

1067607 (England & Wales)

Knightspur Properties Plc
Directors' Report and Financial Statements
for the year ended 31st December 1995



Knightspur Properties Plc

Company Information

Directors Peter Laurence Murphy Esq.,
Paul Adrian Munro Esq.,
Matthew Martin Slane Esq.,

Secretary Mrs Shirley Dwyer

Company Number 1067607 (England and Wales)

Registered Office 27 John Street
London WC1N 2BL

Auditors Simmons Gainsford
27 John Street
London WC1N 2BL

Knightspur Properties Plc

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Knightspur Properties Plc

Chairman's Statement

Financial Statements for the year ended 31st December 1995

Knightspur Properties Plc and its subsidiaries are principally involved in the residential sector of the property market. The activities comprise of investments, development and trading in residential property portfolios.

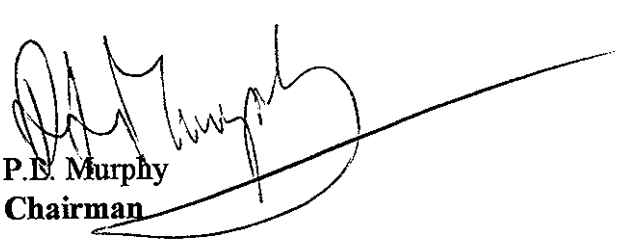
The group has continued to adopt its policy to improve its residential portfolio by a programme of continued upgrading and provision of self-contained units. The group operates a priority repair scheme for all tenants and lessees ensuring a high standard of customer care and intends to expand and improve where possible such care. The combined effect is the creation of an easily realisable portfolio of properties. In the year, the group has successfully achieved a much improved quality of properties for sale at a lower building cost per unit.

Despite difficult economic conditions, I am pleased to report a Consolidated Profit before Taxation of £132,389 for the year to 31st December 1995.

The group's gross realisations of both investment and trading portfolios amounted to c£2.29m (1994: c£1.15m).

I am thankful for the continued support of our main bankers, Barclays Bank Plc and Allied Trust Bank throughout this difficult period.

I am confident of the future prospects of the group and despite the current market conditions, I hope to be able to report an improvement in the group results for the forthcoming year.



P.E. Murphy
Chairman

Date: 31st July 1996

Knightspur Properties Plc

Directors' Report for the year ended 31st December 1995

The directors present their report and the financial statements for the year ended 31st December 1995.

Principal Activities and Review of the Business

The principal activities of the group during the year have been that of property dealing, development and investment.

The review of the group's activities during the year and its future prospects are as indicated in the Chairman's Statement.

Results and Dividends

The Statutory Consolidated Profit and Loss Account is set out on page 5, shows a profit before taxation of £132,389.

The directors do not recommend the payment of a dividend.

Fixed Assets

The significant changes in fixed assets during the year are explained in notes 9 to the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the ordinary share capital of the company were as stated below:

	Class of Share	1995	1994
Peter Laurence Murphy Esq.	Ordinary shares	86.08%	86.08%
Paul Adrian Munro Esq.	Ordinary shares	-	-
Matthew Martin Slane Esq.	Ordinary shares	0.8%	0.8%

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford (formerly called Simmons Cohen Fine) be reappointed as auditors of the company will be put to the Annual General Meeting.

Knightspur Properties Plc

Directors' Report for the year ended 31st December 1995 (continued)

Directors Responsibilities

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group as at the end of the financial year and of the profit or loss, total recognised gains or losses and cash flow of the group for that period. The directors confirm their responsibility to ensure that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31st December 1995. The directors also confirm their responsibility to 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 maintaining adequate accounting records, for safeguarding the assets of the group and for taking reasonable steps to prevent and detect fraud and other irregularities.

This report was approved by the Board on 31st July 1996



 Ms Shirley Dwyer
Secretary

Auditors' Report

to the shareholders of Knightspur Properties Plc

We have audited the financial statements on pages 5 to 21 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent audit opinion, based on our audit, on those statements and to report our opinion to you.

