

Annual report

for the year ended 31 March 1995

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Directors and advisers

Directors	<p>R Clark FCA <i>Chairman and Chief Executive</i></p> <p>*S J Titcomb FCA <i>Deputy Chairman</i></p> <p>*Mrs P A H Clark</p> <p>*A V C Astley LLB</p> <p>R J Harvey</p> <p>*S J Roberts MA</p> <p>*Non-executive</p>
Secretary	<p>J A Dippie FCA</p>
Audit Committee	<p>S J Titcomb FCA <i>Chairman</i></p> <p>A V C Astley LLB</p> <p>R Clark FCA</p>
Registered Office	<p>32 Haymarket, London, SW1Y 4TP.</p> <p>Registered number: 340727</p> <p>Date of Incorporation: 27 May 1938</p>
Auditors	<p>KPMG</p>
Principal Bankers	<p>Clydesdale Bank plc</p> <p>Bank of Scotland</p> <p>The Royal Bank of Scotland plc</p>

Chairman's statement

I am pleased to announce that the group made a profit before taxation of £4.4m. Taking into account the diverse nature of the group's activities and the long-term nature of some of the individual businesses this is considered to be a satisfactory result.

Taylor Clark UK Holdings Limited—Taylor Clark Properties Limited

Investment properties are held by Taylor Clark UK Holdings Limited which produced a year-end revaluation surplus of £5.9m. The development subsidiary has been recapitalized and renamed Taylor Clark Properties Limited. Following the successful conclusion of the Golden Square Business Village, new office development schemes have commenced in Birmingham and the West End of London. It is planned to start retail developments in Glasgow, Stratford-upon-Avon and Nottingham later this year on receipt of satisfactory planning consents.

Taylor Clark Leisure plc

Taylor Clark Leisure plc (formerly Haymarket Leisure PLC) had another successful year achieving profits in excess of £2m for the first time. During the year the company acquired Fairworld Bingo Clubs Limited located in the North East of England thereby doubling the number of bingo clubs under its management.

Taylor Clark International Limited

In America Castlehill Holdings Inc has purchased an apartment complex in Atlanta, Georgia, and 450 acres of land in the Lodi-Woodbridge area south of Sacramento, California which is being developed as a Vineyard to produce wine-grapes for The Robert Mondavi Corporation.

Colin Clark

Colin Clark retired in June after 40 years service with the company initially as an Executive Director and latterly in a Non-executive role. I would like to thank him for his advice and support over this long period.

As ever I would like to thank all staff, managers, directors and advisers for their contribution to another eventful and successful year.

Robin Clark
26 July 1995



Report of the directors

The directors have pleasure in submitting their annual report, together with the financial statements for the year ended 31 March 1995.

Activities The principal activities of Taylor Clark plc ('the company') and its subsidiary undertakings are property development and investment. In addition the group owns a substantial leisure division based mainly in Scotland and farms and commercial woodlands in Wiltshire and Inverness-shire. Current policy is to consolidate and develop these existing activities, whilst keeping sufficient funds available for compatible acquisitions.

Results and Dividends As shown by the consolidated profit and loss account the profit for the financial year amounted to £3,426,000 (1994: Profit £5,436,000). After deducting £881,000 (1994: £865,000) for dividends paid and proposed, £2,545,000 (1994: £4,571,000) has been transferred to reserves.

On 29 November 1994 an interim dividend of 26 pence per share (1994: 25 pence per share) was paid. The directors recommend the payment of a final dividend of 30 pence per share (1994: 30 pence per share) making a total for the year of 56 pence per share (1994: 55 pence per share).

Fixed Assets Additions to fixed assets during the year totalled £24,142,000 of which £19,054,000 represented the acquisition of freehold and long leasehold properties. In addition a freehold property which had been developed by the group was transferred from development properties to freehold investment properties at a value of £12,571,000.

The group's investment properties have been valued at their estimated open market value at 31 March 1995. Of the portfolio £43,400,000 (60%) was valued by external valuers and £28,454,000 (40%) was valued by the directors of the subsidiary undertaking which owns the property. The valuations resulted in a £5,875,000 (8.9%) overall increase in the carrying value of the investment property portfolio.

The group's leisure division trading properties were valued by the directors of the leisure division as at 31 March 1995. These valuations resulted in a decrease of £505,000 in the carrying value of these properties.

Directors The directors in office at the date of this report are set out on page 2.

Mr Colin Clark served as a director during the year and up to his retirement on 30 June 1995.

