

Daejan Holdings PLC

Directors

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

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 Plc,
Registrar's Department,
Goring-by-Sea,
Worthing, West Sussex BN12 6DA

Auditors

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

Consulting Accountants

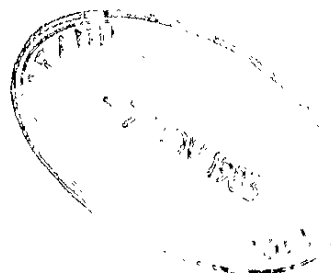
Cohen, Arnold & Co.,
13-17 New Burlington Place,
London W1X 2JP

Principal Bankers

Barclays Bank PLC
Lloyds Bank Plc
National Westminster Bank PLC
International Westminster Bank PLC

Stockbrokers

Grievson, Grant & Co.,
59 Gresham Street,
London EC2P 2DS



Results at a glance

	Year ended 31st March	
	1983	1982
Pre-tax Profits	£6,915,000	£4,737,000
Net Profits	£4,294,000	£2,900,000
Earnings per Share	26.38p	18.35p
Dividends per Share, actual	5.75p	4.75p
Net Assets per Share	373p	360p

Notice of Meeting

Notice is hereby given that the **Forty-eighth Annual General Meeting of Daejan Holdings PLC** will be held at The Devon and Stafford Rooms, Connaught Rooms, Great Queen Street, London, W.C.2, on **Monday 19th September 1983 at 12 noon**, for the following purposes:—

- 1 To receive the Accounts for the year ended 31st March 1983 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 Louis Scott 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
18th August 1983

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 19th September 1983, to Shareholders registered at the close of business on 5th August 1983.

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 and also before and during the Meeting.

Chairman's Statement

As I write this epilogue to an otherwise excellent year, I have to report with extreme sadness the death, within the last few weeks, of the Earl of Stradbroke, who had been a Director of the Company since 1961 and its Chairman for a period of eleven years until 1973. Throughout, he was a much respected and liked colleague whose advice, given always with his inimitable charm and courtesy, was very much valued. We shall truly miss him.

As for the results for the year I am sure you will agree that they require little embellishment. We have again achieved record profits and enhanced reserves despite the current recessionary period.

During the year we negotiated over 2,000 separate rent reviews and new leases which increased gross rental income by £1 million, although higher property outgoings restricted the net rental improvement which advanced by £0.5 million. Property sales, both of vacant flats and houses, and also of investments realised as part of the rationalisation of the portfolio referred to last year, yielded a profit of £7.1 million as against £5.5 million previously. Despite an increase in dollar borrowings for the funding of our growing USA investment, finance charges overall showed a saving of almost £500,000. Together, these various increments have produced a profit, after expenses and provisions, but subject to tax, of £6,915,000, compared with £4,737,000 last year.

The increased profit and the cash flow which it generates, has enabled us to finance continued high levels of expenditure on property repairs and improvements, and has added to our capacity for quick response to suitable investment opportunities both in the United Kingdom and Overseas. Your Board is also proposing to pass on to shareholders an immediate and direct benefit by way of a suitable increase in dividend.

We have made several worthwhile United Kingdom property investment acquisitions during the year, which should in time produce useful income and capital growth.

The strength of our portfolio is boosted by its diversity and balance. Our commercial properties, mostly shops, are situated in High Street locations throughout the country, and continue to be substantially fully let. Our residential holdings, whilst not producing any notable net rental income, generate substantial surpluses and cash upon realization. The USA property portfolio continues to show promise and is likely to be of increasing significance in the future.

You will be pleased to know that, since the year end, income and sales have continued to be buoyant and if, as we hope, these conditions continue, I should next year be able to report yet another successful trading period.

The property industry has a valuable role to play in creating both suitable environments for industry and commerce and pleasant living conditions generally. We contribute towards this by further investment in selected industrial and commercial property and through continued improvement to our residential properties. That we have been able to do so, and also to generate such satisfactory profits, is due in no small measure to the efforts of our staff at all levels. I conclude therefore with a sincere expression of appreciation to them all and with the confident expectation of their continued enthusiasm and loyalty in the future.