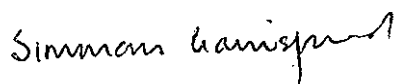
Basis of opinion

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 company'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 on the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the group's and company's financial affairs at 31st December 1995 and of the results for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Simmons Gainsford

Chartered Accountants
& Registered Auditors

31st July 1996

27 John Street
London WC1N 2BL

Knightspur Properties Plc

Consolidated Profit and Loss Account
for the year ended 31st December 1995

	Notes	1995 £	1994 £
Turnover	2	2,301,876	1,289,414
Cost of Sales		<u>(1,335,248)</u>	<u>(554,029)</u>
Gross Profit		966,628	735,385
Administrative expenses		<u>(337,298)</u>	<u>(326,672)</u>
		629,330	408,713
Share of Profit of Associated company		8	10
Other operating income		<u>61,639</u>	<u>35,294</u>
Operating Profit	3	690,977	444,017
Profit on sale of Investment property	4	32,745	165,504
Interest receivable		<u>10,032</u>	<u>3,271</u>
		733,754	612,792
Interest payable	5	<u>(601,365)</u>	<u>(556,609)</u>
Profit on ordinary activities before taxation		132,389	56,183
Taxation on ordinary activities	7	<u>(93,886)</u>	<u>(69,785)</u>
Profit (1994: Loss) on ordinary activities after taxation		38,503	(13,602)
Minority interest		<u>(18,378)</u>	<u>(25,018)</u>
Profit (1994: Loss) for the year		<u>£20,125</u>	<u>(£38,620)</u>

The above results relate to the continuing operations of the group.

Knightspur Properties Plc

Consolidated Statement of Total Recognised Gains and Losses for the year ended 31st December 1995

	Notes	1995 £	1994 £
Results per consolidated profit and loss account		20,125	(38,620)
Unrealised surplus/(deficit) on revaluation of properties		<u>-</u>	<u>(200,572)</u>
Total Gains (1994: Losses) recognised since last annual report		<u>£20,125</u>	<u>(£239,192)</u>

Note of Historical Cost Profits and Losses

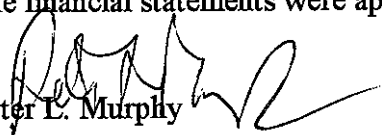
		1995 £	1994 £
Reported results on ordinary activities before taxation		132,389	56,183
Realisation of property revaluation reserve on sale of Investment Properties	4	<u>-</u>	<u>253,164</u>
Historical cost profit on ordinary activities before taxation		132,389	309,347
Taxation charge on ordinary activities	7	<u>(93,886)</u>	<u>(69,785)</u>
Profit after taxation		38,503	239,562
Minority Interest		<u>(18,378)</u>	<u>(25,018)</u>
Profit for the year based on historical cost		<u>£20,125</u>	<u>£214,544</u>

Knightspur Properties Plc

Consolidated Balance Sheet as at 31st December 1995

	Notes	1995		1994	
		£	£	£	£
Fixed Assets					
Intangible Assets	8	98,882		151,244	
Tangible Assets	9a	3,570,905		4,023,662	
Investments	10	<u>44,924</u>	3,714,711	<u>45,512</u>	4,220,418
Current Assets					
Stocks	11	2,783,720		3,536,663	
Debtors	12	1,937,206		1,544,570	
Cash at Bank and in Hand		<u>607,586</u>		<u>369,105</u>	
		5,328,512		5,450,338	
Creditors:					
Amounts falling due within one year	13	<u>(4,960,100)</u>		<u>(5,590,408)</u>	
Net Current Assets (1994: Liabilities)			<u>368,412</u>		<u>(140,070)</u>
			4,083,123		4,080,348
Creditors:					
Amounts falling due after more than one year	14		<u>(1,564,272)</u>		<u>(1,600,000)</u>
Total Assets less Current Liabilities			<u>£2,518,851</u>		<u>£2,480,348</u>
Capital and Reserves					
Called up Share Capital	15		1,718,394		1,718,394
Share premium account	16		251,278		251,278
Investment Revaluation Reserve	17		165,491		165,491
Capital Reserve	18		369,850		369,850
Profit and Loss Account	19		<u>(598,905)</u>		<u>(619,030)</u>
Shareholders Funds (Equity Interest)	23		1,906,108		1,885,983
Minority Interest			<u>612,743</u>		<u>594,365</u>
			<u>£2,518,851</u>		<u>£2,480,348</u>

The financial statements were approved by the Board on 31st July 1996


Peter L. Murphy
Director

Knightspur Properties Plc
Profit and Loss Account
for the year ended 31st December 1995

