

Knightspur Properties Plc
Directors' Report and Financial Statements
for the year ended 31st December 2000



Knightspur Properties Plc

Company Information

Directors	Peter Laurence Murphy Matthew Martin Slane
Secretary	Paul Williams
Company number	1067607 (England and Wales)
Registered office	Gloucester House Woodside Lane North Finchley London N12 8TP
Auditors	Simmons Gainsford 7/10 Chandos Street Cavendish Square London W1G 9DQ

Knightspur Properties Plc

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Knightspur Properties Plc

Chairman's statement

Financial statements for the year ended 31st December 2000

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.

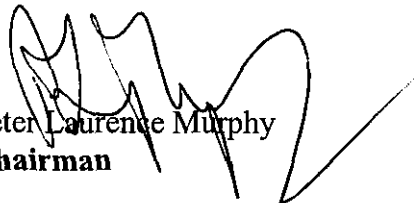
I am pleased to report a Consolidated Profit before Taxation of £669,129 for the year to 31st December 2000 (1999: £293,635).

The group's gross realisations of both investment and trading portfolios, excluding joint ventures, amounted to c£2.99m (1999: c£1.66m).

The Knightspur group is continuing to devote more resources to the development of residential property and during 2000 there was further significant growth in its joint venture development activities with sales of c£2.71m (1999: c£1.83m) and c£9.90m stock of property under development (1999: c£4.33m) most notably the conversion of Netley Castle near Southampton into luxury apartments. This maintains the group's balanced development portfolio as it has continued the construction of a house in a premier site in Totteridge, North London with the sale of the remaining unit completed during 2001, while continuing with projects for the first time buyer market.

I am thankful for the continued support of our main bankers, Barclays Bank Plc and Investec Bank (UK) Limited through long term funding arrangements.

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



Peter Laurence Murphy
Chairman

Date: 31 July 2001

Knightspur Properties Plc

Directors' report for the year ended 31st December 2000

The directors present their report and the financial statements for the year ended 31st December 2000.

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 which is set out on page 5 shows a profit before taxation of £669,129 (1999: £293,635).

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 8 and 9 to the financial statements.

Directors and their interests

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

	Class of Share	1999	1998
Peter Laurence Murphy	Ordinary shares	80.63%	80.63%
Matthew Martin Slane	Ordinary shares	0.67%	0.67%

In addition to the interests shown above, Peter Laurence Murphy also has an indirect interest in the company by virtue of his 85% beneficial interest in C & G Properties Plc which is interested in 9.30% (1999: 9.30%) of the company's share capital, and by being a member of The KCG Pension Fund, together with his wife, being the only two members of that scheme, which is interested in a further 9.40% (1999: 9.40%) of the company's share capital.

Knightspur Properties Plc

Directors' report for the year ended 31st December 1999 (continued)

Auditors

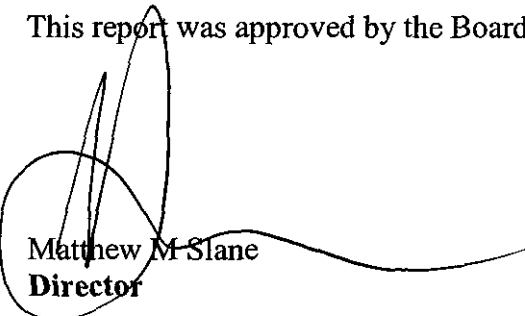
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford be reappointed as auditors of the company will be put to the Annual General Meeting.

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 2000. 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 31 July 2001.



Matthew M Slane
Director

Auditors' report
to the shareholders of Knightspur Properties Plc

We have audited the financial statements on pages 5 to 25 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 12 and 13.