B S E FRESHWATER

Directors' Report

Directors' Report

Principal Activities of the Group

Properties

Accounts and Dividend

The Directors have pleasure in presenting their Report together with Balance Sheets of the Company and of the Group as at 31st March 1983 and the Consolidated Profit and Loss Account of the Group for the year ended on that date.

Daejan Holdings PLC 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. Some subsidiary companies are incorporated in the United States of America and undertake property investment and trading in that country.

A professional revaluation of all the Group's properties in the United Kingdom was carried out at 31st January 1982 and the resultant figures relating to investment properties were incorporated into last year's Accounts.

The nature of the Group's portfolio, which consists of a large number of properties spread throughout the United Kingdom, is such that a complete revaluation is both lengthy and costly, and the Directors do not feel that to carry out this exercise annually would be justified.

However, the Directors, in consultation with Senior Executives of the Management Company and the Group's professional valuers, have reviewed the portfolio as a whole and a number of the larger properties in detail. They have decided that overall there was not any significant change in open market value which would warrant amendment to the book values of investment properties.

In the case of trading properties the 1982 valuation revealed a substantial surplus over book value of £27 million, which was not incorporated into the Accounts, and the Board are satisfied that at 31st March 1983 properties held for trading and development still had a value considerably in excess of their book values.

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 18.

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

	Income £000	Profit £000
Rents and Charges	14,138	5,529
Sales of Properties	9,640	7,125
Textile Merchanting	1,900	43
Other Activities	—	(199)
	<u>25,678</u>	<u>12,508</u>
Financing Charges (net)		(4,360)
Fees and Expenses		(1,233)
		<u>£6,915</u>

The net profit for the year, after all charges and appropriations amounted to £4,294,000. An Interim Dividend of 1.925p per share was paid on 18th March 1983 and the Directors now recommend the payment of a Final Dividend of 3.825p per share, making a total for the year of 5.75p per share. The dividends will absorb £937,000 and will leave £3,357,000 to be added to retained earnings.

Directors' Report

continued

Directors

The Directors record with deep regret the death on 14th July 1983 of the Earl of Stradbroke who had been a Director of the Company since October 1961 and who was its Chairman from then until March 1973.

The remaining 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 Director retiring by rotation is Mr L Scott who, being eligible, offers himself for re-election.

Directors' Interests in Contracts

Day-to-day management of the Group's properties in the United Kingdom 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 property consultant and from time to time receives fees for acting on behalf of 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 193 and their aggregate gross remuneration was £586,817. These figures relate to portorage staff only. Both the Group and its management company, Highdorn Co Ltd, give full and fair consideration, where the requirements of the post permit, to applications for employment from disabled persons.

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 that of Mr S I Freshwater in 1,589,270 shares of which 1,500,000 shares are held by a 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 the above 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 49½p.

Charitable Donations

During the year the Company and its subsidiaries made charitable donations totalling £21,000 net under Deed of Covenant.

Auditors

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

By Order of the Board,

H E Severn,
Secretary

18th August 1983

Directors' Report

continued

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

<i>Daejan Holdings PLC</i>	<i>31st March</i>	<i>31st March</i>
<i>Ordinary Shares</i>	<i>1983</i>	<i>1982</i>
D Davis	763 (notes 2 & 3)	763
B S E Freshwater	590,033 (notes 2, 3, 4 & 5)	590,033
L Scott	3,181	3,181
<i>The Bampton Property Group Limited</i>		
<i>7½% Unsecured Loan Stock 1991/96</i>		
L Scott	£11,250	£11,250

Notes:

1. All the above holdings were beneficially owned.
2. A total of 2,586,822 shares (31st March 1982 – 2,586,822) 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.
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 1983 a total of 8,156,431 shares (31st March 1982 – 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.
6. There have been no changes in any of the above interests since 31st March 1983.

