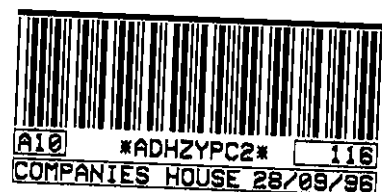


DAEJAN HOLDINGS PLC

REPORT AND FINANCIAL STATEMENTS

1996

Company Number: 305105



**DIRECTORS AND
ADVISERS**

Directors

B S E Freshwater
(Chairman and Managing Director)
D Davis
S I Freshwater

Secretary
C C Morse, FCIS

Registered and Head Office
Freshwater House,
158-162 Shaftesbury Avenue,
London WC2H 8HR
Registered in England
No. 305105

Registrars
Lloyds Bank Registrars,
The Causeway,
Worthing,
West Sussex BN99 6DA

Auditors
KPMG
8 Salisbury Square,
London EC4Y 3BB

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

Principal Bankers
Lloyds Bank Plc
National Westminster Bank PLC
Barclays Bank PLC
The Royal Bank of Scotland plc

Stockbrokers
Kleinwort Benson Securities Limited,
20 Fenchurch Street,
London EC3P 3DB

Notice is hereby given that the Sixty-first Annual General Meeting of Daejan Holdings PLC will be held at The President's Committee Room, CBI, 1st Floor, Centre Point, New Oxford Street, London WC1, on Friday, 6 September 1996 at 12.00 noon, for the following purposes:-

NOTICE OF MEETING

1. To receive the Financial Statements for the year ended 31 March 1996 together with the Reports of the Directors and the Auditors. (Resolution 1).
2. To declare a final dividend. (Resolution 2).
3. To re-elect Mr S I Freshwater as a Director. (Resolution 3).
4. To appoint KPMG Audit Plc as Auditors and to authorise the Directors to determine their remuneration. (Resolution 4).

By Order of the Board,

C C MORSE

Secretary

15 August 1996

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 1 October 1996 to Shareholders registered at the close of business on 16 July 1996.

No Director has a service contract which cannot be terminated by less than twelve months' notice.

RESULTS AT A GLANCE

	Year ended 31 March	
	1996	1995
	£000	£000
Profit before taxation	20,582	23,917
Profit after taxation	14,529	18,075
Earnings per share	89.0p	110.8p
Dividends per Share	35.0p	32.0p
Net Assets per Share (based on Balance Sheet values)	£15.32	£14.70
Final Dividend of 19p per share payable on 1 October 1996		

CHAIRMAN'S STATEMENT

The past year has been one of continued progress for the Group culminating in its largest ever single purchase, being a portfolio acquired from The British Land Company PLC for a consideration of £82.5 million. The portfolio consists of nineteen freehold and long leasehold investment properties, comprising modern supermarket premises and other commercial properties. The annual income at the time of the purchase was £7.7 million (9.2% yield). The income is mostly derived from first-class tenants including Barclays Bank, Sainsbury, Somerfield and Tesco and secured by leases with unexpired terms in excess of twenty-five years. We estimate that within five years the income should have risen to £9.3 million per annum, both as the result of guaranteed increases and also from open

market rent reviews based on current rental value. This prime portfolio will then yield approximately 11% on the acquisition cost. Funding for the purchase was initially drawn from existing resources and, since the year end, partially refinanced by way of drawing on a new long-term loan facility, where the interest cost has been fixed at an attractive rate. In my opinion this purchase will prove a most valuable addition to our property holdings and a source of growth for the future.

As the new acquisition took place at the end of the financial year, it has had very little impact on the rental and profit figures now being reported. In my Statement last year, I indicated that the full benefit of the rental increases that had then been negotiated would accrue during the current year. This benefit has materialised with a resulting increase in our net rental income to a record for the Group of £22.8 million.

In addition to rental income, our annual profit stems from sales of individual residential properties. In line with the general weakness in the residential market, and as forecast last year, the level of profit generated from this source is less than achieved in recent years. In spite of this, the reduction in our reported profit is limited, due to the increasing levels of our annually recurring rental income. This income now forms the major portion of our revenue and insulates the Group's core profit, against any volatility in residential sales. For the coming year I envisage an improvement both in property rental income and also in residential sales.

Our Balance Sheet continues to show the sound position of the Group. Despite a trend amongst property companies to report a fall in values over the past year, our investment properties have more than maintained their value showing a small increase of £1.5 million. Next year's revaluation will, on our usual quinquennial basis, include the properties that are held for trading. These properties were last valued in 1992 at a surplus over cost of £58.9 million. Whilst we have each year since then sold a portion of those properties, we estimate that the surplus of value over cost on properties still retained is substantial and that our net assets, incorporating that surplus but before allowing for tax on realisation, are not less than £18 per share.

As explained in Note 14 to the Accounts, short-term borrowings at the year end were £59.4 million as against £8.0 million previously. This increase reflected the initial funding of the new purchase utilising our own cash and also drawing on short-term credit lines. Following the refinancing referred to earlier in this Statement, short-term loans have fallen to £10.4 million. Even after allowing for the greater borrowings incurred to finance the acquisition, our gearing ratio (38.1%) is still conservative.

We retain the ability to continue the careful and measured growth that has stood us so well in the past, and we remain in the market place as keen purchasers of investment propositions that meet our criteria.

Our success over the past year would not have been possible without the dedicated efforts of our staff who have given the Group their full support. I am sure that you will wish to join me in this expression of sincere gratitude.

B S E FRESHWATER
Chairman

The Directors have pleasure in presenting their Report together with the Financial Statements for the year to 31 March 1996.

DIRECTORS' REPORT

Principal Activities of the Group

Daejan Holdings PLC is a holding company whose principal activities, carried on through its subsidiary undertakings, are property investment and trading, with some development also being undertaken. The major part of the Group's property portfolio comprises commercial, industrial and residential premises throughout the United Kingdom. Some

subsidiary undertakings are incorporated in the United States of America and carry out property investment and trading in that country.