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 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 2000 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Simmons Gainsford

Simmons Gainsford

Chartered Accountants
& Registered Auditors

31 July 2001

7/10 Chandos Street
Cavendish Square
London W1G 9DQ

Knights spur Properties Plc

Consolidated profit and loss account for the year ended 31st December 2000

	Notes	2000 £	1999 £
Turnover	2	1,971,610	1,617,428
Cost of sales		<u>(888,071)</u>	<u>(1,040,930)</u>
Gross profit		1,083,539	576,498
Administrative expenses		(882,801)	(724,717)
Share of joint venture profits		53,352	111,182
Other operating income		<u>207,854</u>	<u>338,085</u>
Operating profit	3	461,944	301,048
Profit on sale of investment properties	4	<u>473,021</u>	<u>147,042</u>
Profit on ordinary activities before interest		934,965	448,090
Interest receivable		101,792	141,365
Interest payable	5	<u>(367,628)</u>	<u>(295,820)</u>
Profit on ordinary activities before taxation		669,129	293,635
Taxation on ordinary activities	7	<u>(201,086)</u>	<u>(59,788)</u>
Profit on ordinary activities after taxation		468,043	233,847
Minority interest		<u>(43,864)</u>	<u>38,689</u>
Profit for the year	19	<u><u>424,179</u></u>	<u><u>272,536</u></u>

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

Knightspur Properties Plc

Consolidated statement of total recognised gains and losses

	2000 £	1999 £
Results per consolidated profit and loss account	424,179	272,536
Unrealised surplus on revaluation of properties	141,000	1,031,304
Total recognised gains and losses relating to the year	<u>565,179</u>	<u>1,303,840</u>

Note of historical cost profits and losses

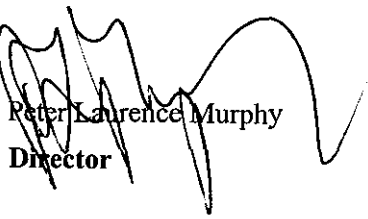
	2000 £	1999 £
Reported profit on ordinary activities before taxation	669,129	293,635
Realisation of property revaluation gains of previous years	-	4,511
Taxation charge on ordinary activities	(201,086)	(59,788)
Profit after taxation	<u>468,043</u>	<u>238,358</u>
Minority interest	<u>(43,864)</u>	<u>38,689</u>
Historical cost profit on ordinary activities after taxation	<u>424,179</u>	<u>277,047</u>

Knightspur Properties Plc

**Consolidated balance sheet
as at 31st December 2000**

	Notes	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	8a	3,178,553		3,724,881	
Investments	9a	<u>1,540</u>	3,180,093	<u>1,540</u>	3,726,421
Current assets					
Stocks	10	2,962,231		3,008,360	
Joint venture investments	11	5,039,461		1,559,341	
Debtors	12	2,347,734		365,663	
Cash at bank and in hand		<u>229,873</u>		<u>2,828,705</u>	
		10,579,299		7,762,069	
Creditors:					
Amounts falling due within one year	13	<u>-5,777,495</u>		<u>-3,874,170</u>	
Net current assets			<u>4,801,804</u>		<u>3,887,899</u>
			7,981,897		7,614,320
Creditors:					
Amounts falling due after more than one year	14	<u>-1,568,194</u>		<u>-1,800,000</u>	
Total assets less current liabilities			<u><u>6,413,703</u></u>		<u><u>5,814,320</u></u>
Capital and reserves					
Called up share capital	15	2,100,062		2,100,062	
Share premium account	16	621,412		621,412	
Investment revaluation reserve	17	1,172,304		1,031,304	
Capital reserve	18	489,227		487,299	
Profit and loss account	19	<u>1,683,911</u>		<u>1,259,732</u>	
Equity shareholders' funds	22	6,066,916		5,499,809	
Minority interest		<u>346,787</u>		<u>314,511</u>	
		<u><u>6,413,703</u></u>		<u><u>5,814,320</u></u>	

The financial statements were approved by the Board on 31 July 2001.


Peter Laurence Murphy
Director

Knightspur Properties Plc

Profit and loss account for the year ended 31st December 2000

	Notes	2000 £	1999 £
Turnover	2	970,400	1,321,713
Cost of sales		<u>(507,307)</u>	<u>(960,042)</u>
Gross profit		463,093	361,671
Property expenses		(141,767)	(97,207)
Administrative expenses		<u>(663,436)</u>	<u>(534,571)</u>
		(342,110)	(270,107)
Group dividends receivable		1,308,620	507,539
Share of joint venture profits		152,865	37,482
Other operating income		<u>162,512</u>	<u>182,531</u>
Operating profit	3	1,281,887	457,445
Provision against investment in subsidiaries written back		254,758	-
Provision against amount due from subsidiary written back		<u>148,713</u>	<u>-</u>
Profit on ordinary activities before interest		1,685,358	457,445
Interest receivable		<u>91,746</u>	<u>128,485</u>
		1,777,104	585,930
Interest payable	5	<u>(216,161)</u>	<u>(185,146)</u>
Profit on ordinary activities before taxation		1,560,943	400,784
Taxation on profit on ordinary activities	7	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation	19	<u><u>1,560,943</u></u>	<u><u>400,784</u></u>