The interests of the directors in the ordinary £1 shares of the company at 1 April 1994 and 31 March 1995 are listed below:

	31 March 1995		1 April 1994	
	Beneficial	Non Beneficial	Beneficial	Non Beneficial
Robin Clark	163,509	720,300	163,509	720,300
Mrs P A H Clark	102,309	720,300	102,309	720,300
Colin Clark	294,618	680,300	294,618	680,300
S J Roberts	48,950	—	40,950	—
A V C Astley	—	96,000	—	128,000

The non beneficial shareholdings in the company shown above arise because certain of the directors act as trustees. Where more than one director is a trustee the shares held by a particular trust may be shown more than once.

At 1 April 1994 and 31 March 1995 neither Mr Harvey nor Mr Titcomb had any interest in the shares of the company. None of the directors had any beneficial interest in the shares of subsidiary undertakings.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of group companies were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Major Shareholder The Underwood Trust, a Registered Charity, owns 680,300 (1994: 680,300) ordinary shares of £1 each, representing 43.3% (1994: 43.3%) of the issued share capital.

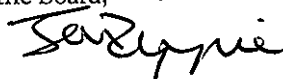
Donations The group made no contributions for political purposes during the year. Donations amounting to £1,000 (1994: £1,000) were made for charitable purposes.

Auditors On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board,

J A Dippie

Secretary.



32 Haymarket,
London SW1Y 4TP.

26 July 1995

Corporate governance

The Cadbury Committee Code of Best Practice on the Financial Aspects of Corporate Governance ("the Code") was issued in December 1992. Although not a requirement for unlisted companies the Board has considered its application within the company. Whilst not complying fully with all aspects of the Code, the directors believe that the company does comply with those aspects which are important to a company where the shareholders are closely involved with the company's affairs. The guidance for Directors on internal control was issued in December 1994, becomes standard in respect of financial years beginning on or after 1 January 1995 and hence the directors have not made a statement on it for the current year.

The Board has an Audit Committee (formed in March 1994) with a majority of non-executive directors which has specific terms of reference. The Audit Committee meets at least twice a year with the company's external auditors and its function is to ensure that the highest standards of integrity, financial reporting and internal control are maintained throughout the group. Full minutes of the Audit Committee are circulated to the Board.

After making enquiries the directors believe that the company has sufficient resources to meet all operational needs for the foreseeable future, and they therefore continue to adopt the going concern basis in preparing the accounts.

Statement of 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 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to 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 group and prevent and detect fraud and other irregularities.

Report of the auditors

To the Members of Taylor Clark plc

We have audited the financial statements on pages 8 to 22.

Respective responsibilities of directors and auditors

As described on page 6 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 1995 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 
Chartered Accountants,
Registered Auditors
Chelmsford
26 July 1995

Consolidated profit and loss account

for the year ended 31 March 1995

<i>Note</i>		1995 £'000	1994 £'000
2	Turnover (acquisitions £1,727,000)	25,871	24,387
	Cost of sales	(18,554)	(16,808)
	Gross profit	7,317	7,579
	Administrative expenses	(3,176)	(3,039)
	Other operating income	505	836
	Operating profit (acquisitions £262,000)	4,646	5,376
	(Losses)/gains realised on property disposals	(21)	1,769
	Movement in property provisions	(14)	(332)
	Profit before interest	4,611	6,813
	Interest receivable and similar income	433	402
	Interest payable and similar charges	(603)	(712)
2, 3	Profit on ordinary activities before taxation	4,441	6,503
5	Taxation	(995)	(974)
	Profit on ordinary activities after taxation	3,446	5,529
	Minority interests	(20)	(93)
6	Profit for the financial year	3,426	5,436
	Dividends	(881)	(865)
	Retained profit for the year	2,545	4,571

A statement of the reserves is given in note 17.

The notes referred to above form part of these accounts.

Group statement of total recognised gains and losses for the year ended 31 March 1995

	1995 £'000	1994 £'000
Profit for the financial year	3,426	5,436
Unrealised surplus on revaluation of properties	5,460	6,394
Currency translation difference on foreign currency net assets	(1,113)	168
Deferred taxation on disposal/(revaluation)	808	(808)
Other recognised gains and losses	5,155	5,754
Total recognised gains and losses	8,581	11,190

Note of historical cost profits and losses for the year ended 31 March 1995

	1995 £'000	1994 £'000
Reported profit on ordinary activities before taxation	4,441	6,503
Realisation of property revaluation gains of previous year	4,315	2,198
Historical cost profit on ordinary activities before taxation	8,756	8,701
Historical cost profit for the year retained after taxation, minority interests and dividends	6,860	6,769

Group reconciliation of movements in shareholders' funds for the year ended 31 March 1995

	1995 £'000	1994 £'000
Profit for the financial year	3,426	5,436
Dividends paid and proposed	(881)	(865)
Retained profit for the year	2,545	4,571
Other recognised gains and losses	5,155	5,754
Goodwill acquired during the year	(243)	(4)
Net movement in shareholders' funds	7,457	10,321
Opening balance of shareholders' funds	109,088	98,767
Closing balance of shareholders' funds	116,545	109,088