	Notes	1995 £	1994 £
Turnover	2	1,555,663	550,655
Cost of Sales		<u>(1,105,262)</u>	<u>(356,880)</u>
Gross Profit		450,401	193,775
Property Expenses		(121,464)	(109,385)
Administrative expenses		<u>(152,446)</u>	<u>(117,512)</u>
		176,491	(33,122)
Group Dividends		-	1,358,128
Other Operating income		<u>208,300</u>	<u>203,500</u>
Operating Profit	3	384,791	1,528,506
Interest receivable		<u>875</u>	<u>790</u>
		385,666	1,529,296
Interest payable	5	<u>(452,692)</u>	<u>(411,173)</u>
Loss (1994: Profit) on ordinary activities before taxation		(67,026)	1,118,123
Taxation on profits from ordinary activities	7	<u>-</u>	<u>69,191</u>
Loss (1994: Profit) on ordinary activities after taxation		<u><u>(£67,026)</u></u>	<u><u>£1,187,314</u></u>

The above results relate to the continuing operations of the company.

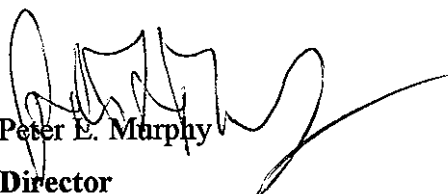
The company has no recognised gains and losses other than those included in the loss above, and therefore, no separate statement of total recognised gains and losses has been presented.

Knightspur Properties Plc

Balance Sheet as at 31st December 1995

	Notes	1995	1994
		£	£
Fixed Assets			
Tangible Assets	9b	23,537	26,152
Investments	10	<u>7,334,547</u>	<u>7,335,147</u>
		7,358,084	7,361,299
Current Assets			
Stocks	11	2,085,849	2,828,724
Debtors	12	1,936,915	1,611,583
Cash at Bank and in hand		<u>263,541</u>	<u>106,385</u>
		4,286,305	4,546,692
Creditors:			
Amounts falling due within one year	13	<u>(8,136,791)</u>	<u>(8,333,367)</u>
Net Current Liabilities		<u>(3,850,486)</u>	<u>(3,786,675)</u>
Total Assets less Current Liabilities		3,507,598	3,574,624
Creditors:			
Amounts falling due after more than one year	14	<u>(250,000)</u>	<u>(250,000)</u>
		<u>£3,257,598</u>	<u>£3,324,624</u>
Capital and Reserves			
Called up Share Capital	15	1,718,394	1,718,394
Share Premium Account	16	251,278	251,278
Investment Revaluation reserve	17	857,111	857,111
Capital reserve	18	1,109	1,109
Profit and Loss Account	19	<u>429,706</u>	<u>496,732</u>
Shareholders Fund (equity interests)	23	<u>£3,257,598</u>	<u>£3,324,624</u>

The financial statements were approved by the Board on 31st July 1996


Peter E. Murphy
Director

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

1 Accounting Policies

The have been no changes in accounting policies during the year.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable Accounting Standards. The financial statements adopt the following accounting policies:

Basis of Consolidation

The consolidated financial statements include the accounts of the holding company and all its subsidiaries and associates. Goodwill arising on consolidation and representing the excess of purchase price over the fair value of the net assets acquired is amortised over five years.

Turnover

Turnover represents sales of properties held as trading stock and rents received.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except investment properties, over their expected useful lives. It is calculated on the original cost of the assets at the following rate:

Furniture, Fixtures and Fittings	- 10% per annum on net book value
Motor Vehicles	- 25% per annum on net book value

Purchased Goodwill

Goodwill is the excess of purchase consideration over their value of net assets acquired.

It is capitalised and amortised over its estimated useful economic life limited up to a maximum period of five years

Additional goodwill arising during the year will be amortised over the five year period starting with effect from the following year.

Knightspr Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

1 Accounting Policies (continued)

Investment Properties

In accordance with SSAP 19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties. The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks and Work in Progress

Stocks and Work in Progress are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Deferred Taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the foreseeable future.

Tax losses arising in group companies which remain unrelieved at the year end are treated as a timing difference, as in the view of the directors these losses will be utilised against profits anticipated to arise in the foreseeable future.