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

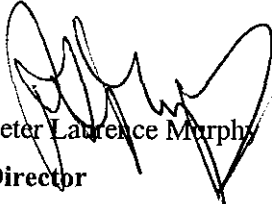
There are no recognised gains and losses other than those passing through the profit and loss account.

Knightspur Properties Plc

Balance sheet as at 31st December 2000

	Notes	2000	1999
		£	£
Fixed assets			
Tangible assets	8b	13,899	15,443
Investments	9b	<u>5,547,444</u>	<u>5,283,028</u>
		5,561,343	5,298,471
Current assets			
Stocks	10	818,256	1,301,539
Joint venture investments	11	3,936,465	870,974
Debtors	12	4,035,275	1,090,067
Cash at bank and in hand		<u>123,512</u>	<u>2,432,878</u>
		8,913,508	5,695,458
Creditors:			
Amounts falling due within one year	13	<u>-7,586,105</u>	<u>-5,511,126</u>
Net current assets		<u>1,327,403</u>	<u>184,332</u>
Total assets less current liabilities		6,888,746	5,482,803
Creditors:			
Amounts falling due after more than one year	14	<u>-1,082,500</u>	<u>-1,237,500</u>
		<u>5,806,246</u>	<u>4,245,303</u>
Capital and reserves			
Called up share capital	15	2,100,062	2,100,062
Share premium account	16	621,412	621,412
Investment revaluation reserve	17	2,589,106	2,589,106
Capital reserve	18	1,109	1,109
Profit and loss account	19	<u>494,557</u>	<u>-1,066,386</u>
Shareholders' funds			
(equity interests)	22	<u>5,806,246</u>	<u>4,245,303</u>

The financial statements were approved by the Board on 31 July 2001.


Peter Laurence Murphy
Director

Knightspur Properties Plc

**Consolidated cash flow statement for the year ended
31st December 2000**

	Notes	2000		1999	
		£	£	£	£
Net cash (outflow) / inflow from operating activities	1	(1,912,239)		148,452	
Returns on investments and servicing of finance					
Interest received		101,792		141,365	
Interest paid		<u>(362,239)</u>		<u>(302,149)</u>	
Net cash outflow from returns on investments and servicing of finance		(260,447)		(160,784)	
Taxation					
Corporation Tax paid			-		(451,500)
Capital expenditure and financial investment					
Purchase of investment properties		(90,182)		3,435	
Purchase of other tangible fixed assets		(15,953)		(39,874)	
Sale of investment properties		1,269,226		335,779	
Receipts from sales of tangible fixed assets		<u>-</u>		<u>11,870</u>	
Net cash inflow from capital expenditure and financial investment		1,163,091		311,210	
Acquisitions and disposals					
Net investments in joint ventures		(3,448,757)		(233,486)	
Purchase of minority interest in subsidiary		(9,660)		-	
Sale of subsidiary undertaking		<u>2,000</u>		<u>-</u>	
Net cash outflow from acquisitions and disposals		(3,456,417)		(233,486)	
Financing					
Increase / (decrease) in short term borrowings		1,808,813		(130,689)	
Repayment of loans		(245,000)		(245,000)	
Capital element of hire purchase contracts		<u>(1,199)</u>		<u>-</u>	
		1,562,614		(375,689)	
Decrease in cash in the year		<u>(2,903,398)</u>		<u>(761,797)</u>	

Knights spur Properties Plc

Notes to the consolidated cash flow statement for the year ended 31st December 2000

