in the Balance Sheet at professional valuation on 31st March, 1972 with subsequent additions at cost, less provisions.

(ii) *Trading and Development Properties*
These properties are stated at the lower of cost and net realisable value. In the case of properties acquired from other Group companies any revaluation surplus in the transferor company is eliminated on consolidation until realised by the Group. Such properties are thus stated in the Consolidated Balance Sheet at original cost to the Group. On realisation by the Group, any revaluation surplus in a transferor investment company is included in the Consolidated Profit and Loss Account in Surplus on Sales of Properties.

Notes on the Accounts

continued

1. Accounting Policies (continued)

(h) Stock in Trade
This is stated at the lower of cost and net realisable value.

(i) Foreign Currencies
Foreign currency borrowing and the assets, liabilities and results of the overseas subsidiary companies are expressed in sterling at the rates of exchange ruling at the Balance Sheet date.

(j) Sales of Investment Properties
It is group policy to sell in significant numbers, as individual units, flats in residential blocks which have been held as investments but which are now considered uneconomic to retain. Occasionally there are sales of residential and commercial investment blocks. Since such sales of all types of investment property are expected to continue, the resulting surpluses based on the excess of sales proceeds over cost, plus additions, is included with the Group Profit before extraordinary items. Taxation on the gains arising on these sales is shown as part of the taxation charge.

(k) Repairs
The cost of repairs is written off to Profit and Loss Account in the year in which the expenditure is incurred, except where it forms part of a Provision for Exceptional Property Outgoings previously authorised by the Board when it is charged against that Provision (see note 15).

2. Surplus on sales of Properties

	1981 £000	1980 £000
Investment Properties:		
Transfer from Capital Reserve of Surpluses on revaluation now realised (note 18)	323	462
Surplus over book value	1,674	2,115
	1,997	2,577
Surplus on properties formerly held for investment (note 1 (g) (ii))	14	39
	£2,011	£2,616
Trading Properties:		
Profit on Properties sold – U.S.A.	458	—
– U.K.	2,577	2,861
Less: Provision for diminution in value	—	6
	£3,035	£2,855
Total Surplus	£5,046	£5,471

3. Other Income

	1981 £000	1980 £000
Textile Merchanting	106	97
Sundry Income	31	—
	£137	£97

4. Financing Charges

	1981 £000	1980 £000
Interest payable:		
Loans terminating after 31st March 1986	4,740	4,443
Loans terminating prior to 1st April 1986 and other short term interest	1,762	1,212
Less:		
Applied to development properties	(32)	[illegible]
	6,470	5,628
Less: Interest receivable	(735)	[illegible]
	£5,735	[illegible]

Notes on the Accounts

continued

5. Other Charges

	1981 £000	1980 £000
These include:		
Amortisation of short leases	91	91
Depreciation of furniture, fittings and equipment	7	2
Audit fees	92	72
Pension paid to widow of former managing director	8	8
Directors' emoluments (see notes (i) and (ii) below):–		
Fees	15	9
Other remuneration	30	30
	£33,750	£31,750
(i) Chairman	Number	Number
(ii) Other directors £0 to £5,000	4	4

6. Taxation

	1981 £000	1980 £000
1. Charge in the Profit and Loss Account:–		
United Kingdom taxation:		
Based on the profit for the year at 52% *(1980 – 52%)*		
Current	1,255	904
Deferred	(281)	1,061
	974	1,965
Prior year adjustments	(111)	(563)
	863	1,402
Overseas taxation	222	2
	£1,085	£1,404

The charge for United Kingdom corporation tax on the profits for the year has been reduced by stock relief of £119,000 *(1980 £Nil)* and accelerated capital allowances of £244,000 *(1980 £Nil)*.

2. Deferred Taxation Asset

	The Group 1981 £000	*The Group* 1980 £000	*The Company* 1981 £000	*The Company* 1980 £000
Advance corporation tax recoverable	345	232	316	206
Taxation deferred by capital allowances	(223)	(455)	—	—
Stock relief	(40)	(125)	—	—
Short term timing differences	221	163	54	84
Other timing differences	250	414	—	—
	£553	£229	£370	£290

Apart from the above items there was at 31st March 1981 a further potential liability for deferred tax in respect of Capital Allowances of £244,000. No provision has been made in the accounts in respect of this liability as it is not expected to arise in the foreseeable future.