Major Acquisition

In March 1996 the Group acquired a portfolio of nineteen investment properties from The British Land Company PLC. Details of this major acquisition are reported in the Chairman's Statement on page 3.

Properties

A professional revaluation of all the Group's United Kingdom investment properties was carried out at 31 March 1996 by the Group's external valuers, Cardales, Chartered Surveyors, and a copy of their report appears on page 25. The resultant figures have been included in the Financial Statements now presented and the increase of £1,560,000 over previous book values has been transferred to Revaluation Reserve. The Group's trading portfolio in both the UK and USA was professionally valued in 1992 and, at that time, had a surplus over book value of £58.9 million which was not incorporated into the Financial Statements. The Board is satisfied that, at 31 March 1996, properties held for trading and development still had a value substantially in excess of their book value.

Results and Dividend

The profit attributable to shareholders amounted to £14,503,000. An Interim Dividend of 16p per share was paid on 16 March 1996 and the Directors now recommend the payment of a Final Dividend of 19p per share, making a total for the year of 35p per share, an increase of 3p over the previous year. The dividends will absorb £5,703,000 and will leave £8,800,000 to be added to retained profits.

A review of the activities of the Group is contained in the Chairman's Statement on page 3.

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

	Turnover		Profit	
	UK £000	USA £000	UK £000	USA £000
Rents and Charges	37,307	3,160	22,127	702
Sales of Trading and Investment Properties	6,985	—	4,514	—
Other Activities (including share of USA partnership profits)	—	—	71	17
	<u>44,292</u>	<u>3,160</u>	<u>26,712</u>	<u>719</u>
Financing Charges (net)			(2,171)	(31)
Administrative and Other Expenses			(4,357)	(290)
			<u>20,184</u>	<u>398</u>
			398	
Profit before taxation			<u>20,582</u>	

Directors

The Directors who served throughout the year, and who are still in office, are:—

Mr B S E Freshwater

Mr D Davis

Mr S I Freshwater

The Director retiring by rotation is Mr S I Freshwater who, being eligible, offers himself for re-election.

Neither Mr D Davis nor Mr S I Freshwater have a service contract.

**DIRECTORS'
REPORT**
CONTINUED

Brief biographies of the Directors are as follows:—

Mr B S E Freshwater – Joined the Board in December 1971 with primary responsibility for the Group's finances. In July 1976 he was appointed Managing Director and, additionally, became Chairman in July 1980.

Mr D Davis – A Chartered Accountant and member of the Institute of Taxation, was previously a partner in Cohen, Arnold & Co., the Group's consulting accountants. He relinquished his partnership in 1971 in order to devote more time to his numerous business and other interests. He has been a non-executive Director of the Company since December 1971.

Mr S I Freshwater – Directs the Group's operations in the USA and also has responsibility for the Group's UK sales division. He has been a Director of the Company since January 1986.

Directors' Remuneration

The remuneration policy adopted by the Board is designed to ensure that the Directors' interests are allied to the long-term growth of the Group and therefore to the interests of the shareholders as a whole.

The Group does not operate any form of bonus scheme or share option scheme since the Executive Directors' salaries for the year are determined by the Board once the results for the year are known with any salary increase calculated and paid with effect from the beginning of the financial year.

In determining individual Director's remuneration, consideration is given to the levels of remuneration paid to directors of public companies of a similar size in the property and other sectors.

Mr B S E Freshwater participates in a Small Self-administered Pension Scheme which provides at any time after age 60 a sum of money to purchase a pension up to two-thirds of final salary subject to Inland Revenue limits and other statutory rules. The pension scheme also provides on death in service, for all contributions made to be applied in providing benefits for Mr Freshwater's dependants. This is a contributory scheme to which Mr B S E Freshwater contributes 15% of gross salary per annum. The figure for pension contributions shown below is the contribution paid by the Group in respect of Mr B S E Freshwater.

No Director has a service contract which cannot be terminated by less than twelve months' notice.

Details of individual Director's remuneration are set out below on an accruals basis and the 1995 comparisons have been restated from their previous paid basis.

1996	Salary £	Fees £	Sub-total £	Pensions £	Total £
Mr B S E Freshwater	300,000	15,000	315,000	64,374	379,374
Mr D Davis	—	15,000	15,000	—	15,000
Mr S I Freshwater	298,264	15,000	313,264	—	313,264
	598,264	45,000	643,264	64,374	707,638

Pension to Widow of former
managing director

64,000

1995	Salary £	Fees £	Sub-total £	Pensions £	Total £
Mr B S E Freshwater	245,000	3,500	248,500	60,374	308,874
Mr D Davis	3,000	3,500	6,500	—	6,500
Mr S I Freshwater	237,092	3,500	240,592	—	240,592
	485,092	10,500	495,592	60,374	555,966

Pension to Widow of former
managing director

62,250

Payment Policy

It has long been the Group's policy to pay suppliers promptly and it fully supports the Government's initiative to encourage and promote this practice.

DIRECTORS' REPORT *CONTINUED*

Directors' Interests in Contracts

Day-to-day management of the Group's properties in the United Kingdom is partly carried out by Highdorn Co. Limited and by Freshwater Property Management Limited.

Mr B S E Freshwater and Mr S I Freshwater are Directors of both companies and are also interested in the share capital of Highdorn Co. Limited.

Mr B S E Freshwater and Mr D Davis are also Directors of the parent company of Freshwater Property Management Limited but have no beneficial interest in either company.

Details of the amounts paid for the provision of these services are set out in note 21 to the financial statements.