Group balance sheet

at 31 March 1995

Note		1995 £'000	1994 £'000 (Restated)
	Fixed assets		
7	Property	108,204	83,012
7	Other tangible assets	8,119	4,593
8	Investments	3,077	3,373
		119,400	90,978
	Current assets		
	Property and developments	7,916	18,337
10	Stocks	1,122	836
11	Debtors	2,745	1,664
12	Investments	780	—
	Cash at bank and in hand	3,307	12,711
		15,870	33,548
	Creditors		
13	Amounts falling due within one year	(11,955)	(14,122)
	Net current assets	3,915	19,426
	Total assets less current liabilities	123,315	110,404
	Creditors		
14	Amounts falling due after more than one year	(5,872)	—
15	Deferred taxation	(671)	(1,102)
	Equity minority interests	(227)	(214)
	Net assets	116,545	109,088
	Capital and reserves		
16	Called up share capital	1,573	1,573
17	Capital redemption reserve	730	730
17	Revaluation reserve	30,142	28,175
17	Reserve arising on consolidation	16,234	16,477
17	Profit and loss account	67,866	62,133
	Equity shareholders' funds	116,545	109,088

Approved by the Board on 26 July 1995

R Clark
R J Harvey Directors

The notes referred to above form part of these accounts.

Consolidated cash flow statement

for the year ended 31 March 1995

	1995		1994	
	£'000	£'000	£'000	£'000
Net cash inflow from operating activities		1,094		11,906
Returns on investments and servicing of finance				
Interest received	413		573	
Interest paid	(455)		(701)	
Dividends paid	(881)		(880)	
Net cash outflow from returns on investments and servicing of finance		(923)		(1,008)
Taxation				
UK Corporation tax (paid)/received	(785)		519	
Overseas tax paid	—		(39)	
Tax (paid)/received		(785)		480
Investing activities				
Purchase of tangible fixed assets	(18,852)		(5,969)	
Purchase of fixed asset investments	(387)		(943)	
Proceeds from sales of tangible fixed assets	10,912		6,434	
Proceeds from sales of fixed asset investments	990		175	
Investment in subsidiary	(5,502)		(4)	
Net cash outflow from investing activities		(12,839)		(307)
Net cash (outflow)/inflow before financing		(13,453)		11,071
Financing				
Bank loans advanced	6,000		—	
Bank loan reclassified to current liabilities	(250)		(3,653)	
Net cash inflow/(outflow) from financing		5,750		(3,653)
(Decrease)/increase in cash and cash equivalents		(7,703)		7,418

During the year a development property was transferred to investment properties for £12,571,000 reflecting the directors' decision to hold the completed development as an investment property.

Further statement of cash flows information is given in note 18 which forms part of these accounts.

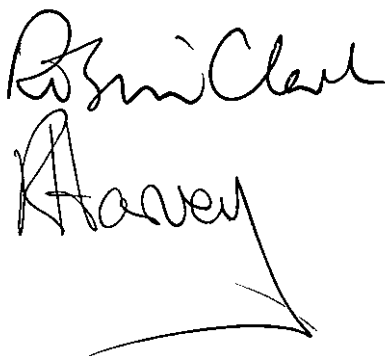
Company balance sheet

at 31 March 1995

Note		1995 £'000	1994 £'000
	Fixed assets		
7	Property	218	218
7	Other tangible assets	182	201
8	Investments	28,480	22,107
		28,880	22,526
	Current assets		
11	Debtors due after one year	10,000	10,000
11	Debtors due within one year	4,766	4,528
12	Investments	780	—
	Cash at bank and in hand	552	2,733
		16,098	17,261
	Creditors		
13	Amounts falling due within one year	(4,720)	(7,341)
	Net current assets	11,378	9,920
	Net assets	40,258	32,446
	Capital and reserves		
16	Called up share capital	1,573	1,573
17	Capital redemption reserve	730	730
17	Profit and loss account	37,955	30,143
	Equity shareholders' funds	40,258	32,446

Approved by the Board on 26 July 1995

R Clark
R J Harvey Directors



The notes referred to above form part of these accounts.

Notes on the accounts

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's and group's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for properties which are revalued under the alternative accounting rules.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of all the subsidiary undertakings up to 31 March 1995. Results of subsidiary undertakings acquired during the year are included from the date of acquisition.

The group's share of the results of associated undertakings is included in the consolidated profit and loss account and its share of the associated undertaking's net assets is included in the consolidated balance sheet.

In accordance with Section 230 of the Companies Act 1985 a separate profit and loss account dealing with the results of the company has not been presented.

Capital reserve and goodwill arising on consolidation

Capital reserve arising on consolidation represents the excess of the value of net tangible assets in subsidiary undertakings acquired over the cost of shares in those subsidiary undertakings. Goodwill arising on consolidation represents the excess of the cost of shares in subsidiary undertakings acquired over the value of their net tangible assets at the date of acquisition and is written off immediately against reserves.