Auditors Report to the Members

of Daejan Holdings PLC

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 1983, 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 1981.

London
18th August 1983

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Consolidated Profit and Loss Account

for the year ended 31st March 1983

	Notes	1983 £000	1982 £000
Rents, less property outgoings	2	5,529	4,943
Surplus on Sales of Properties	2	7,135	5,531
Other Activities	3	(156)	112
		<u>12,508</u>	<u>10,586</u>
Financing Charges	4	4,360	4,856
Other Charges	5	1,233	993
		<u>5,593</u>	<u>5,849</u>
Profit before Taxation and Extraordinary Items		6,915	4,737
Taxation	6	2,574	1,741
		<u>4,341</u>	<u>2,996</u>
Minority Interests		41	5
Group Profit before Extraordinary Items		<u>4,300</u>	<u>2,991</u>
Extraordinary Items	7	15	21
Group Profit after Extraordinary Items	8	<u>4,315</u>	<u>3,012</u>
Transfer to Capital Reserve	9	21	112
		<u>4,294</u>	<u>2,900</u>
Dividends:			
Interim		314	314
Proposed Final		623	460
		<u>937</u>	<u>774</u>
Profit retained	19	<u>£3,357</u>	<u>£2,126</u>
Earnings per Share	10	<u>26.38 p</u>	<u>18.35 p</u>

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

Consolidated Balance Sheet

as at 31st March 1983

	Notes	1983 £000	1982 £000
Fixed Assets			
Tangible assets—Properties held for Investment	11	84,056	35,085
Other Investments	12	6,613	3,180
		<u>90,669</u>	<u>88,265</u>
Current Assets			
Properties held for Trading	13	16,135	15,848
Stock		270	296
Deferred Taxation	6	364	632
Debtors	14	5,941	5,441
Short Term Investments	15	290	671
Cash at Bank		3,075	553
		<u>26,075</u>	<u>23,441</u>
Creditors: Amounts falling due within one year	16	(16,375)	(11,846)
Net Current Assets		<u>9,700</u>	<u>11,595</u>
Total assets less current liabilities		<u>100,369</u>	<u>99,860</u>
Creditors: Amounts falling due after more than one year	17	(39,303)	(41,008)
Net Assets		<u><u>£61,066</u></u>	<u><u>£58,852</u></u>
Capital Employed			
Share Capital	18	4,074	4,074
Reserves	19	56,713	54,534
		<u>60,787</u>	<u>58,608</u>
Minority Interests		279	244
		<u><u>£61,066</u></u>	<u><u>£58,852</u></u>

B S E FRESHWATER

D DAVIS

Directors

Approved by the Board at a meeting
held on 13th July 1983

The notes on pages 11 to 13 form part of these Accounts

Balance Sheet

as at 31st Mar. 1983

	Notes	1983 £000	1982 £000
Fixed Assets			
Investments in Subsidiaries	20	54,973	46,232
Current Assets			
Debtors	14	32	28
Deferred Taxation	6	314	591
		<u>346</u>	<u>619</u>
Creditors: Amounts falling due within one year	16	(4,148)	(2,478)
Net Current Liabilities		<u>(3,802)</u>	<u>(1,859)</u>
		51,176	44,373
Creditors: Amounts falling due after more than one year	17	26,146	25,942
Net Assets		<u>£25,030</u>	<u>£18,431</u>
Capital Employed			
Share Capital	18	4,074	4,074
Reserves	19	20,956	14,357
		<u>£25,030</u>	<u>£18,431</u>