Substantial Interests and Interests of Directors

<i>Daejan Holdings PLC</i>		<i>31 March</i>	<i>31 March</i>
<i>Ordinary Shares</i>		<i>1996</i>	<i>1995</i>
D Davis	(notes 2 & 3)	763	763
B S E Freshwater	(notes 1, 2, 3 & 4)	590,033	590,033
S I Freshwater	(notes 2, 3 & 4)	89,270	89,270

Notes:

1. All the above holdings were beneficially owned. Mr B S E Freshwater's shareholding represents 3.6% of the Issued Share Capital of the Company.
2. A further 4,363,116 shares (1995-4,363,116) representing 26.8% of the Issued Share Capital of the Company were held by Freshwater family trusts and by charitable companies in which Mr B S E Freshwater, Mr S I Freshwater and Mr D Davis have a non-beneficial interest.
3. In addition to the holding shown in the table and in note 2 above, companies owned and controlled by Mr B S E Freshwater, Mr S I Freshwater and by their families, and family trusts, held at 31 March 1996 a total of 7,876,431 shares (1995-7,876,431) representing 48.3% of the Issued Share Capital of the Company. 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 by Mr B S E Freshwater and Mr S I Freshwater.
5. There have been no changes in any of the above interests since 31 March 1996.

Included in notes 2 and 3 are the following holdings, each amounting to 3% or more of the Company's Issued Share Capital:

**DIRECTORS'
REPORT**
CONTINUED

	Shares	%
Henry Davies (Holborn) Limited	1,934,090	11.7
Trustees of the B S E Freshwater Settlement	1,705,000	10.5
Trustees of the S I Freshwater Settlement	1,560,000	9.6
Distinctive Investments Limited	1,464,550	9.0
Quoted Securities Limited	1,305,631	8.0
Centremanor Limited	1,000,000	6.1
Mayfair Charities Limited	565,000	3.5

No other interest amounting to 3% or more of the Issued Share Capital has been notified to the Company as at the date of this report.

Income and Corporation Taxes Act 1988

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

Capital Gains Tax

For the purpose of computing Capital Gains Tax the market value of the Company's Shares was 185p on 31 March 1982.

Charitable Donations

During the year the Group made charitable donations totalling £60,000 (1995-£60,000) net under Deed of Covenant.

Auditors

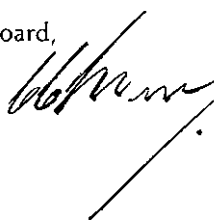
Our auditors, KPMG, have indicated that a limited liability company, KPMG Audit Plc, is to undertake part of their audit business. Accordingly, a resolution, for which Special Notice has been received, is to be proposed at the annual general meeting for the appointment of KPMG Audit Plc as auditors of the Company.

By Order of the Board,

C C MORSE

Secretary

1 August 1996



General matters

The Board is required by the Stock Exchange to report on the extent of its compliance with specified provisions contained within the Code of Best Practice drawn up by the Cadbury Committee

CORPORATE GOVERNANCE

on Corporate Governance.

Your Board supports fully the goal of better Corporate Governance which inspired the Cadbury Committee recommendations and we comply with the majority of items in the code.

We do not comply with the code's recommendation in connection with non-executive representation on the Board, as we are doubtful that further extending non-executive participation at present would benefit

our shareholders. We consider it vital that the principles of a unitary Board of Directors sharing responsibility for all facets of the Company's business should not be undermined by reserving areas of decision making solely for the non-executive Directors. For this reason the matters which the code recommends should be reserved for audit and remuneration committees are dealt with by the whole Board and it is intended to continue this practice. In view of the fact that the Board comprises only three Directors it is also not considered necessary to split the roles of Chairman and Chief Executive.

Changes should be made when they are appropriate and in the best interests of the Company, rather than for the sake of change itself. This Company has a successful track record and whilst your Board will continue to keep under review any proposals which may improve the efficiency of its operations, the current structure has stood the Company in good stead over many years and should continue to do so in the future.

Internal Controls

The Directors are responsible for the effectiveness of the Group's systems of internal financial control. The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can provide reasonable, but not absolute assurance against material misstatement or loss.

The key control procedures in operation within the Group are:

The Board – the full board examine the half year and annual statements and discuss these with the Auditors. The executive Directors review key information to assist them in identifying and considering business risks.

Control environment – there is a clear organisational structure with well defined lines of responsibility and delegation of authority.

Operating controls – financial and operating controls and procedures are in place throughout the organisation which are monitored by ongoing routines and *ad hoc* reviews.

Financial reporting – forecasts are produced annually and approved by the Board. Regular informal meetings are held between the Board and senior executives to monitor progress against the forecasts which are updated formally every six months.

Investment appraisal – detailed appraisals are carried out before embarking on any capital project. Board approval is required for all major items of capital expenditure.

The Directors have reviewed the framework of internal financial control and have considered its appropriateness for the Group and its effectiveness in relation to the "Criteria for assessing effectiveness" described in "Internal control and financial reporting" issued by the Cadbury Internal Control Working Group.

Compliance with the Code of Best Practice during the year ended 31 March 1996

The Board considers that the Company has complied with the Code of Best Practice with the exception of the following paragraphs:

<i>paragraph</i>	<i>subject</i>
1.2	division of responsibilities between chairman and chief executive
2.1	} selection, appointment and independence of non-executive Directors
2.2	
2.3	
2.4	

The Board considers that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board continues to adopt the going concern basis in preparing these financial statements.

Auditors' review

The auditors, KPMG, have confirmed that in their opinion: with respect to the Directors' statements on internal financial control and going concern, the Directors have provided the disclosures required by paragraphs 4.5 and 4.6 of the Code (as supplemented by the related guidance for Directors) and the statements are not inconsistent with the information of which they are aware from their audit work on the accounts; and that the Directors' statement appropriately reflects the Company's compliance with the other paragraphs of the Code specified by the Listing Rules for their review. They have carried out their review in accordance with the relevant Bulletin issued by the Auditing Practices Board, which does not require them to perform any additional work necessary to express a separate opinion on the effectiveness of the Company's system of internal financial control or corporate governance procedures, or on the ability of the Group to continue in operational existence.

Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the Group and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

<p>DIRECTORS' RESPONSIBILITIES' AND AUDITORS' REPORT</p>
--

select suitable accounting policies and then apply them consistently; make judgments and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis where appropriate.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and of the Group and to prevent and detect fraud and other irregularities.