1 Reconciliation of operating profit to net cash inflow from operating activities

	2000	1999
	£	£
Operating profit	461,944	301,048
Depreciation charges	18,848	14,405
Loss on disposal of fixed assets	-	724
Share of profit from joint ventures	(53,352)	(111,182)
Decrease in stocks of properties	46,129	363,271
(Increase) / decrease in debtors	(1,982,071)	156,894
Increase / (decrease) in creditors	(403,737)	(576,708)
Net cash (outflow) / inflow from operating activities	£ (1,912,239)	£ 148,452

2 Reconciliation of net cash flow to movement in net debt (note 3)

	2000	1999
	£	£
Decrease in cash in the year	(2,903,398)	(761,797)
Cash outflow / (inflow) from decrease / increase in debt	(1,562,614)	375,689
Movement in net debt in the year	(4,466,012)	(386,108)
Net debt at start of period	(744,677)	(358,569)
Net debt at end of year	£ (5,210,689)	£ (744,677)

3 Analysis of changes in net debt

	At 01.01.00	Cash flow	Non-cash changes	At 31.12.00
	£	£	£	£
Cash in hand and at bank	2,828,705	(2,598,832)	-	229,873
Overdrafts	(4,607)	(37,976)	-	(42,583)
	2,824,098	(2,636,808)	-	187,290
Debt due within one year	(1,768,775)	(1,808,813)	-	(3,822,588)
Debt due after one year	(1,800,000)	245,000	-	(1,555,000)
Finance leases	-	1,199	(21,590)	(20,391)
Net debt	(744,677)	(4,199,422)	(21,590)	(5,210,689)

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

1 Accounting policies

There 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

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

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.

Stock and work in progress

Stock and work in progress is 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.

Joint ventures

Joint ventures are accounted for using the equity method. The group and company's share of profits less losses are included in consolidated profit and loss account and company's profit and loss account respectively, and the group and company's share of their net assets are included in the consolidated and company balance sheets respectively.

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.

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

2 Turnover analysis by activity

	Turnover	
	2000 £	1999 £
Group		
Sales of properties	1,717,400	1,321,713
Rent receivable	254,210	295,715
	<u>£ 1,971,610</u>	<u>£ 1,617,428</u>
Company		
Sales of properties	<u>£ 970,400</u>	<u>£ 1,321,713</u>

3 Operating profit

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
After charging:				
Depreciation	18,848	14,405	1,544	1,716
Auditors' remuneration	<u>35,162</u>	<u>39,888</u>	<u>4,931</u>	<u>12,444</u>
After crediting:				
Joint venture profits	<u>53,352</u>	<u>111,182</u>	<u>152,865</u>	<u>37,482</u>

4 Profit on sale of investment properties

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Profit on sale of freehold property against opening valuation	<u>473,021</u>	<u>147,042</u>	<u>-</u>	<u>-</u>
Realised on investment property against historical cost	<u>473,021</u>	<u>151,553</u>	<u>-</u>	<u>-</u>

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

5	Interest payable	Group		Company	
		2000	1999	2000	1999
		£	£	£	£
	Bank loans and overdrafts	341,548	256,454	216,158	185,011
	Other loans	21,000	33,343	-	-
	Lease finance charges	242	-	-	-
	Interest on overdue tax	4,838	6,023	3	135
		<u>£ 367,628</u>	<u>£ 295,820</u>	<u>£ 216,161</u>	<u>£ 185,146</u>

6	Staff costs	Group		Company	
		2000	1999	2000	1999
		£	£	£	£
	Wages and salaries	523,431	429,296	377,901	377,901
	Social security costs	50,153	46,376	41,192	41,192
		<u>£ 573,584</u>	<u>£ 475,672</u>	<u>£ 419,093</u>	<u>£ 419,093</u>

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

	Group		Company	
	2000	1999	2000	1999
Office and management	<u>6</u>	<u>7</u>	<u>5</u>	<u>5</u>

7	Taxation	Group		Company	
		2000	1999	2000	1999
		£	£	£	£
	UK Corporation Tax at 30% (1999: 30%)	201,086	119,090	-	-
	Overprovision in previous years	-	(59,302)	-	-
		<u>£ 201,086</u>	<u>£ 59,788</u>	<u>£ -</u>	<u>£ -</u>