B S E-FRESHWATER

D DAVIS

Directors

Approved by the Board at a meeting held on 13th July 1983

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

Source and Application of Funds

for the year ended 31st March 1983

	1983 £000	1982 £000
Source of Funds		
Profit before tax and extraordinary items	6,915	4,737
Exclude: Surplus on sales of investment properties dealt with below	(2,876)	(3,035)
	<u>4,039</u>	<u>1,702</u>
Adjustments for items not involving the movements of funds:		
Amortisation and depreciation	<u>159</u>	<u>49</u>
Funds generated by operations other than sales of investment properties	4,198	1,751
Sales of investment properties (net of selling expenses £155,000) (1982 £143,000)	<u>3,322</u>	<u>3,556</u>
Funds generated from operations	<u><u>£7,520</u></u>	<u><u>£5,307</u></u>
Application of Funds		
Expenditure on properties for Investment	900	22
Acquisition of other assets	<u>11</u>	<u>—</u>
	911	22
(Reduction)/Increase in loans	1,690	(326)
Increase in fixed asset investments	3,433	1,578
Dividends paid	780	740
Corporation tax paid	294	585
(Decrease)/Increase in net current assets after including properties held for trading and excluding corporation tax, borrowings and dividends	<u>(130)</u>	<u>1,871</u>
	6,978	4,470
(Increase)/Reduction in loans repayable within one year	(1,980)	511
Increase in bank balances	<u>2,522</u>	<u>319</u>
Reduction in short term borrowings	<u>542</u>	<u>837</u>
	<u><u>£7,520</u></u>	<u><u>£5,307</u></u>

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) and in compliance with Section 152A and Schedule 8A of the Companies Act 1948.

The Accounts of certain subsidiary companies have not been consolidated (see note 20 (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 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.

(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 translated into sterling at the rates of exchange ruling at the Balance Sheet date, and any surplus or deficit arising on such translation is dealt with through Capital Reserve.

(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.

2. Group Turnover

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

	1983		1982	
	Turnover £000	Profit £000	Turnover £000	Profit £000
Rent and Service Charges Receivable	14,138	5,529	12,989	4,943
Trading Property Sales	6,163	4,259	3,879	2,496
Investment Property Sales (See below)	3,477	2,876	3,699	3,035
	<u>£23,778</u>	<u>£12,664</u>	<u>£20,567</u>	<u>£10,474</u>

	1983 £000	1982 £000
Transfer from capital reserve of surplus now realised (note 19)	1,255	514
Surplus over book value	<u>1,621</u>	<u>2,521</u>
	<u>£2,876</u>	<u>£3,035</u>

3. Other Activities

	1983 £000	1982 £000
Textile Merchandising	43	72
Share of 'U.S.A. partnerships' results	(213)	34
Sundry Income	14	6
	<u>£(156)</u>	<u>£112</u>

4. Financing Charges

	1983 £000	1982 £000
Interest payable on bank loans, overdrafts and loans:		
Repayable within 5 years	1,150	1,303
Repayable in more than 5 years	<u>3,632</u>	<u>2,785</u>
	4,782	5,088
Less: interest receivable	(422)	(187)
Less: Applied to development properties	—	(45)
	<u>£4,360</u>	<u>£4,856</u>

Notes on the Accounts

continued

5. Other Charges

	1983 £000	1982 £000
These include:		
Amortisation of short leases	155	44
Depreciation of furniture, fittings and equipment	4	5
Audit fees	113	110
Pension paid to widow of former managing director	8	8
Directors' emoluments (see notes (i) and (ii) below):—		
Fees	14	14
Other remuneration	45	45
(i) Chairman	£48,750	£48,750
(ii) Other directors	Number	Number
£0 to £5,000	3	3

6. Taxation

	1983 £000	1982 £000
1. Charge in the Profit and Loss Account:—		
United Kingdom taxation based on the profit for the year at 52% (1982 - 52%)		
Current	2,727	1,515
Deferred	(154)	97
	2,573	1,612
Prior year adjustments	(1)	160
	2,572	1,772
Overseas taxation	2	(31)
	£2,574	£1,741

The charge for United Kingdom corporation tax on the profits for the year has been reduced by stock relief of £32,000 (1982 £18,000) and accelerated capital allowances of £1,543,000 (1982 £136,000).