Report of the Auditors, KPMG, to the Members of Daejan Holdings PLC

We have audited the financial statements on pages 11 to 24 and the detailed information on directors' remuneration set out in the Directors' Report on page 5.

Respective responsibilities of Directors and Auditors

As described above the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 March 1996 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG

Chartered Accountants

Registered Auditors

London

1 August 1996

FOR THE YEAR ENDED 31 MARCH 1996

	Notes	1996 £000	1995 £000
Net Rental Income	2	22,829	21,548
Surplus on Sale of Trading Properties	2	3,733	7,335
Other Income	3	88	22
Gross Profit		26,650	28,905
Administrative and Other Expenses		(4,647)	(4,320)
Operating Profit from Continuing Operations		22,003	24,585
Surplus on Sale of Investment Properties	2	781	1,540
Net Interest Payable	4	(2,202)	(2,208)
Profit on Ordinary Activities before Taxation	5	20,582	23,917
Tax on Profit on Ordinary Activities	6	(6,053)	(5,842)
Profit on Ordinary Activities after Taxation	7	14,529	18,075
Minority Interests — Equity		(26)	(18)
Profit attributable to shareholders		14,503	18,057
Dividends: Interim		(2,607)	(1,955)
Final		(3,096)	(3,259)
Retained Profit for the Year	18	8,800	12,843
Earnings per Share	8	89.0p	110.8p

Movements in reserves are set out in note 18.

The notes on pages 16 to 24 form part of these Financial Statements.

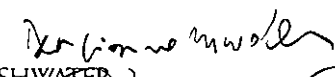
CONSOLIDATED BALANCE SHEET

DAEJAN HOLDINGS PLC

AS AT 31 MARCH 1996

	Notes	£000	1996 £000	£000	1995 £000
FIXED ASSETS					
Tangible Assets	9		320,266		236,009
Investments	10		617		661
			<u>320,883</u>		<u>236,670</u>
CURRENT ASSETS					
Properties held for Trading	11	42,922		40,790	
Debtors: Due within one year	12	16,157		15,404	
Due after one year	12	7,214		5,261	
		<u>23,371</u>		<u>20,665</u>	
Investments	13	1,384		1,376	
Cash at Bank		7,005		30,921	
		<u>74,682</u>		<u>93,752</u>	
Creditors falling due within one year	14	(91,812)		(34,009)	
Net Current (Liabilities)/Assets			<u>(17,130)</u>		<u>59,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			303,753		296,413
Creditors falling due after more than one year	15		(52,368)		(55,227)
Provisions for liabilities and charges	16		(1,129)		(1,090)
NET ASSETS			<u>250,256</u>		<u>240,096</u>
CAPITAL AND RESERVES					
Called up Share Capital	17		4,074		4,074
Share Premium Account	18		555		555
Revaluation Reserve	18		116,874		116,651
Other Reserves	18		4,465		4,365
Profit and Loss Account	18		123,722		113,842
Shareholders' funds — Equity			<u>249,690</u>		<u>239,487</u>
MINORITY INTERESTS — Equity			566		609
			<u>250,256</u>		<u>240,096</u>

The Financial Statements on pages 11 to 24 were approved by the Board of Directors on 1 August 1996 and were signed on its behalf by:

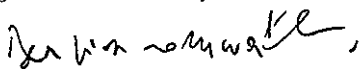

 B S E FRESHWATER }
 D DAVIS } Directors

The notes on pages 16 to 24 form part of these Financial Statements.

AS AT 31 MARCH 1996

	Notes	£000	1996 £000	£000	1995 £000
FIXED ASSETS					
Investment in subsidiary undertakings	19		309,552		251,403
CURRENT ASSETS					
Debtors: Due within one year	12	200		21	
Due after one year	12	4,180		4,008	
		<u>4,380</u>		<u>4,029</u>	
Creditors falling due within one year	14	(63,521)		(13,147)	
Net Current Liabilities			<u>(59,141)</u>		<u>(9,118)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			250,411		242,285
Creditors falling due after more than one year	15		(721)		(2,798)
NET ASSETS			<u>249,690</u>		<u>239,487</u>
CAPITAL AND RESERVES					
Called up Share Capital	17		4,074		4,074
Share Premium Account	18		555		555
Revaluation Reserve	18		207,722		203,667
Profit and Loss Account	18		37,339		31,191
			<u>249,690</u>		<u>239,487</u>

The Financial Statements on pages 11 to 24 were approved by the Board of Directors on 1 August 1996 and were signed on its behalf by:


 B S E FRESHWATER }
 D DAVIS } Directors

The notes on pages 16 to 24 form part of these Financial Statements.

CASH FLOW STATEMENT

DAEJAN HOLDINGS PLC

FOR THE YEAR ENDED 31 MARCH 1996

	£000	1996 £000	£000	1995 £000
Net cash inflow from operating activities (note 20(i))		20,362		24,783
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	2,945		2,535	
Interest paid	(5,232)		(5,690)	
Dividends paid	(5,866)		(4,726)	
Net cash outflow from returns on investments and servicing of finance		(8,153)		(7,881)
TAXATION				
UK Corporation tax paid	(7,300)		(6,413)	
Overseas tax paid	(9)		(11)	
		(7,309)		(6,424)
INVESTING ACTIVITIES				
Purchase of investment properties	(81,003)		(180)	
Sale of investment properties	2,453		3,429	
Sale of fixed asset investment	44		—	
Net cash (outflow)/inflow from investing activities		(78,506)		3,249
Net cash (outflow)/inflow before financing		(73,606)		13,727
FINANCING				
Repayment of mortgage loans	112		2,903	
Repayment of Unsecured loan stock	1,139		13	
Repayment of Debenture stock	531		—	
Net cash outflow from financing (note 20(iv))		1,782		2,916
(Decrease)/increase in cash and cash equivalents (note 20(ii))		(75,388)		10,811
		(73,606)		13,727

The notes on pages 16 to 24 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 1996