In the event of a realisation of the Group's investment properties and of the Company's investment in subsidiaries at an amount equal to the valuation recorded in the accounts a liability to corporation tax on chargeable gains would arise estimated at not more than £5,346,000 and £6,000,000 respectively *(1980 £5,191,000 and £6,000,000)* and for which no provision has been made in these Accounts.

3. Tax losses

The liability to corporation tax charged in the profit and loss account and included in the balance sheet has been arrived at without taking account of taxation relief which may be available on capital losses in certain subsidiary companies estimated at not more than £4,879,000 *(1980 £3,987,000)*.

Notes on the Accounts

continued

7. Extraordinary Items

	1981 £000	1980 £000
Surplus arising on redemption of Debentures and Loan Stock	£18	£26

8. Group Profit after Taxation and Extraordinary Items

Of the Group Profit after Taxation and Extraordinary Items, £68,000 (*1980 £337,000*) is dealt with in the accounts of the holding company.

9. Transfer to Capital Reserve

	1981 £000	1980 £000
Extraordinary Items (note 7)	18	26
Surplus on sales of properties	19	41
	£37	£67

10. Earnings per Share

Earnings per share are based on earnings before Extraordinary Items of £2,704,000 (*1980 £2,773,000*) and 16,295,357 shares in issue at 31st March 1981 (*1980 16,295,357*).

11. Properties

Investment Properties:	*Freeholds* £000	*Long Leases* £000	*Short Leases* £000	*Total 1981* £000	*Total 1980* £000
At 1st April 1980	38,424	12,593	2,688	53,705	54,610
Additions	24	2	—	26	174
Disposals	(507)	(163)	—	(670)	(988)
Amortisation	—	—	(91)	(91)	(91)
	£37,941	£12,432	£2,597	£52,970	£53,705
At professional valuation 31st March 1972	31,439	4,877	3,198	39,514	40,207
At cost	6,502	7,555	192	14,249	14,200
Amortisation	—	—	(793)	(793)	(702)
	£37,941	£12,432	£2,597	52,970	53,705
Furniture, Fittings and Equipment: At cost less Depreciation				16	13
				£52,986	£53,718

Trading Properties:	£000	£000
At the lower of cost and net realisable value at 31st March 1981	15,047	15,419
Completed properties	269	190
Developments		
	£15,316	£15,609

Notes on the Accounts

continued

12. Mortgages granted and other investments

	Notes	1981 £000	1980 £000
Investment in U.S. partnerships		650	—
Mortgage to associated partnership		—	370
Mortgages granted – repayable after 31st March 1982		40	69
Collateral endowment insurance policies at cost	a	363	443
Collateral deposits	b	19	19
Investments in subsidiaries not consolidated (note 19 (b))		153	178
Listed Securities at the lower of cost or market value		68	42
		£1,293	£1,033

Notes:
a. Surrender values – £400,368 (*1980 £370 748*).
b. Represents deposits by certain subsidiaries given as security for the loans of third parties.

13. Current Assets

	The Group 1981 £000	*The Group* 1980 £000	*The Company* 1981 £000	*The Company* 1980 £000
Stock in trade	397	340	—	—
Rents due and accrued	2,374	1,865	—	—
Debtors	1,762	1,176	28	18
Due from subsidiary companies not consolidated	384	281	—	—
Taxation recoverable	176	112	—	—
Bank balances	234	411	—	—
Mortgages granted repayable within one year	146	74	—	—
Deposits with Friendly Society and Trustees of Debenture holders	506	364	—	—
	£5,979	£4,623	£28	£18

14. Current Liabilities

	Notes	*The Group* 1981 £000	*The Group* 1980 £000	*The Company* 1981 £000	*The Company* 1980 £000
Rents received in advance		1,623	1,305	—	—
Creditors and provisions	a	2,698	2,463	425	305
Provision for property outgoings (note 15)		599	1,117	—	—
Taxation – current		1,952	1,627	296	332
Taxation – payable 1st January 1982		1,055	655	—	—
Loans repayable within one year (note 16)	b	2,804	3,939	667	1,132
Proposed final dividend		427	371	427	371
Due to managing agents Highdorn Co. Limited		411	283	—	—
		£11,569	£11,760	£1,815	£2,143