2 Turnover and Profits

Analysis by activity:

	Turnover		Profit/(Loss) on Ordinary Activities before taxation	
	1995	1994	1995	1994
	£	£	£	£
Group				
Sales of properties	1,723,957	673,358	132,389	56,183
Rents Received	<u>577,919</u>	<u>616,056</u>	<u>-</u>	<u>-</u>
	<u>£2,301,876</u>	<u>£1,289,414</u>	<u>£132,389</u>	<u>£56,183</u>

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

2 Turnover and Profits (continued)

Analysis by activity:

	Turnover		(Loss)/Profit on Ordinary Activities before taxation	
	1995	1994	1995	1994
Company				
Sale of properties	£1,555,663	£550,655	£(67,026)	£1,118,123

All income is derived from activities in the United Kingdom.

3 Operating Profit

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
After charging:				
Amortisation	53,499	52,340	-	-
Depreciation	12,384	10,065	2,615	2,906
Auditors' Remuneration	20,000	29,721	8,840	8,840
After crediting:				
Joint Venture Profits	44,372	40,722	37,027	34,882

4 Profit on Sale of Investment Property

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Profit on Sale of freehold property against opening valuation	32,745	165,145	-	-
Profit on sale of investment properties by associated undertakings	-	359	-	-
Profit on carrying value	32,745	165,504	-	-
Transfer from revaluation reserve	-	253,164	-	-
Realised on investment property against historical cost	£ 32,745	£418,668	£ -	£ -

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

5 Interest Payable

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Bank Loans and Overdrafts	581,649	520,212	434,049	391,013
Other Loans	19,671	20,160	18,643	20,160
Interest on Corporation Tax	<u>45</u>	<u>16,237</u>	<u>-</u>	<u>-</u>
	<u>£601,365</u>	<u>£556,609</u>	<u>£452,692</u>	<u>£411,173</u>

6 Staff Costs

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Wages and salaries	71,302	85,067	46,103	35,821
Social Security Costs	7,952	17,108	5,331	22,061
Other costs	<u>30,535</u>	<u>-</u>	<u>30,535</u>	<u>-</u>
	<u>£109,789</u>	<u>£102,175</u>	<u>£81,969</u>	<u>£57,882</u>

The average weekly number of employees during the year was as follows:

	Group		Company	
	1995	1994	1995	1994
Office and Management	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>

The above costs represent the group's proportion of the total wages.

The charge above represents the proportion attributable to the company as part of the group.

Knights spur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

7 Taxation

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Corporation Tax charge	121,555	69,506	-	(69,200)
Deferred Tax credit	(27,669)	-	-	-
Tax on franked investment income	-	9	-	9
Irrecoverable ACT	-	267	-	-
Associated Company tax charge	-	3	-	-
	<u>£ 93,886</u>	<u>£69,785</u>	<u>£ -</u>	<u>£(69,191)</u>

In view of earlier year losses brought forward no liability has been provided for the parent company's taxation.

8 Intangible Fixed Assets - Group

	Goodwill on Consolidation £
Cost:	
At 1st January 1995 and at 31st December 1995	<u>£301,672</u>
Amortisation:	
At 1st January 1995	150,428
Charge for the year	<u>52,362</u>
At 31st December 1995	<u>£202,790</u>
Net Book Value at 31st December 1995	<u>£98,882</u>
Net Book Value at 31st December 1994	<u>£151,244</u>

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

9a Tangible Fixed Assets - Group

	Freehold Investment Property £	Furniture Fixtures & Fittings £	Motor Vehicles £	Total £
Cost:				
As at 1st January 1995	3,938,158	88,767	45,728	4,072,653
Additions	93,383	-	-	93,383
Disposal	(533,756)	-	-	(533,756)
 At 31st December 1995	 £3,497,785	 £88,767	 £45,728	 £3,632,280
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation:				
At 1st January 1995	-	41,692	7,299	48,991
Provided during the year	-	<u>2,777</u>	<u>9,607</u>	<u>12,384</u>
 At 31st December 1995	 £ -	 £44,469	 £16,906	 £61,375
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value at				
31st December 1995	£3,497,785	£44,298	£28,822	£3,570,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value at				
31st December 1994	£3,938,158	£47,075	£38,429	£4,023,662
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The freehold investment properties were valued on open market basis as between a willing buyer and willing seller by the directors of the group.