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Depreciation of fixed assets

Fixed assets are depreciated on a straight line basis over their estimated useful lives adopting the following rates per annum:

Investment properties and freehold land	— nil
Freehold buildings	— 0%-2%
Leasehold properties	— over the life of the lease, limited to the final twenty one years.
Other tangible assets:	
Short life equipment	— 50%
Farming equipment	— At between 10% and 20%
Other plant and equipment	— At between 10% and 33%
Assets in course of construction	— 0%

Investment Property

The group's accounting policy has been changed to reflect the amendment to SSAP 19. Previously permanent diminutions in value were taken against the revaluation reserve. The change in accounting policy has resulted in the prior year adjustment referred to in note 17.

In accordance with SSAP 19, as amended in July 1994, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; except where there is a deficit on an individual investment property that is expected to be permanent, which is charged to the profit and loss account for the period. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over twenty one years to run.

This treatment, as regards certain of the group's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are held 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. The profits and losses on disposal of investment properties are computed by reference to the valuation at the previous year end of the assets concerned plus subsequent expenditure.

Trading Property

Trading properties are stated at cost or valuation on an existing use basis having regard to the trading potential of the properties. This method of valuation does not distinguish the values attributable to land, buildings and intangible assets such as goodwill. Regular valuations of the properties are carried out and the properties are maintained to a high standard. Accordingly, the directors are of the opinion that the length of lives and residual values of freehold properties are such that no provision for depreciation is required. This treatment may be a departure from the requirement of the Companies Act concerning depreciation on fixed assets. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. In addition, no amortisation of leasehold properties, where the unexpired term of the lease is in excess of twenty-one years, is provided as, in the opinion of the directors, the amount would not be material.

Any permanent diminution in the value of properties is charged to the profit and loss account.

Notes on the accounts

continued

1 Accounting policies continued

Property and developments held as current assets

These are stated at the lower of cost and market value.

Investments

Listed and unlisted investments held as fixed assets are shown at cost less provision where in the opinion of the directors there has been a permanent diminution in value. Listed investments held as current assets are stated at the lower of cost and market value. Unlisted investments held as current assets are stated at the lower of cost and directors' valuation.

Woodlands

The investment in woodlands reflects the costs of establishing and maintaining commercial woodlands, net of grants received. The running costs are taken to profit and loss account.

Turnover

Turnover represents income from leisure operations, sales of goods and farm produce invoiced to outside customers, sales of property held for resale and investments, dividends and rents, excluding Value Added Tax.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The accounts of overseas subsidiary undertakings are translated at the exchange rate ruling at the balance sheet date. The exchange differences arising on the translation of opening net assets are taken directly to reserves.

Pensions

Pension contributions are charged to the profit and loss account in accordance with actuarial recommendations so as to spread the cost of pensions over the employees' estimated remaining working lives with the group.

2 Turnover and business segment analysis

By activity

1995	Property	Leisure	Other	Total
	£'000	£'000	£'000	£'000
Turnover	3,636	21,004	1,231	25,871
Operating profit	2,017	2,445	184	4,646
Gains realised on property disposals	(21)	—	—	(21)
Movement in property provisions	(14)	—	—	(14)
Interest	271	(367)	(74)	(170)
Profit before taxation	2,253	2,078	110	4,441
Assets employed	81,763	25,761	9,021	116,545
1994				
Turnover	5,587	17,755	1,045	24,387
Operating profit	2,563	1,871	942	5,376
Gains realised on property disposals	1,769	—	—	1,769
Movement in property provisions	(332)	—	—	(332)
Interest	(369)	(127)	186	(310)
Profit before taxation	3,631	1,744	1,128	6,503
Assets employed	71,725	22,291	15,072	109,088
By geographical market			1995	1994
			£'000	£'000
Turnover				
UK			24,882	23,413
USA			989	974
			25,871	24,387
Profit on ordinary activities before taxation				
UK			3,625	6,451
USA			816	52
			4,441	6,503