	The Group		The Company	
	1983 £000	1982 £000	1983 £000	1982 £000
2. Deferred Taxation Asset				
Advance corporation tax recoverable	267	515	267	515
Taxation deferred by capital allowances	(179)	(224)	—	—
Stock relief	(54)	(46)	—	—
Short term timing differences	158	180	47	76
Other timing differences	172	207	—	—
	£364	£632	£314	£591

Apart from the above items there was at 31st March 1983 a further potential liability for deferred tax in respect of Capital Allowances of £858,000. No provision has been made in these 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 £13.4m and £6m respectively (1982 £14.5m and £6m) 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 £3.4m (1982 £2m).

Notes on the Accounts

continued

7. Extraordinary Items

Surplus arising on redemption of Debentures and
Loan Stock

1983
£000

1982
£000

£15 £21

8. Group Profit after Taxation and Extraordinary Items

Of the Group Profit after Taxation and Extraordinary Items, a surplus of £7,390,000, (deficit 1982 £67,000) is dealt with in the Accounts of the Holding Company.

9. Transfer to Capital Reserve

Surplus arising on redemption of Debentures and
Loan Stock
Surplus on sales of properties (see note 1(b))

1983
£000

1982
£000

15 21
6 91

£21 £112

10. Earnings per Share

Earnings per share are based on earnings before Extraordinary Items of £4,300,000 (1982 £2,991,000) and 16,295,357 shares in issue at 31st March 1983 (1982 16,295,357).

11. Tangible Assets

Investment Properties:	Freehold £000	Long Leasehold £000	Short Leasehold £000	Fixtures & Fittings £000	Total 1983 £000	Total 1982 £000
At cost	—	—	—	14	14	14
At professional valuation 1982	63,930	16,617	4,478	—	85,025	86,131
At subsequent cost	30	16	—	—	46	—
At 1st April 1982	63,960	16,633	4,478	14	85,085	86,145
Reclassification	690	(685)	(5)	—	—	—
Additions	900	—	—	11	911	22
Disposals	(1,565)	(138)	—	(3)	(1,706)	(1,038)
Depreciation	—	—	(155)	(4)	(159)	(44)
Revaluation Adjustment	—	(75)	—	—	(75)	—
At 31st March 1983	£63,985	£15,735	£4,318	£18	£84,056	£85,085

A professional revaluation of all the Group's properties was carried out at 31st January 1982. The Directors have reviewed the investment portfolio at 31st March 1983 and have agreed that there has been no significant change in open market values which would warrant an amendment to book values.

Notes on the Accounts

continued

12. Fixed Asset Investments

	1983 £000	1982 £000
Shares in U.S. Co-operative Corporation	1,765	—
Deposit on U.S. Contract	—	357
Investment in U.S. Partnerships	2,565	1,522
Interest in syndicates to acquire Industrial Buildings	1,168	368
Mortgages granted – repayable after one year	131	40
Collateral endowment insurance policies at cost	405	384
Collateral Deposits	20	20
Investments in subsidiaries not consolidated (note 20 (b))	154	153
Amounts owed by subsidiaries not consolidated	405	336
	<u>£6,613</u>	<u>£3,180</u>

Notes:

- i. Surrender values – £464,000 (1982 £431,000)
- ii. Represents deposits by certain subsidiaries
given as security for the loans of third parties.

13. Properties held for trading

	1983 £000	1982 £000
At the lower of cost and net realisable value		
Completed properties	15,882	15,589
Developments	253	259
	<u>£16,135</u>	<u>£15,848</u>

14. Debtors

	The Group		The Company	
	1983 £000	1982 £000	1983 £000	1982 £000
Trade debtors (including rents and service charges due and accrued)	3,678	3,093	—	—
Other debtors and prepayments	1,999	2,119	32	28
Taxation recoverable	3	141	—	—
Interest receivable	20	—	—	—
Due from managing agent Highdorn Co. Limited	241	88	—	—
	<u>£5,941</u>	<u>£5,441</u>	<u>£32</u>	<u>£28</u>

15. Short Term Investments

	1983 £000	1982 £000
Mortgages granted – repayable within one year	58	61
Listed securities at the lower of cost and net realisable value. Market value £139,000 (1982 £109,000)	123	101
Deposits with Friendly Society and Trustees of Debenture Holders	109	509
	<u>£290</u>	<u>£671</u>