Notes:

a. Creditors – secured	285	323	74	149
b. Loans – secured	2,563	3,862	667	1,136
	£2,848	£4,185	£741	£1,285

Notes on the Accounts

continued

15. Provision for Property Outgoings

	£000
At 1st April 1980	1,117
Less. Expenditure during year ended 31st March 1981	518
At 31st March 1981	£599

The expenditure on exceptional repairs stated above is additional to repair expenditure of £2,435,000 which has been charged direct to Profit and Loss Account.

16. Loans

	Interest Rate	*The Group* 1981 £000	*The Group* 1980 £000	*The Company* 1981 £000	*The Company* 1980 £000
Terminating after 31st March 1986:					
Unsecured Loan Stock 2002/07	8¼%	2,180	2,211	—	—
Unsecured Loan Stock 1991/96	7¾%	1,119	1,119	—	—
Instalment Mortgages 1986–2001	6½%–17%	12,548	12,851	5,540	5,005
Debenture Stocks 1983–1997	6¾%–8¼%	3,794	3,819	—	—
Bank Loan		—	3,740	—	2,586
Bank Loan 1988	variable	17,054	16,254	154	16,254
		36,695	39,994	5,[illegible]	23,845
Terminating prior to 1st April 1986:					
Instalment Mortgages 1981–1986	7½%–17½%	1,398	1,861	792	1,859
Bank Loans and Overdrafts	variable	5,414	3,567	20,365	1,712
		6,812	5,428	21,157	3,571
		43,507	45,422	26,851	27,416
Amounts repayable prior to 1st April 1982 transferred to current liabilities (note 14)		(2,804)	(3,939)	(667)	(1,135)
		£40,703	£41,483	£26,184	£26,281
Amount of Long Term Loans secured		£37,336	£38,154	£26,184	£26,281

Loans repayable between 1st April 1982 and 31st March 1983 amount to £857,790 *(1980 £1,257,000)* in the case of the Group and £802,071 *(1980 £728,000)* in the case of the Company.

The bank loans of the parent Company include £17.6m which is secured by and which may be legally offset against a bank deposit made by a subsidiary company: these amounts have been eliminated from the consolidated accounts.

17. Share Capital

	Number	£000
Ordinary Shares of 25p:		
Authorised at 31st March 1981 and 1980	18,722,596	£4,681
Issued and fully paid at 31st March 1981 and 1980	16,295,357	£4,074

Notes on the Accounts

continued

18. Reserves

	The Group		The Company	
Share Premium Account:	£000	£000	£000	£000
At 1st April 1980 and 31st March 1981		2,830		555
Capital Reserve:				
At 1st April 1980	8,317		10,979	
Transfer to Profit and Loss Account of surpluses on prior years' revaluation of investment properties now realised (note 2)	(323)		—	
Transfer from Profit and Loss Account (note 9)	37		—	
Sundry adjustments	76		19	
At 31st March 1981		8,107		10,998
Retained Earnings:				
At 1st April 1980	6,573		4,157	
Surplus for the year	2,058		(559)	
At 31st March 1981		8,631		3,598
Total reserves and retained earnings at 31st March 1981		£19,568		£15,151

19. Investment in Subsidiaries

	1981	1980
(a) The Company	£000	£000
Shares at cost	1,445	1,486
Surplus on revaluation	20,400	20,400
	21,845	21,886
Amounts due from subsidiaries	53,133	43,874
	74,978	65,760
Amounts due to subsidiaries	28,152	17,879
	£46,826	£47,881

A list of principal subsidiary companies is given on page 18.

(b) The Group—Subsidiaries not consolidated at directors' valuation £153,000
There have been excluded from the Consolidated Accounts the results of certain subsidiary companies acquired at a cost of £153,000 *(1980 £178,000)*. Their combined losses since acquisition attributable to the holding company as indicated by their accounts amounted to £22,000 *(1980 £88,000)* and their aggregate liabilities at 31st March 1981 were substantially in excess of their assets. In the directors' opinion the liabilities of these companies could not fall upon other group companies and therefore the consolidation of the above mentioned accounts would have been misleading.