9b Tangible Fixed Assets - Company

	Furniture Fixtures & Fittings £
Cost or valuation:	
At 1st January 1995 and at 31st December 1995	£55,573
	<u> </u>
Depreciation:	
At 1st January 1995	29,421
Provided during the year	<u>2,615</u>
 At 31st December 1995	 £32,036
	<u> </u>
Net Book Value at 31st December 1995	£23,537
	<u> </u>
Net Book Value at 31st December 1994	£26,152
	<u> </u>

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

10 Investments

	Listed Investments £	Associated Companies £	Total £
Group			
At 1st January 1995	940	44,572	45,512
Disposal	(600)	-	(600)
Share of profits for the year	<u>-</u>	<u>12</u>	<u>12</u>
At 31st December 1995	<u>£ 340</u>	<u>£44,584</u>	<u>£44,924</u>

Company

	Unlisted Investments £	Listed Investment £	Associated Companies £	Total £
At 1st January 1995	7,334,507	600	40	7,335,147
Disposals	<u>-</u>	<u>(600)</u>	<u>-</u>	<u>(600)</u>
At 31st December 1995	<u>£7,334,507</u>	<u>£ Nil</u>	<u>£ 40</u>	<u>£7,334,547</u>

Knightspur Properties Plc holds the following interests in the equity capital of the undertakings indicated below:

Name of Company	Country of Registration	Holding	Proportion held
Trading Companies			
Denetower Limited	England	Ordinary Shares	75%
Gardenstate Properties Limited	England	Ordinary Shares	75%
Investment Companies			
B & C Flats Limited	England	Ordinary Shares	100%
Bremysyde Limited	England	Ordinary Shares	88.5%
Duovale Limited	England	Ordinary Shares	100%
J W Colman Estate Co. Limited	England	Ordinary Shares	100%
Roundpoll Limited	England	Ordinary Shares	100%
Sumcounty Investments Limited	England	Ordinary Shares	100%
Invicta Holdings Limited	England	Ordinary Shares	77%
Wards Properties Limited	England	Ordinary Shares	100%
Wards Properties (Clacton) Limited	England	Ordinary Shares	100%
Totteridge Common Limited	England	Ordinary Shares	90%
Totteridge House Limited	England	Ordinary Shares	100%
Tridenvale Limited	England	Ordinary Shares	100%

Knightsbridge Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

10 Investments (continued)

Name of Company	Country of Registration	Holding	Proportion held
Investment Companies			
M25 Estates Limited	England	Ordinary Shares	40%
M25 Holdings Limited	England	Ordinary Shares	73%
M25 Investment Limited	England	Ordinary Shares	100%
Stimpson (Investments) Limited	England	Ordinary Shares	100%
Dormant Companies			
L T Swanne & Co. Limited	England	Ordinary Shares	100%
Turner Financial Services Limited	England	Ordinary Shares	100%

11 Stocks

	Group		Company	
	1995	1994	1995	1994
Stock of Properties	<u>£2,783,720</u>	<u>£3,536,663</u>	<u>£2,165,108</u>	<u>£2,828,724</u>

12 Debtors: falling due within one year

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Amounts invested in Joint Venture	147,543	144,876	-	-
Trade debtors	424,486	340,147	357,000	-
Other debtors (note 22)	1,175,065	902,760	235,082	183,316
Amounts owed by group undertakings	-	-	1,314,966	1,388,106
ACT Recoverable	13,745	11,107	-	-
Deferred Tax	27,669	-	-	-
Prepayments and Accrued Income	145,225	143,086	26,394	37,567
Amounts owed by Associated Undertakings	<u>3,473</u>	<u>2,594</u>	<u>3,473</u>	<u>2,594</u>
	<u>£1,937,206</u>	<u>£1,544,570</u>	<u>£1,936,915</u>	<u>£1,611,583</u>

The deferred tax is recoverable, after more than one year and relates to the timing differences arising on relief for interest payable and its treatment as of 1st April 1996.

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

13 Creditors: falling due within one year

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Trade creditors	153,620	257,909	-	55,856
Other creditors (note 22)	669,687	540,313	464,474	345,086
Amounts invested in Joint Venture	166,631	77,719	109,252	20,340
Corporation Tax	206,672	111,251	44,147	44,147
ACT Payable	871	871	-	-
Bank Loans and Overdraft	3,265,257	4,095,138	3,161,791	3,989,188
Taxes and Social Security Costs	3,490	-	755	-
Amounts owed to Subsidiaries	-	-	3,957,706	3,483,544
Amounts owed to Associated undertakings	199,824	-	199,824	199,824
Accruals	<u>294,048</u>	<u>199,824</u>	<u>198,842</u>	<u>195,382</u>
	<u>£4,960,100</u>	<u>£5,590,408</u>	<u>£8,136,791</u>	<u>£8,333,367</u>

The bank loans and overdraft are secured by way of legal mortgages over land and buildings (both freehold and leasehold) owned by the company and its subsidiaries.