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

8 a. Tangible fixed assets - group

	Freehold investment properties	Furniture, fixtures & fittings	Motor vehicles	Total
Cost:	£	£	£	£
At 1st January 2000	3,654,070	107,325	39,229	3,800,624
Additions	90,182	13,555	23,988	127,725
Revaluation	141,000	-	-	141,000
Disposals	(796,205)	-	-	(796,205)
At 31st December 2000	£ <u>3,089,047</u>	£ <u>120,880</u>	£ <u>63,217</u>	£ <u>3,273,144</u>
Depreciation:				
At 1st January 2000	-	65,936	9,807	75,743
Provided for the year	-	5,494	13,354	18,848
At 31st December 2000	£ <u>-</u>	£ <u>71,430</u>	£ <u>23,161</u>	£ <u>94,591</u>
Net Book Value at				
31st December 2000	£ <u>3,089,047</u>	£ <u>49,450</u>	£ <u>40,056</u>	£ <u>3,178,553</u>
31st December 1999	£ <u>3,654,070</u>	£ <u>41,389</u>	£ <u>29,422</u>	£ <u>3,724,881</u>

The investment properties have been stated at directors' valuation.

8 b. Tangible fixed assets - company

	Fixtures & fittings
Cost:	
At 1st January 2000 and at 31st December 2000	£ <u>55,573</u>
Depreciation:	
At 1st January 2000	40,130
Charge for the year	1,544
At 31st December 2000	£ <u>41,674</u>
Net book value at 31st December 2000	£ <u>13,899</u>
Net book value at 31st December 1999	£ <u>15,443</u>

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

9 a. Investments - group

	Listed investments	Associated companies	Total
	£	£	£
At 1st January 2000 and 31st December 2000	<u>1,540</u>	<u>-</u>	<u>1,540</u>

9 b. Investments - company

	Subidiary undertakings
At 1st January 2000	6,090,641
Additions	9,660
Disposals	(2)
At 31st December 2000	<u>6,100,299</u>
 Provision against cost of investments:	
At 1st January 2000	807,613
Write back of provision on investments	(254,758)
At 31st December 2000	<u>552,855</u>
 Net Book Value at	
31st December 2000	£ <u>5,547,444</u>
31st December 1999	£ <u>5,283,028</u>

The provision relates to the net deficit between the cost of investment and the share of net assets attributable to the company.

Knightsbridge Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

- 9 c. Knightsbridge Properties Plc holds the following direct and indirect interests in the equity capital of the undertakings indicated below:

Name of company	Country of registration	Holdings	Proportion held
Trading Companies			
Gardenstate Properties Limited	England	Ordinary shares	75%
Halterstone Limited	England	Ordinary shares	100%
Happy Homes M25 Limited	England	Ordinary shares	100%
Totteridge Common Limited	England	Ordinary shares	95%
Investment Companies			
B & C Flats Limited	England	Ordinary Shares	100%
Bremysyde Properties Limited	England	Ordinary Shares	94%
J W Coleman Estate Limited	England	Ordinary Shares	100%
Roundpoll Limited	England	Ordinary Shares	100%
Sumcounty Investments Limited	England	Ordinary Shares	100%
Invicta Holdings Limited	England	Ordinary Shares	88%
Wards Properties Limited	England	Ordinary Shares	100%
Wards Properties (Clacton) Limited	England	Ordinary Shares	100%
Tridentvale Limited	England	Ordinary Shares	100%
M25 Holdings Limited (formerly Yearvale Limited)	England	Ordinary Shares	75%
M25 Estates Limited	England	Ordinary Shares	52%
M25 Investments Limited	England	Ordinary Shares	75%
Dormant Companies			
Canaryridge Limited	England	Ordinary Shares	100%
Totteridge House Limited	England	Ordinary Shares	100%
Turner Financial Services Limited	England	Ordinary Shares	100%
Stimpson (Investments) Limited	England	Ordinary Shares	100%

10 Stocks

	Group		Company	
	2000	1999	2000	1999
Stock of properties	£ 2,962,231	£ 3,008,360	£ 818,256	£ 1,301,539

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

11 Joint venture investments

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
At 1st January 2000	1,559,341	1,229,371	870,974	919,082
Net investments in / (withdrawals) from joint ventures during the year	3,448,757	233,486	2,934,615	(70,892)
Share of joint venture profits for the year	53,352	111,182	152,865	37,482
Reduction in amount owed to joint ventures	(21,989)	(14,698)	(21,989)	(14,698)
At 31st December 2000	<u>5,039,461</u>	<u>1,559,341</u>	<u>3,936,465</u>	<u>870,974</u>