	1996 £000	1995 £000
Profit for the year after taxation and minority interests	14,503	18,057
Unrealised surplus on revaluation of investment properties	1,560	3,788
Tax on realisation of revalued properties	(299)	(439)
Translation differences on foreign currency net investments	142	(163)
Total net recognised gains relating to the year	15,906	21,243

NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 MARCH 1996

	1996 £000	1995 £000
Reported profit on ordinary activities before taxation	20,582	23,917
Realisation of investment property revaluation gains of previous years	1,337	2,092
Historical cost profit on ordinary activities before taxation	21,919	26,009
Historical cost profit for the year retained in the profit and loss account after tax, minority interests and dividends	9,838	14,496

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 1996

	1996 £000	1995 £000
Profit for the year after taxation and minority interests	14,503	18,057
Dividends paid	(2,607)	(1,955)
Dividends proposed	(3,096)	(3,259)
Retained profit for the year	8,800	12,843
Other net recognised gains and losses relating to the year	1,403	3,186
Net increase in shareholders' funds	10,203	16,029
Shareholders' funds brought forward	239,487	223,458
Shareholders' funds carried forward	249,690	239,487

The notes on pages 16 to 24 form part of these Financial Statements.

1 PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's Financial Statements.

(a) Basis of Accounting

The Financial Statements are prepared in accordance with applicable accounting standards and under the historical cost convention as adjusted by the policy of accounting for investment properties referred to in note 1(g) and the policy of accounting for investments in subsidiary undertakings referred to in note 1(k).

(b) Consolidation

The Group Financial Statements consist of a consolidation of the Financial Statements of the Company with those of its subsidiary undertakings. All Financial Statements are drawn up to 31 March.

The Financial Statements of certain subsidiary undertakings have not been consolidated (see note 19). A separate profit and loss account dealing with the results of the Company only has not been presented, in accordance with Section 230(4), Companies Act 1985.

(c) Income Available for Distribution

Under the Articles of Association of certain Group investment undertakings, realised capital surpluses are not available for distribution as dividends and these surpluses are transferred from Consolidated Profit and Loss Account to Other Non-Distributable Reserves.

(d) Depreciation

In accordance with Statement of Standard Accounting Practice No. 19 (as amended) investment properties are revalued annually. Surpluses or deficits arising are taken to the revaluation reserve. Any permanent diminution is taken to the profit and loss account for the year. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards certain of the Company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the Directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Leases having an unexpired term of less than 20 years are amortised evenly over the remaining period of the lease.

(e) Acquisitions and Disposals of Properties

Acquisitions and disposals are accounted for at the date of completion.

(f) Deferred Taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the accounts, and is calculated on the liability method.

Provision is made for deferred taxation in respect of those timing differences which are expected to crystallise in the foreseeable future.

(g) Properties**(i) Investment Properties**

Investment properties are included in the Balance Sheet either at professional valuation, carried out at regular intervals, or at Directors' valuation carried out in the intervening years. Any surplus, and any temporary deficit is transferred to the revaluation reserve, and on realisation this surplus or deficit is transferred to the cumulative Consolidated Profit and Loss Account. Deficits which are expected to be permanent are charged to profit and loss account, and subsequent reversals of such deficits are credited to profit and loss account in the same way.

(ii) Trading Properties

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

(h) Foreign Currencies

Foreign currency borrowings and the assets, liabilities and results of the overseas subsidiary undertakings are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Differences on exchange arising

(h) Foreign Currencies (continued)

from the translation of opening balance sheets of overseas companies at year end rates and on foreign currency borrowings used to finance long term foreign equity investments are taken directly to Non-Distributable Reserves. Other differences on exchange are dealt with in the Profit and Loss Account.

(i) Sales of Investment Properties

It is Group policy to sell, 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 surplus based on the excess of sales proceeds over valuation is included within the Group profit on ordinary activities, and taxation applicable thereto is shown as part of the taxation charge.

(j) Repairs

The cost of repairs is written off to Profit and Loss Account in the year in which the expenditure is incurred.

(k) Investments in Subsidiary Undertakings

Investments in subsidiary undertakings are included in the Company Balance Sheet at Directors' valuation carried out at regular intervals and based on net asset value.

2 GROUP TURNOVER

An analysis of the main sources of property income, the only class of business, and their respective contribution towards the profit for the year is as follows:

	Turnover £000	Cost of turnover £000	1996 Gross profit £000	Turnover £000	Cost of turnover £000	1995 Gross profit £000
Rents and service charges receivable (see (i) below)	40,467	(17,638)	22,829	39,249	(17,701)	21,548
Trading property sales	4,604	(871)	3,733	9,097	(1,762)	7,335
Investment property sales	2,381	(1,600)	781	3,798	(2,258)	1,540
	47,452	(20,109)	27,343	52,144	(21,721)	30,423

The geographical analysis of turnover, profit and net assets is as follows:

	UK £000	USA £000	1996 Total £000	UK £000	USA £000	1995 Total £000
Turnover	44,292	3,160	47,452	49,300	2,844	52,144
Profit before financing charges	22,355	429	22,784	25,706	419	26,125
Financing charges	(2,171)	(31)	(2,202)	(2,188)	(20)	(2,208)
Profit on ordinary activities before taxation	20,184	398	20,582	23,518	399	23,917
Net assets	238,911	11,345	250,256	230,338	9,758	240,096

(i) Cost of rents and service charges receivable includes:

	1996 £000	1995 £000
Wages and salaries	1,116	1,098
Social security costs	90	92
	1,206	1,190

These figures relate only to portering staff of whom an average number of 123 (1995 – 129) were employed during the year.

CONTINUED

3 OTHER INCOME	1996 £000	1995 £000
Share of USA partnerships' results	17	(42)
Sundry income	71	64
	88	22

4 NET INTEREST PAYABLE	1996 £000	1995 £000
Interest payable on bank loans and overdrafts:		
Repayable within 5 years	2,342	2,523
Repayable in more than 5 years	3,107	3,084
	5,449	5,607
Less: Interest receivable	(2,945)	(2,527)
Foreign exchange movements	(302)	262
Release of interest provision no longer required	—	(1,134)
	2,202	2,208

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1996 £000	1995 £000
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Profit on ordinary activities before taxation is stated after charging the following:

Auditors' remuneration: Audit services	272	288
Non-audit services	37	—

Information regarding directors emoluments is disclosed in the Directors' Report under "Remuneration" on page 5. The emoluments of directors excluding pension contributions have not been analysed by £5,000 bands since such emoluments are disclosed for each director in the table on page 5.