3 Profit on ordinary activities before taxation		
The profit before taxation is arrived at after crediting and charging the following:	1995	1994
	£'000	£'000
Crediting:		
Income from listed investments	56	297
Interest receivable	433	402
Charging:		
Interest on loans and advances repayable within five years	369	701
Interest payable on loans repayable after five years	183	—
Currency translation differences	51	10
Depreciation	1,585	1,338
Auditors' remuneration: Audit fees	110	101
Other services	115	83
Operating lease rental payments: Land and buildings	431	429
Plant and machinery	7	6
Share of results of associated undertakings	—	68
4 Staff costs and directors' emoluments		
The average number of persons employed by the group during the year was as follows:	1995	1994
	Number	Number
Property, management and administration	22	22
Leisure (including approximately 60% part time)	1,036	893
Other	14	13
	1,072	928
The aggregate payroll costs of these persons were as follows:	1995	1994
	£'000	£'000
Wages and salaries	6,401	5,621
Social security costs	444	441
Other pension costs	410	297
	7,255	6,359
The staff costs above include the following emoluments in respect of the directors of the company including pension contributions:	1995	1994
	£'000	£'000
Fees	69	55
Other emoluments	189	169
	258	224
Directors' remuneration:	1995	1994
	£'000	£'000
Chairman and highest paid director (excluding pension contributions)	92	91
Chairman and highest paid director (including pension contributions)	109	100
All directors excluding pension contributions:	Number	Number
£ 1-£ 5,000	—	1
£10,001-£15,000	4	3
£15,001-£20,000	1	1
£60,001-£65,000	—	1
£65,001-£70,000	1	—
£90,001-£95,000	1	1
5 Taxation	1995	1994
	£'000	£'000
Corporation tax at 33% (1994: 33%) based on the profit for the year	(540)	(926)
Tax attributable to franked investment income	(12)	(67)
Deferred taxation	(390)	(29)
Adjustments in respect of prior years	(14)	87
Overseas tax	(39)	(39)
	(995)	(974)

Notes on the accounts

continued

6	Profit for the financial year	1995	1994
		£'000	£'000
	Dealt with in the accounts of the holding company	8,693	1,715
	Retained by subsidiary undertakings	(5,267)	3,789
	Retained by associated undertakings	—	(68)
		3,426	5,436

7 Fixed assets: Property and other tangible assets

Group:	Freehold property		Leasehold property		Total property	Other tangible assets
	Investment	Trading	Long lease investment	Short lease trading		
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation:						
1 April 1994	53,763	24,954	218	4,106	83,041	10,988
Additions	10,928	7,778	—	348	19,054	5,088
Disposals	(10,668)	(149)	—	(119)	(10,936)	(437)
Translation difference	(833)	—	—	—	(833)	—
Reclassification and transfer	12,571	63	—	(136)	12,498	73
Surplus/(deficit) from revaluation	5,875	(503)	—	43	5,415	—
31 March 1995	71,636	32,143	218	4,242	108,239	15,712
Cost	—	12,874	—	—	12,874	15,712
1995 valuation	71,636	19,269	218	4,242	95,365	—
	71,636	32,143	218	4,242	108,239	15,712
Depreciation:						
1 April 1994	—	29	—	—	29	6,395
Charged in year	—	6	—	52	58	1,527
Disposals	—	—	—	(7)	(7)	(329)
Eliminated on revaluation	—	—	—	(45)	(45)	—
31 March 1995	—	35	—	—	35	7,593
Net book value:						
1 April 1994	53,763	24,925	218	4,106	83,012	4,593
31 March 1995	71,636	32,108	218	4,242	108,204	8,119
Historical cost of items valued under the alternative accounting rules	61,722	7,649	250	2,522	72,143	—

Tangible fixed assets at 31 March 1995 have been included on the following bases:

- Investment properties have been valued at their estimated open market value as at 31 March 1995 using the relevant professional guidelines applicable to each country in which the property is located. The portfolio was valued by:

	By value
	£'000
DE&J Levy, Surveyors, Valuers and Property Consultants	28,600
DTZ Debenham Thorpe, International Property Advisers	14,800
Directors of subsidiary undertakings	28,454
	71,854

- Trading property is included at cost or at valuation. Such valuations have been determined by the directors of the relevant subsidiary undertaking based on their estimate of open market value on an existing use basis.
- Other tangible assets comprise fixtures, fittings, plant, machinery and motor vehicles. These assets are included at cost less provision for depreciation and, if appropriate, permanent diminution in value.

Company:	Long leasehold property	Other tangible assets
	£'000	£'000
Cost:		
1 April 1994	218	595
Additions	—	72
Disposals	—	(91)
31 March 1995	218	576
Depreciation:		
1 April 1994	—	394
Charged in year	—	77
Disposals	—	(77)
31 March 1995	—	394
Net book value:		
1 April 1994	218	201
31 March 1995	218	182

8 Fixed assets: Investments

	Works of Art £'000	Listed investments £'000	Unlisted investments £'000	Shares in associated undertakings £'000	Investments in woodlands £'000	Total £'000
Group:						
1 April 1994	117	100	1,622	389	1,145	3,373
Additions	—	100	272	—	15	387
Reclassification	—	—	—	(16)	—	(16)
Provisions	—	(5)	—	—	—	(5)
Disposals	—	—	(231)	(340)	—	(571)
Translation difference	—	—	(58)	(33)	—	(91)
31 March 1995	117	195	1,605	—	1,160	3,077

The directors consider the market value of the unlisted investments to be not less than the amounts at which they are included in the balance sheet. The listed investments are listed on The London Stock Exchange. Their market value at 31 March 1995 was £216,000 (1994: £120,000).