14 Creditors: falling due after more than one year

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
10.5% Unsecured Loan	150,000	150,000	150,000	150,000
Other Unsecured Loan	100,000	100,000	100,000	100,000
Bank Loan repayable between 2 and 5 years	<u>1,314,272</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>
	<u>£1,564,272</u>	<u>£1,600,000</u>	<u>£250,000</u>	<u>£250,000</u>

15 Share Capital

	Authorised		Issued and Fully Paid	
	1995	1994	1995	1994
Ordinary Shares of £1 each	<u>£3,000,000</u>	<u>£3,000,000</u>	<u>£1,718,394</u>	<u>£1,718,394</u>

Knights spur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

16 Share Premium Account

	Group		Company	
	1995	1994	1995	1994
As at 1st January 1995 and at 31st December 1995	£251,278	£251,278	£251,278	£251,278
	=====	=====	=====	=====

17 Investment Revaluation Reserve

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
At 1st January 1995	165,491	(49,954)	857,111	857,111
Revaluation deficit	-	(216,103)	-	-
Minority Interest Element	-	15,531	-	-
Transfer to (1994: from Profit and Loss Account	-----	416,017	-----	-----
	£165,491	£165,491	£857,111	£857,111
	=====	=====	=====	=====

18 Capital Reserve

	Group		Company	
	1995	1994	1995	1994
At 1st January 1995 and at 31st December 1995	£369,850	£369,850	£1,109	£1,109
	=====	=====	=====	=====

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

19 Profit and Loss Account

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
At 1st January 1995	(619,030)	(14,760)	496,732	(1,053,603)
Profit/(Loss) for the year	20,125	(38,620)	(67,026)	1,187,314
Transfer (to)/from Investment				
Revaluation Reserve Account	-	(416,017)	-	-
Deferred Tax write off*	-	(132,559)	-	-
Adjustment to opening balance for				
a) equity interest in associates	-	(19,678)	-	-
b) minority interest	-	2,604	-	-
Corporation Tax credit on group losses surrendered to subsidiaries for earlier years	-	-	-	<u>363,021</u>
At 31st December 1995	<u>£(598,905)</u>	<u>£(619,030)</u>	<u>£429,706</u>	<u>£496,732</u>

* Deferred tax write-off represent value of past tax losses available to the Group.

20 Deferred Taxation

	Provided		Total potential liability	
	1995	1994	1995	1994
	£	£		
Group				
Revaluation of Investment Properties	<u>£ -</u>	<u>£ -</u>	<u>£362,309</u>	<u>£362,309</u>

21 Contingent Liabilities

In connection with overall banking facilities, unlimited guarantees have been given by the company, to support the borrowings of subsidiary and associated undertakings. The amount of the contingent liability under these guarantees is constantly changing due to day to day movements on the bank accounts but should not exceed the overall facilities granted to the companies involved amounting to £4,578,108 at the date of these financial statements (1994: £5,239,182).

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 1995

22 Related Party Transactions

a) Included under other debtors are amounts due as follows:

	Group		Company	
	1995	1994	1995	1994
i) from companies under common control	£579,153	£425,907	£177,757	£124,510
ii) from other connected companies	£488,203	£488,125	£ 78	£ -

b) Included under other creditors are amounts due to companies under common control as follows:

	Group		Company	
	1995	1994	1995	1994
	£603,473	£471,839	£422,474	£290,839

c) The company entered into an agreement to sell certain properties on the 19th December 1995 to Paul Munro, a director for the sum of £348,000. The sale is reflected in these financial statements.

23 Reconciliation of shareholders' funds

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Profit/(Loss) for the financial year	20,125	(38,620)	(67,026)	1,187,314
Other recognised losses relating to the year	-	(350,205)	-	-
	20,125	(388,825)	(67,026)	1,187,314
Opening Shareholders Funds	1,885,983	2,274,808	3,324,624	2,137,310
Closing Shareholders Funds	£1,906,108	£1,885,983	£3,257,598	£3,324,624