Staff costs (excluding directors' remuneration):	1996 £000	1995 £000
Salaries	2,252	2,197
Pension contributions	197	195
Social Security costs	108	102
	2,557	2,494

These figures are the Group's proportion of Administrative Staff costs and are equivalent to an average of 140 employees (1995 – 142 employees).

6 TAX ON PROFIT ON ORDINARY ACTIVITIES	1996 £000	1995 £000
(a) Taxation based on the profit for the year of the Company and its subsidiaries:		
UK corporation tax at 33% (1995 – 33%)	6,310	6,998
Overseas taxation	—	9
Deferred taxation	(5)	(65)
	6,305	6,942
Prior years' provisions	(252)	(1,100)
	6,053	5,842
	The Group £000	The Company £000

(b) Deferred Taxation Asset		
Short term timing differences		
At 1 April 1995	109	21
Credit/(charge) for the year	5	(21)
At 31 March 1996 (Note 12)	114	—

Note 16 sets out the Group's deferred taxation provision.

7 PROFIT FOR THE YEAR

Of the Group profit for the year after taxation a surplus of £11,851,000 (1995 – £13,012,000) is dealt with in the accounts of the holding company.

8 EARNINGS PER SHARE

Earnings per share is calculated on earnings, after taxation and minority interests, of £14,503,000 (1995 – £18,057,000) and the average number of shares in issue during the year of 16,295,357 shares (1995 – 16,295,357).

9 TANGIBLE ASSETS – INVESTMENT PROPERTIES	<i>Freehold £000</i>	<i>Long Leasehold £000</i>	<i>Short Leasehold £000</i>	<i>Total 1996 £000</i>	<i>Total 1995 £000</i>
At Valuation 1 April 1995	199,583	23,242	13,184	236,009	234,150
Additions	46,486	37,773	—	84,259	180
Disposals	(1,219)	(208)	(66)	(1,493)	(2,083)
Revaluation	453	916	122	1,491	3,762
At Valuation 31 March 1996	245,303	61,723	13,240	320,266	236,009

The historical cost of investment properties is £203,461,000 (1995 – £114,118,000).

A professional revaluation of all the Group's United Kingdom investment properties was carried out at 31 March 1996 by Cardales, Chartered Surveyors. The revalued figures are based on open market values in accordance with the Practice Statements in the RICS Appraisal and Valuation Manual. (See report on page 25.) That report does not include a property which during the year was identified as being held for disposal. This property is included in Freehold Properties above at its previous value of £940,000 which the Directors believe to be not less than its net realisable value.

10 INVESTMENTS HELD AS FIXED ASSETS	<i>1996 £000</i>	<i>1995 £000</i>
Interest in syndicates holding industrial buildings	617	617
Collateral endowment policies at cost (see note below)	—	44
	617	661

Note:

Surrender values – £nil (1995 – £53,000).

11 PROPERTIES HELD FOR TRADING	<i>UK £000</i>	<i>USA £000</i>	<i>1996 Total £000</i>	<i>UK £000</i>	<i>USA £000</i>	<i>1995 Total £000</i>
At the lower of cost and net realisable value	24,673	18,249	42,922	23,936	16,854	40,790

£6,200,000 (1995 – £5,800,000) of the properties held for trading in the USA are held through shares in Co-operative Corporations.

CONTINUED

12 DEBTORS	<i>The Group</i> 1996 £000	1995 £000	<i>The Company</i> 1996 £000	1995 £000
Rents and service charges	11,488	9,343	—	—
Other debtors and prepayments	4,555	5,952	200	—
Short term timing differences (note 6(b))	114	109	—	21
Due within one year	16,157	15,404	200	21
Mortgages granted repayable after one year	6,440	4,446	3,406	3,193
ACT recoverable after one year	774	815	774	815
Due after one year	7,214	5,261	4,180	4,008
	23,371	20,665	4,380	4,029

13 INVESTMENTS HELD AS CURRENT ASSETS	1996 £000	1995 £000
Investments in USA partnerships (see note below)	1,217	1,255
Listed securities at the lower of cost and net realisable value (Market value £145,000 (1995 – £149,000))	125	121
Other	42	—
	1,384	1,376

Note: Net Assets of USA partnerships comprise:

Shares in Co-operative Corporations	1,541	1,573
Mortgages granted	379	472
Cash and other assets	248	207

Less: Creditors repayable within one year

2,168	2,252
(207)	(205)

1,961 **2,047**

Group share of net assets including premium on acquisition

1,217 **1,255**

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<i>The Group</i> 1996 £000	1995 £000	<i>The Company</i> 1996 £000	1995 £000
Debenture stock 1990 – 95 (6½ – 6¼%)	—	1,650	—	—
Unsecured loan stock 1991-96 (7¼%)	1,119	—	—	—
Mortgage advances (7¼ – 11%)	2,870	427	22	216
Bank loans and overdrafts (see note below)	59,448	7,967	58,201	7,277
Rents and service charges charged in advance	9,152	7,638	—	—
Other creditors and accruals	9,183	5,162	560	758
Taxation	6,944	7,906	1,642	1,637
Proposed dividend	3,096	3,259	3,096	3,259
	91,812	34,009	63,521	13,147

Note: Bank loans and overdrafts of the Group and of the Company are secured on certain of the Group's properties.

The Group utilised available short term facilities to acquire the portfolio from British Land on 14 March 1996. On 29 April 1996 the Group repaid £50m of its short term Bank loans and drew down a new 20 year Bank loan.