Notes on the Accounts

continued

16. Creditors: Amounts falling due within one year

	<i>The Group</i>		<i>The Company</i>	
	1983	1982	1983	1982
	£000	£000	£000	£000
Mortgage advances	415	389	216	216
Bank loans and overdrafts	3,851	1,897	1,991	710
Rents and service charges charged in advance	1,933	1,757	—	—
Other creditors and accruals	3,472	3,156	874	658
Taxation	6,081	4,207	444	404
Proposed dividend	623	460	623	460
	<u>£16,375</u>	<u>£11,846</u>	<u>£4,148</u>	<u>£2,478</u>

17. Creditors: Amounts falling due after more than one year

	<i>The Group</i>		<i>The Company</i>	
	1983	1982	1983	1982
	£000	£000	£000	£000
Debentures and Unsecured Loan Stocks	6,904	7,037	—	—
Mortgage advances	12,743	12,408	4,988	5,277
Bank Loans	19,596	21,563	21,158	20,665
	<u>£39,303</u>	<u>£41,008</u>	<u>£26,146</u>	<u>£25,942</u>

Analysis of creditors falling due after more than one year.

	Interest Rate	<i>The Group</i>		<i>The Company</i>	
		1983	1982	1983	1982
		£000	£000	£000	£000
Amounts repayable after 1st April 1988:					
Unsecured Loan Stock 2002/07	8½%	2,125	2,148	—	—
Unsecured Loan Stock 1991/96	7½%	1,119	1,119	—	—
Instalment Mortgages 1987-2001	6%-16%	10,395	10,755	4,106	4,412
Debenture Stocks 1985-1997	6½%-8½%	3,396	3,446	—	—
Bank Loans and Overdrafts	variable	17,084	17,094	84	94
		<u>34,119</u>	<u>34,562</u>	<u>4,190</u>	<u>4,506</u>

Amounts repayable between 1st April 1985 and 31st March 1988:

		1983	1982	1983	1982
		£000	£000	£000	£000
Debenture Stocks 1983-1986	6½%	324	324	—	—
Instalment Mortgages	6%-16%	1,803	1,263	663	648
Bank Loans and Overdrafts	variable	1,853	2,810	1,014	2,962
		<u>3,980</u>	<u>4,397</u>	<u>1,677</u>	<u>3,610</u>

Amounts repayable between 1st April 1984 and 31st March 1985:

		1983	1982	1983	1982
		£000	£000	£000	£000
Instalment Mortgages	6%-16%	545	390	220	216
Bank Loans and Overdrafts (see note)	variable	659	1,659	20,059	17,610
		<u>1,204</u>	<u>2,049</u>	<u>20,279</u>	<u>17,826</u>

Total amount of Long Term Loans

	1983	1982	1983	1982
	£000	£000	£000	£000
	<u>£39,303</u>	<u>£41,008</u>	<u>£26,146</u>	<u>£25,942</u>

Amount of Long Term Loans secured

	1983	1982	1983	1982
	£000	£000	£000	£000
	<u>£35,166</u>	<u>£36,215</u>	<u>£25,502</u>	<u>£25,942</u>

Amounts repayable before 31st March 1984 included in current liabilities (see note 16)

		1983	1982	1983	1982
		£000	£000	£000	£000
Instalment Mortgages	6%-16%	415	389	216	216
Bank Loans and Overdrafts	variable	3,851	1,897	1,991	710
		<u>£4,266</u>	<u>£2,286</u>	<u>£2,207</u>	<u>£926</u>

The bank loans of The Company include £19.4m in 1982 and £18.35m in 1983, 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.