The group was involved in thirteen property joint ventures during the year. The company was involved in five property joint ventures during the year. The amalgamated results of the joint ventures for the year ended 31st December 2000 and their balance sheets at the year end are given below:

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Profit and loss account				
Sales of properties	2,708,651	1,825,217	1,733,651	1,050,217
Cost of sales	(2,116,559)	(1,365,525)	(1,326,566)	(853,789)
Gross profit	592,092	459,692	407,085	196,428
Selling costs	(63,262)	(27,963)	(44,684)	(19,179)
Administrative expenses	(90,153)	(87,296)	(22,891)	(54,560)
Rent receivable net of property expenses	102,538	93,618	97,048	92,042
Operating profit	541,215	438,051	436,558	214,731
Interest received	5,068	1,494	2,554	456
Interest payable	(198,303)	(191,952)	(126,819)	(134,882)
Net profit for the year	<u>347,980</u>	<u>247,593</u>	<u>312,293</u>	<u>80,305</u>
Attributable to the group / company	53,352	111,182	152,865	37,482
Attributable to joint venture partners	<u>294,628</u>	<u>136,411</u>	<u>159,428</u>	<u>42,823</u>

Knights spur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

11 Joint venture investments (continued)

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Balance sheet				
Current assets				
Investments	144,729	144,729	144,729	144,729
Stocks	9,895,370	4,335,062	6,155,227	2,354,197
Debtors	119,162	347,382	80,847	341,364
Prepayments and accrued income	271,697	9,202	18,873	8,641
Cash at bank and in hand	387,196	260,431	329,974	221,262
	<u>10,818,154</u>	<u>5,096,806</u>	<u>6,729,650</u>	<u>3,070,193</u>
Creditors due within one year				
Bank loans and overdrafts	2,277,623	2,066,231	1,139,501	1,097,532
Creditors	1,350,029	91,806	65,307	43,016
Accruals and deferred income	56,763	28,287	51,253	22,337
	<u>3,684,415</u>	<u>2,186,324</u>	<u>1,256,061</u>	<u>1,162,885</u>
Net assets	<u>£ 7,133,739</u>	<u>£ 2,910,482</u>	<u>£ 5,473,589</u>	<u>£ 1,907,308</u>
Attributable to the group / company	5,039,461	1,559,341	3,936,465	870,974
Attributable to joint venture partners	<u>2,094,278</u>	<u>1,351,141</u>	<u>1,537,124</u>	<u>1,036,334</u>
	<u>£ 7,133,739</u>	<u>£ 2,910,482</u>	<u>£ 5,473,589</u>	<u>£ 1,907,308</u>

12 Debtors: falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	219,697	163,750	8,069	2,809
Other debtors	1,963,118	117,018	1,938,223	90,883
Amounts owed by group undertakings	-	-	2,007,680	741,675
Prepayments and accrued income	164,919	84,895	81,303	39,700
Dividends receivable	-	-	-	215,000
	<u>£ 2,347,734</u>	<u>£ 365,663</u>	<u>£ 4,035,275</u>	<u>£ 1,090,067</u>

Knights spur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

13 Creditors: falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loans and overdrafts	3,865,171	1,773,382	3,094,342	736,339
Net obligations under finance leases	7,197	-	-	-
Trade creditors	111,776	71,058	49,496	-
Other creditors	236,572	445,684	25,508	80,519
Amounts owed to joint ventures	364,563	383,807	323,188	345,176
Corporation Tax	494,621	288,716	12,175	12,175
Director's current account	3,952	295,686	3,952	-
Other taxes and social security costs	130,500	-	130,500	-
Amount owed to subsidiary undertakings	-	-	3,552,877	3,939,499
Accruals	563,143	615,837	394,067	397,418
	<u>£ 5,777,495</u>	<u>£ 3,874,170</u>	<u>£ 7,586,105</u>	<u>£ 5,511,126</u>

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

14 Creditors: falling due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loan repayable between				
- one and two years	245,000	245,000	155,000	155,000
- two and five years	735,000	735,000	465,000	465,000
- after more than five years	575,000	820,000	462,500	617,500
Net obligations under finance leases	13,194	-	-	-
	<u>£ 1,568,194</u>	<u>£ 1,800,000</u>	<u>£ 1,082,500</u>	<u>£ 1,237,500</u>

The long term treasury bank loans are secured by a fixed and floating charge over the investment properties and closing stock of the group. Interest is fixed at 10.31% p.a. until 28th February 2002.