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	The Group 1996 £000	1995 £000	The Company 1996 £000	1995 £000
Debentures	550	550	—	—
Unsecured Loan Stocks	1,857	2,995	—	—
Mortgage advances	49,961	51,682	101	604
Amounts due to subsidiary undertakings	—	—	620	2,194
	52,368	55,227	721	2,798

Analysis of creditors falling due after more than one year

	Interest Rate	The Group 1996 £000	1995 £000	The Company 1996 £000	1995 £000
Amounts repayable after 1 April 2001					
Unsecured Loan Stock 2002-07	8½%	1,857	1,876	—	—
Mortgages	7½% - 10½%	38,679	39,017	—	—
Amounts due to subsidiary undertakings		—	—	620	2,194
		40,536	40,893	620	2,194

Amounts repayable between 1 April 1998 and 31 March 2001

Mortgages	7½% - 10½%	8,040	9,980	101	604
Debenture Stock 1992-97	7½%	—	550	—	—
		8,040	10,530	101	604

Amounts repayable between 1 April 1997 and 31 March 1998

Unsecured loan stock 1991-1996	7½%	—	1,119	—	—
Mortgages	7½% - 10½%	3,242	2,685	—	—
Debenture Stock 1992-97	7½%	550	—	—	—
		3,792	3,804	—	—

Total amount of Long Term Loans	52,368	55,227	721	2,798
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Amount of Long Term Loans secured on certain of the Group's properties

	50,511	52,232	101	604
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16 PROVISIONS FOR LIABILITIES AND CHARGES

	The Group £000
Deferred taxation:	
At 1 April 1995	1,090
Foreign exchange movement	39
At 31 March 1996	1,129

Apart from the above items there was at 31 March 1996 a potential liability for deferred taxation in respect of Industrial Building Allowances of £1,168,000. No provision has been made in these Financial Statements in respect of this liability as it is not expected to crystallise 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 Financial Statements, a liability to corporation tax on chargeable gains would arise estimated at not more than £10.4m and £14.2m respectively and for which no provision has been made in these Financial Statements.

No provision has been made for potential liabilities which might arise in the event of disposal of properties revalued in the accounts or for capital gains deferred in accordance with the provisions of the Taxation of Chargeable Gains Act 1992 as the directors are of the opinion that the likelihood of any material liability arising is remote.

CONTINUED

17 SHARE CAPITAL	Number	1996 £000	1995 £000
Authorised:			
Ordinary shares of 25 pence per share	18,722,596	4,681	4,681
Allotted, called up and fully paid:			
Ordinary shares of 25 pence per share	16,295,357	4,074	4,074

18 RESERVES	The Group £000	£000	The Company £000	£000
Share Premium Account:				
At 1 April 1995 and 31 March 1996		555		555
Revaluation Reserve:				
At 1 April 1995	116,651		203,667	
Transfer to profit and loss account of revaluation surplus on investment properties now realised	(1,337)		—	
Fixed asset revaluation	1,560		4,055	
At 31 March 1996		116,874		207,722
Other Non-Distributable Reserves:				
At 1 April 1995	4,365			
Translation differences on foreign currency net investments	142			
Transfer to profit and loss account	(42)		—	
At 31 March 1996		4,465		nil
Profit and Loss Account:				
At 1 April 1995	113,842		31,191	
Revaluation reserve realised on disposal	1,337		—	
Tax on revaluation reserve realised	(299)		—	
Transfer from other non-distributable reserves	42		—	
Retained for the year	8,800		6,148	
At 31 March 1996		123,722		37,339

The revaluation reserves arise from the revaluation of investment properties and investment in subsidiary undertakings in the Group and Company respectively.

19 INVESTMENT IN SUBSIDIARY UNDERTAKINGS	Shares at valuation £000	Loans £000	Total £000
At 1 April 1995	212,917	38,486	251,403
Additions	2	53,559	53,561
Revaluation	4,055	—	4,055
Effect of foreign exchange differences	533	—	533
At 31 March 1996	217,507	92,045	309,552

The historical cost of shares in subsidiary undertakings is £9,885,000 (1995 – £9,883,000).

Shares in subsidiary undertakings have been valued by the Directors at 31 March 1996 based on the underlying net asset values of the subsidiary undertakings.

The results of certain subsidiary undertakings, acquired at a cost of £146,000 and valued by the Directors at £nil (1995 – £nil) have been excluded from the Consolidated Financial Statements. The combined profits since acquisition attributable to the Company as indicated by their financial statements amounted to £40,000 (1995 – £40,000) and their aggregate liabilities at 31 March 1996 were £54,000 (1995 – £54,000). The inclusion of these undertakings would not materially affect the Consolidated Financial Statements.

20 CASH FLOW STATEMENT

	1996 £000	1995 £000
(i) Reconciliation of operating profit to net cash inflow from operating activities.		
Operating profit	22,003	24,585
(Increase)/decrease in properties held for trading	(1,002)	2,149
(Increase)/decrease in debtors	(2,653)	510
Increase/(decrease) in creditors	1,940	(2,575)
Decrease/(increase) in investments held as current assets	74	(55)
Effect of other deferrals and accruals on operating activity cash flow	—	169
Net cash inflow from operating activities	20,362	24,783

(ii) Analysis of changes in cash and cash equivalents during the year.

	£000
At 1 April 1995	22,954
Net cash outflow before adjustment for foreign exchange rate changes	(75,388)
Effect of foreign exchange differences	(9)
At 31 March 1996	(52,443)

(iii) Analysis of the balances of cash and cash equivalents as shown on the balance sheet.

	1996 £000	1995 £000	Change in year £000
Cash at bank and in hand	7,005	30,921	(23,916)
Bank loans and overdrafts	(59,448)	(7,967)	(51,481)
	(52,443)	22,954	(75,397)

(iv) Analysis of changes in financing during the year.