	Works of Art £'000	Listed investments £'000	Unlisted investments £'000	Shares in subsidiary undertakings £'000	Total £'000
Company:					
1 April 1994	117	100	715	21,175	22,107
Additions	—	100	1	5,850	5,951
Provisions	—	(5)	—	427	422
31 March 1995	117	195	716	27,452	28,480

9 Subsidiary undertakings

The company owned the proportions set out below of the issued share capital of the following principal subsidiary undertakings:

	Percentage of equity owned at 31 March 1995	Country of registration/ incorporation
Property		
Taylor Clark UK Holdings Limited	100	England
Taylor Clark Properties Limited	100	Scotland
Taylor Clark International Limited	100	England
Castlehill Holdings Inc.	100*	USA
King Street (W.C.2.) Developments Limited	75	England
Leisure		
Taylor Clark Leisure plc	100	Scotland
CAC LEISURE PLC	100*	Scotland
Fairworld Bingo Clubs Limited	100*	England
Littlejohn's Restaurants (U.K.) Limited	100*	Scotland
Caledonian Nightclubs Limited	100*	Scotland
Other		
Wylve Valley Farming Limited (farming and forestry)	100	England

*Owned by a subsidiary undertaking

On 31 October 1994 the group acquired 100% of the issued share capital of Fairworld Bingo Clubs Limited for a cash consideration of £5,275,000 with further associated expenses of £243,000 which is treated as goodwill on consolidation. The net book value and fair value of Fairworld Bingo Clubs Limited's assets at date of acquisition was £5,275,000. The company did not trade prior to the acquisition date.

Notes on the accounts

continued

10 Stocks

Stocks comprise:	Group	
	1995 £'000	1994 £'000
Leisure operations	579	347
Farm produce	543	489
	<u>1,122</u>	<u>836</u>

11 Debtors

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
<i>Amounts due after one year</i>				
Amounts owed by subsidiary undertakings	—	—	10,000	10,000
<i>Amounts due within one year</i>				
Trade debtors	599	477	—	—
Amounts owed by subsidiary undertakings	—	—	4,385	4,113
Corporation tax receivable	29	194	29	—
Advance corporation tax	294	343	294	343
Other debtors	280	298	15	13
Prepayments and accrued income	1,543	352	43	59
	<u>2,745</u>	<u>1,664</u>	<u>4,766</u>	<u>4,528</u>

12 Current assets: Investments

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Investments listed on The London Stock Exchange	780	—	780	—
Market value of investments listed on The Stock Exchange	780	—	780	—

13 Creditors: Amounts falling due within one year

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Bank loans and overdrafts	5,798	7,499	30	—
Trade creditors	1,612	1,022	26	22
Payments received on account	690	—	—	—
Amounts owed to subsidiary undertakings	—	—	4,035	6,618
Other creditors including taxation and social security	2,296	4,228	126	154
Accruals and deferred income	1,087	901	31	75
Dividends	472	472	472	472
	<u>11,955</u>	<u>14,122</u>	<u>4,720</u>	<u>7,341</u>
Other creditors including taxation and social security comprise:				
Corporation tax	1,352	1,685	—	9
Advance corporation tax	100	118	100	118
Other taxes	403	1,501	—	—
Social security	100	104	26	26
Other creditors	341	820	—	1
	<u>2,296</u>	<u>4,228</u>	<u>126</u>	<u>154</u>

£5,798,000 (1994: £3,794,000) of the bank loans and overdrafts are secured by charges over certain of the group's fixed assets, and £nil (1994: £3,705,000) is the subject of a guarantee given by the company.

14 Creditors: Amounts falling due after more than one year

	Group	
	1995 £'000	1994 £'000
Obligations under finance leases	122	—
Bank loan	5,750	—
	<u>5,872</u>	<u>—</u>

	Group	
	1995 £'000	1994 £'000
Bank loans repayable		
between 1 and 2 years	1,000	—
between 2 and 5 years	4,000	—
after 5 years	750	—
	<u>5,750</u>	<u>—</u>

The loan is repayable in quarterly instalments over a period of six years beginning in January 1996. Interest is charged at LIBOR plus 1% and has been capped at 10%.

The bank loan is secured by fixed and floating charges over the assets of the companies within the Taylor Clark Leisure plc group.