Notes on the Accounts

CONTINUED

18. Share Capital

	Number	£000
<i>Ordinary Shares of 25p:</i>		
Authorised at 31st March 1983 and 1982	18,722,596	£4,681
Issued and fully paid at 31st March 1983 and 1982	16,295,357	£4,074

19. Reserves

	<i>The Group</i>		<i>The Company</i>	
	£000	£000	£000	£000
<i>Share Premium Account:</i>				
At 1st April 1982		2,830		555
Reclassification from Capital Reserve		468		—
Balance 31st March 1983		3,298		555
<i>Capital Reserve:</i>				
Balance 1st April 1982	40,947		11,046	
Reclassification to share premium account	(468)		—	
Transfer from Profit and Loss Account (note 9)	21		—	
Transfer to Profit and Loss Account of surpluses on prior years' revaluation of investment properties now realised (note 2)	(1,255)		—	
Adjustment to surplus arising on valuation carried out in 1982	(75)		—	
Unrealised surplus on intra Group transfer	(76)		—	
Surplus arising on translation at current rates of amounts denominated in foreign currency	207		146	
Balance 31 March 1983		39,301		11,192
<i>Retained Earnings: (see note below)</i>				
Balance 1 April 1982	10,757		2,756	
Surplus for the year	3,357		6,453	
		14,114		9,209
		<u>£56,713</u>		<u>£20,956</u>

An amount of £9,208,000 will not be available for distribution until realised losses previously debited to Capital Reserve are matched by realised capital profits in the Company.

20. Investment in Subsidiaries

	1983	1982
	£000	£000
(a) <i>The Company</i>		
Shares at cost	1,446	1,445
Surplus on revaluation	20,400	20,400
	<u>21,846</u>	<u>21,845</u>
Amounts due from subsidiaries	77,745	64,189
	<u>99,591</u>	<u>86,034</u>
Amounts due to subsidiaries	(64,663)	(39,751)
	<u>£34,928</u>	<u>£46,283</u>

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

(b) *The Group—Subsidiaries not consolidated at directors' valuation £154,000*

There have been excluded from the Consolidated Accounts the results of certain subsidiary companies acquired at a cost of £154,000 (1982 £153,000). Their combined losses since acquisition attributable to The Company as indicated by their accounts amounted to £4,000 (1982 £29,000) and their aggregate liabilities at 31st March 1983 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.

Notes on the Accounts

continued

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 £1.53m 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 1983 amounted to £24.2m (1982 £24.6m).

23. 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
Clifton Investment Co. Limited
Daejan Developments Limited
Daejan Estates Limited
Daejan Investments Limited
Daejan Investments (Grove Hall) Limited
Daejan Investments (Harrow) Limited
Daejan Investments (Park) Limited
Daejan Properties Limited
Daejan Securities Limited — *Share Dealer*
Daejan Holdings (U.S.) Inc. (*Incorporated in U.S.A.*)
Hampstead Way 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 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,				
	1979	1980	1981	1982	1983
	£000	£000	£000	£000	£000
Net Rental Income	4,681	4,801	5,228	4,943	5,529
Surplus on Sale of Properties	5,465	5,471	5,046	5,531	7,135
Other Income	219	97	137	112	(156)
	10,365	10,369	10,411	10,586	12,508
Group Profit before Tax	3,331	4,192	3,831	4,737	6,915
Taxation	1,069	1,404	1,085	1,741	2,574
Minority Interests	6	15	42	5	41
Transfer to Reserve	99	41	19	91	6
Available Surplus	2,157	2,732	2,685	2,900	4,294
Earnings: p. per share	13.84	17.02	16.59	18.35	26.38
Dividends: p. per share (Gross)	4.72	5.00	5.50	6.79	8.21
Gross Assets	77,020	75,212	76,127	111,706	116,744
Net Assets	20,016	21,794	23,642	58,608	60,787
Net Assets: p. per share	123	134	145	360	373
Represented by:					
Share Capital	4,074	4,074	4,074	4,074	4,074
Reserves and Retained Profit	15,942	17,720	19,568	54,534	56,713
Net Interest of Members	20,016	21,794	23,642	58,608	60,787

Note: The increase in gross assets in 1982 resulted from the professional revaluation carried out during that year.