	Share capital (including premium) £000	Loans and mortgages £000
At 1 April 1995	4,629	57,304
Effect of foreign exchange differences	—	835
Cash inflows from financing (net)	—	(1,782)
At 31 March 1996	4,629	56,357

21 DIRECTORS' INTERESTS IN CONTRACTS

Day-to-day management of the Group's properties in the United Kingdom is partly carried out by Highdorn Co. Limited and by Freshwater Property Management Limited. Mr B S E Freshwater and Mr S I Freshwater are Directors of both companies and are also interested in the share capital of Highdorn Co. Limited. Mr B S E Freshwater and Mr D Davis are also Directors of the parent company of Freshwater Property Management Limited but have no beneficial interest in either company.

The amounts paid for the provision of management services charged for at normal commercial rates were:

Highdorn Co. Ltd		Freshwater Property Management Ltd	
1996 £000	1995 £000	1996 £000	1995 £000
1,464	1,606	1,025	964

22 CONTINGENT LIABILITIES

The Company has guaranteed bank and mortgage indebtedness and unsecured loan stock of certain subsidiary undertakings which at 31 March 1996 amounted to £41.4m (1995 – £41.2m).

The Group is from time to time party to legal actions arising in the ordinary course of business. The Directors are advised that there are no current actions which could have a material adverse effect on the financial position of the Group.

23 PRINCIPAL SUBSIDIARY UNDERTAKINGS

Except where otherwise indicated the following are wholly owned property companies included in the Consolidated Financial Statements.

All subsidiary undertakings operate in their country of incorporation.

Incorporated in Great Britain and registered in England and Wales

Astral Estates (London) Limited	Daejan (Kingston) Limited
Bampton Holdings Limited	Daejan (Lauderdale) Limited
Bampton (B&B) Limited	Daejan Properties Limited
Bampton (Redbridge) Limited (75%)	Daejan (Reading) Limited
Brickfield Properties Limited	Daejan Retail Properties Limited
City and Country Properties Limited	Daejan Securities Limited – <i>Share Dealer</i>
City & Country Properties (Birmingham) Limited	Daejan (Taunton) Limited
City and Country Properties (Camberley) Limited	Daejan (Warwick) Limited
City and Country Properties (Midlands) Limited	Daejan (Worcester) Limited
Chilon Investments Co. Limited	Hampstead Way Investments Limited
Daejan (Brighton) Limited	Limebridge Co. Limited
Daejan (Cardiff) Limited	Pegasus Investment Company Limited
Daejan Commercial Properties Limited	Rosebel Holdings Limited
Daejan (Dartford) Limited	Seaglen Investments Limited
Daejan Developments Limited	St. Leonards Properties Limited
Daejan (Durham) Limited	The Bampton Property Group Limited
Daejan Estates Limited	The Cromlech Property Co. Limited
Daejan (High Wycombe) Limited	The Halliard Property Co. Limited
Daejan Investments Limited	
Daejan Investments (Grove Hall) Limited	
Daejan Investments (Harrow) Limited	
Daejan Investments (Park) Limited	

Incorporated in the USA

Daejan Holdings (US) Inc.
Daejan (NY) Limited
Daejan Enterprises Inc.

The Directors,
Daejan Holdings PLC
158-162 Shaftesbury Avenue
London
WC2H 8HR

Gentlemen,

As instructed we have valued for the purpose of your Company's balance sheet the investment properties owned by your Company and its subsidiaries in the United Kingdom as at 31 March 1996. The properties are listed in our separate detailed schedules.

We have not had access to Title Deeds and our valuation is on the basis of the information supplied to us by you as to tenure and occupancy and other relevant information.

The properties have been valued individually on the basis of open market value in accordance with the Practice Statements in the Royal Institution of Chartered Surveyors, Appraisal and Valuation Manual.

No allowance has been made for expenses of realisation or for any taxation which may arise, and our valuations are expressed exclusive of any Value Added Tax that may become chargeable.

Our valuations assume that the properties are free from any undisclosed onerous burdens, outgoings or restrictions. We have not seen planning consents and have assumed that the properties have been erected and are being occupied and used in accordance with all requisite consents.

We have not carried out Structural Surveys of the properties nor have we tested the services. Our valuations assume that the buildings contain no deleterious materials.

We confirm that the valuations have been carried out by us as External Valuers qualified for the purpose of the valuation.

The valuation is made with the benefit of the Schedule of Standard Assumptions, Caveats, Limitations and Basis of Valuation provided to you and in accordance with instructions, the properties are inspected on a 3 yearly cycle, one-third by value being inspected each year.

Having regard to the foregoing we are of the opinion that the aggregate of the values of your Company's interests as at 31 March 1996 is £319,326,000 (Three Hundred and Nineteen Million, Three Hundred and Twenty Six Thousand Pounds).

In accordance with our standard practice, we must state that this valuation is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

Yours faithfully,

Cardales
Chartered Surveyors
1 Lumley Street,
London W1Y 2ND

28 June 1996

	1992 £000	1993 £000	1994 £000	1995 £000	1996 £000
Net Rental Income	15,276	16,392	19,095	21,548	22,829
Surplus on Sale of Trading Properties	6,444	6,422	7,890	7,335	3,733
Other Income	326	169	90	22	88
	22,046	22,983	27,075	28,905	26,650
Group Profit before Taxation	13,940	16,719	19,457	23,917	20,582
Taxation	5,317	3,498	5,467	5,842	6,053
Minority Interests	12	23	17	18	26
Available Surplus	8,611	13,198	13,973	18,057	14,503
Earnings: p. per share	52.8	81.0	85.7	110.8	89.0
Dividends: p. per share	25.0	27.0	29.0	32.0	35.0
Gross Assets	289,908	306,274	344,561	330,422	395,565
Net Assets	186,000	193,730	223,458	239,487	249,690
Net Asset: £ per share (balance sheet figures)	11.41	11.89	13.71	14.70	15.32
Represented by:					
Share Capital	4,074	4,074	4,074	4,074	4,074
Reserves and Retained Profit	181,926	189,656	219,384	235,413	245,616
Shareholders' Funds	186,000	193,730	223,458	239,487	249,690

The results for the years 1993 to 1996 have been prepared under FRS3 and the corresponding amounts for the year 1992 have been restated on this basis.