15 Deferred taxation

	Group	Company
	£'000	£'000
1 April 1994	1,102	—
Charged to profit and loss account	390	—
Transferred from revaluation reserve	(808)	—
Translation difference	(13)	—
31 March 1995	<u>671</u>	<u>—</u>

The amounts provided and full potential liability for deferred taxation calculated under the liability method are set out below:

	1995		1994	
	Amount provided	Full potential liability	Amount provided	Full potential liability
	£'000	£'000	£'000	£'000
Accelerated capital allowances	1,068	1,068	294	294
Other timing differences	(397)	(397)	—	—
Revalued land and buildings	—	4,686	808	2,555
	<u>671</u>	<u>5,357</u>	<u>1,102</u>	<u>2,849</u>

16 Share capital

	Authorised	Allotted, called up and fully paid
	£'000	£'000
Ordinary shares of £1 each:		
31 March 1995 and 1994	<u>2,500</u>	<u>1,573</u>

Notes on the accounts

continued

17 Reserves

	Capital redemption reserve £'000	Revaluation reserve £'000	Reserve arising on consolidation £'000	Profit and loss account £'000	Total £'000
<i>Group:</i>					
1 April 1994	730	19,050	16,477	71,258	107,515
Prior year adjustment	—	9,125	—	(9,125)	—
1 April 1994, as restated	730	28,175	16,477	62,133	107,515
Retained profit for the year	—	—	—	2,545	2,545
Surplus arising on revaluation of property	—	5,460	—	—	5,460
Deferred taxation transferred on disposal	—	808	—	—	808
Goodwill written off on acquisition	—	—	(243)	—	(243)
Transfer on disposal	—	(4,301)	—	4,301	—
Currency translation difference	—	—	—	(1,113)	(1,113)
31 March 1995	730	30,142	16,234	67,866	114,972

The prior year adjustment relates to the adoption by the group of SSAP 19 Revised, where £9,125,000 of the diminution in value of investment properties previously made within revaluation reserve, is now considered to be permanent and consequently has now been charged against the brought forward profit and loss account. There is no impact on the previously reported results of the group for the year ended 31 March 1994.

	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
<i>Company:</i>			
1 April 1994	730	30,143	30,873
Retained profit for the year	—	7,812	7,812
31 March 1995	730	37,955	38,685

18 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Group	
	1995 £'000	1994 £'000
Operating profit (page 8)	4,646	5,376
Loss/(profit) on sale of fixed tangible assets	125	(4)
(Profit) on sale of fixed asset investments	(418)	(51)
Depreciation charges	1,585	1,304
Share of loss of associated undertakings	—	68
Currency translation differences	(249)	28
Movement in property provisions	(14)	308
(Increase) in stocks	(286)	(55)
(Increase)/decrease in debtors	(1,275)	635
(Decrease)/increase in creditors	(212)	491
(Increase) in property and developments	(2,150)	(72)
(Increase)/decrease in current asset investments	(780)	3,878
Increase in creditors due after one year	122	—
Net cash inflow from operating activities	1,094	11,906

Analysis of changes in cash and cash equivalents during the year

At beginning of year	5,212	(2,206)
Net cash (outflow)/inflow	(7,703)	7,418
At end of year	(2,491)	5,212

Analysis of financing

Creditors: Amounts falling due after more than one year		3,653
At beginning of year	—	—
Loan advanced	6,000	—
Reclassified to current liabilities	(250)	(3,653)
At end of year	5,750	—

Analysis of cash and cash equivalents shown in the balance sheet

	1995 £'000	1994 £'000	Change in year £'000
Cash at bank and in hand	3,307	12,711	(9,404)
Bank loans and overdrafts	(5,798)	(7,499)	1,701
	(2,491)	5,212	(7,703)

Purchase of subsidiary undertaking

	1995 £'000	1994 £'000
Net assets acquired		
Tangible fixed assets	5,275	—
Goodwill	243	4
	5,518	4
Satisfied by		
Cash	5,502	4
Prior year payments	16	—
	5,518	4

Notes on the accounts

continued

19 Commitments

Commitments for capital expenditure at 31 March not provided for in the accounts were as follows:

	Group	
	1995 £'000	1994 £'000
Contracted	43	—
Authorised but not contracted	—	101

No provision has been made in the accounts in respect of financial commitments of £7,666,000 (1994: £1,249,000) which relate to staged payments which will become due under contracts entered into for the construction or redevelopment of properties.

The group is committed to making payments of £599,000 (1994: £520,000) in the next financial year in respect of operating leases for land and buildings in which the commitment exceeds five years.

20 Contingent liabilities

At 31 March 1995 the company had guaranteed bank advances to subsidiary undertakings up to a maximum amount of £nil plus accrued interest (1994: £3,705,000). No security has been provided by the company in support of these guarantees.

The company together with certain of its fellow group undertakings, has a group overdraft facility with its bankers. In connection with this group overdraft facility each participating undertaking has guaranteed the debt due by its fellow participating undertakings to its bankers. The company's potential liability under the guarantee at 31 March 1995 was £1,305,000 (1994: £735,000).