20. Turnover

	1981	1980
	£000	£000
Rents and charges receivable	11,894	9,024
Trading property sales	4,224	4,150
Investment property sales	2,463	3,266
Textile merchanting sales	1,467	1,382
	£20,048	£18,422

21. Directors' Interests in Contracts

Day to day management of the Group's properties is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies with which this Group is closely associated. Mr B S E Freshwater is a director of Highdorn Co. Limited and is also interested in the share capital of the Company. During the year £1.5m was paid to Highdorn Co. Limited for the provision of a full range of management services, which were charged for at normal commercial rates.

22. Contingent Liabilities

The Company has guaranteed bank and mortgage indebtedness and unsecured loan stock of certain subsidiaries which at 31st March 1981 amounted to £23,727,000 [illegible].

Principal Subsidiary Companies

Astral Estates (London) Limited
Bampton Holdings Limited
Bampton (Redbridge) Limited (75%)
Brickfield Properties Limited
City and Country Properties Limited
City and Country Properties (Birmingham) Limited
City and Country Properties (Camberley) Limited
City and Country Properties (Midlands) Limited
Chilon Investment Co. Limited
Daejan Developments Limited
Daejan Estates Limited
Daejan Investments Limited
Daejan Investments BV *(Incorporated in Holland)*
Daejan Investments (Grove Hall) Limited
Daejan Investments (Harrow) Limited
Daejan Investments (Park) Limited
Daejan Properties Limited
Daejan Securities Limited — *Share Dealer*
Daejan 260 Realty Limited *(Incorporated in U.S.A.)*
Hampstead Way Investments Limited
Junquart Investments Limited
Kintsilk Investments Limited
Limebridge Co. Limited
Mont Investments Limited
Moss Miller Limited (75%) — *Textile Merchants*
Pegasus Investment Company Limited
Rosebel Holdings Limited
Seaglen Investments Limited
St. Leonards Properties Limited
The Bampton Property Group Limited
The Cromlech Property Co. Limited
The Halliard Property Co. Limited

All the above are Property Companies unless otherwise noted. Except where indicated they are all incorporated in England and are wholly owned subsidiaries unless there is a figure in brackets after the name, which indicates the percentage of the equity held by the Group.

Statistical Record

	Year ending 31st March,									
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Rental Income	1,348	3,500	4,117	4,142	4,752	4,151	3,850	4,681	4,801	5,228
Surplus on Sale of Properties	619	2,125	2,058	2,698	2,594	4,215	4,342	5,465	5,471	5,046
Other Income	35	73	103	112	202	251	218	219	97	137
	2,002	5,698	6,278	6,952	7,548	8,617	8,410	10,365	10,369	10,411
Group Profit before Tax	1,139	2,219	1,320	1,295	1,668	1,838	2,474	3,331	4,192	3,831
Taxation	482	1,064	657	773	685	745	700	1,069	1,404	1,085
Minority interests	—	14	19	7	14	16	13	6	15	42
Profits not available for distribution	—	—	—	—	496	103	148	99	41	19
Available for dividend	657	1,141	644	515	473	974	1,613	2,157	2,732	2,685
Earnings: p. per share	5.68	7.01	3.95	3.17	5.95	6.61	10.80	13.84	17.02	16.59
Dividends: p. per share (Gross)	3.75	4.50	4.50	4.50	4.50	4.50	4.50	4.72	[illegible]	5.50
Gross Assets	38,331	79,108	86,320	86,792	88,395	87,270	80,804	77,020	75,212	76,127
Net Assets	21,603	31,670	30,394	29,068	26,788	24,682	20,952	20,016	21,794	23,642
Net Assets: p. per share	187	195	187	178	164	151	128	123	134	145
Represented by:										
Share Capital	2,888	4,069	4,073	4,073	4,074	4,074	4,074	4,074	4,074	4,074
Reserves and Retained Profit	18,715	27,601	26,321	24,995	22,714	20,608	16,878	15,942	17,720	19,568
Net Interest of members	21,603	31,670	30,394	29,068	26,788	24,682	20,952	20,016	21,794	23,642