21 Pension costs

The group has two principal pension schemes which provide benefits based on final pensionable pay. The schemes are explained below.

Taylor Clark plc Retirement and Death Benefit Scheme

This covers employees of Taylor Clark plc and Wylve Valley Farming Limited. The assets of the scheme are held separately from those of the group. Contributions to the scheme are made in accordance with the recommendations of independent actuaries and are invested in policies in the form of profit deferred annuities issued through a major life insurance office.

The most recent valuation of the scheme was at 1 April 1994. The main assumption applied was that investment returns would exceed earnings increases by 1% per annum. The scheme is fully funded.

The pension charge for the year was £136,000 (1994: £68,000). There were no outstanding or prepaid contributions at either the beginning or end of the year. The contribution of the group for the scheme was 20% (1994: 12%) of total pensionable salary. The employees contribute an additional 3% (1994: 3%).

Taylor Clark Leisure plc Retirement and Death Benefit Scheme

This covers employees of Taylor Clark Leisure plc and its subsidiary companies. The assets of the scheme are held separately from those of the group. Contributions to the scheme are made in accordance with the recommendations of independent actuaries and are invested with a managed fund.

The most recent valuation of the scheme was at 1 April 1994. The main assumption applied was that investment returns would exceed earnings increases by 2% per annum. The actuarial valuation of the scheme showed that the market value of the assets was £1,548,807 and that the actuarial valuation of those assets represented 81% of the benefits accrued to members, after allowing for expected future increases in pay. In order to address the shortfall within a five year period, an additional lump sum payment of £200,000 was made in June 1994.

The pension charge for the year was £274,000 (1994: £229,000). There were no outstanding contributions at either the beginning or end of the year. Prepaid contributions at the end of the financial year were £160,000 (1994: nil). The contribution of the group for the schemes was 14.5% (1994: 13.4%) of total pensionable salary. The employees contribute an additional 4% (1994: 3%).

22 Post balance sheet events

Since 31 March 1995 the group has sold a development property for £860,000 and has entered into commitments for the purchase and development of three sites for a total of £15,070,000.

The group in April 1995 sold an investment property for £325,000 and July 1995 invested £710,000 in commercial woodlands.

During July 1995 the company purchased £7,500,000 of shares issued by its subsidiary Taylor Clark Properties Limited.

Financial record

for the years ended 31 March

	1995	1994	1993	1992	1991	1990
	£'000	£'000	£'000	£'000	£'000	£'000
Balance Sheet						
Fixed assets						
Property	108,204	83,012	77,898	84,756	96,025	105,381
Other tangible assets	8,119	4,593	3,844	3,928	3,645	3,203
Investments	3,077	3,373	2,608	2,600	3,539	2,350
Net current assets	3,915	19,426	18,458	18,153	29,517	36,174
Other liabilities and provisions	(6,543)	(1,102)	(3,918)	(4,621)	(9,653)	(13,500)
Minority interests	(227)	(214)	(123)	(130)	(182)	(200)
Net Assets	116,545	109,088	98,767	104,686	122,891	133,408

Capital and reserves

Called up share capital						
capital	1,573	1,573	1,573	1,573	1,573	1,573
Revaluation reserve	30,142	28,175*	15,662	24,658	38,500	48,732
Other reserves	84,830	79,340*	81,532	78,455	82,818	83,103

Total Capital and Reserves

Total Capital and Reserves	116,545	109,088	98,767	104,686	122,891	133,408
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Turnover and Profits

Turnover	25,871	24,387	24,019	23,015	33,008	40,094
Profit/(loss) after taxation	3,446	5,529	2,221	(4,306)	973	8,359
Dividends	(881)	(865)	(802)	(315)	(723)	(660)

*These reserves have been adjusted to include the prior year adjustment required by SSAP 19 Revised. The earlier years have not been adjusted.

Directors of principal subsidiary companies (excluding directors of Taylor Clark plc)

Taylor Clark Properties Limited	Jon Brand John Dippie Duncan McDonald Terry McGee* Andrew Woods
Taylor Clark Leisure plc	George Carter John Loughray* Peter Perrins
Wylve Valley Farming Limited	John Coates* Antony Cox David Snow
Castlehill Holdings Inc	Andrew Macdonald* Ralph Wintrode* <i>Managers</i> Crawford International Inc *Non-executive

Principal offices

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Inverness	PO Box 21, Huntly Street, Inverness IV1 1LA Telephone: 01463 237 611 Facsimile: 01463 223 637
Wylve	Manor Farm, Fisherton de la Mere, Warminster BA12 0PY Telephone: 01985 248231 Facsimile: 01985 248445
California	c/o Crawford International Inc 4921 Birch Street, Suite 100 Newport Beach, California 92660 Telephone: 001 714 833 3525 Facsimile: 001 714 833 2159