The medium term bank loans are secured on the group's stock of properties and guarantee from the company with interest of 3% above libor.

Knightsbridge Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

15 Share capital

	Number of ordinary shares	£
Authorised		
At 1st January 2000 and 31st December 2000 (£1 ordinary)	3,000,000	3,000,000
Allotted, called up and fully paid		
At 1st January 2000 and 31st December 2000	<u>2,100,062</u>	<u>2,100,062</u>

16 Share premium account

	Group and Company	
	2000	1999
At 1st January 2000 and 31st December 2000	£ <u>621,412</u>	£ <u>621,412</u>

17 Investment revaluation reserves

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
At 1st January 2000	1,031,304	4,511	2,589,106	2,589,106
Revaluation of investment properties in year	141,000	1,031,304	-	-
Reduction in provision against investment in group companies	-	-	-	-
Transfer to profit and loss reserve	-	(4,511)	-	-
At 31st December 2000	£ <u>1,172,304</u>	£ <u>1,031,304</u>	£ <u>2,589,106</u>	£ <u>2,589,106</u>

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

18 Capital reserves

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
At 1st January 2000	487,299	487,299	1,109	1,109
Movement in year	1,928	-	-	-
At 31st December 2000	<u>£ 489,227</u>	<u>£ 487,299</u>	<u>£ 1,109</u>	<u>£ 1,109</u>

19 Profit and loss account

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
At 1st January 2000	1,259,732	982,685	(1,066,386)	(1,467,170)
Profit for the year	424,179	272,536	1,560,943	400,784
Transfer from revaluation reserve	-	4,511	-	-
At 31st December 2000	<u>£ 1,683,911</u>	<u>£ 1,259,732</u>	<u>£ 494,557</u>	<u>£ (1,066,386)</u>

20 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 £562,500 at the date of these financial statements (1999: £652,500).

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

21 Related party transactions

a. Included under other debtors / other creditors are amounts due / payable as follows:

	Group		Company	
	2000	1999	2000	1999
i) Due from companies under common control	£ <u>723,108</u>	£ <u>19,735</u>	£ <u>723,108</u>	£ <u>-</u>
ii) Due from other connected companies	£ <u>10,235</u>	£ <u>10,949</u>	£ <u>10,235</u>	£ <u>8,785</u>
iii) Due to companies under common control	£ <u>-</u>	£ <u>48,076</u>	£ <u>-</u>	£ <u>48,076</u>
iv) From other connected companies	£ <u>15,064</u>	£ <u>-</u>	£ <u>15,064</u>	£ <u>15,079</u>

b. During the year, the director Peter Laurence Murphy exercised his option to acquire a plot of land from Totteridge Common Limited, a subsidiary of Knightspur Properties Plc, at an exercise price of £705,000. Concurrently to the purchase by Peter Murphy, Totteridge Common Limited acquired a piece of adjoining land for a price of £155,000.

c. During the year, the company paid rent of £100,000 to Peter Murphy for the use of a property owned by him.

d. Peter Murphy is a joint venture partner in some of the group's joint ventures. His profit share for the year amounted to £84,000 (1999: £nil).

Knightspur Properties Plc

Notes forming part of the financial statements for the year ended 31st December 2000

22 Reconciliation of movements in shareholders' funds

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Profit for the financial year	424,179	272,536	1,560,943	400,784
Capital reserve on acquisition of minority interest	1,928	-	-	-
Other recognised gains and losses	141,000	1,031,304	-	-
Net addition to shareholders' funds	567,107	1,303,840	1,560,943	400,784
Opening shareholders' funds	5,499,809	4,195,969	4,245,303	3,844,519
Closing shareholders' funds	£ 6,066,916	£ 5,499,809	£ 5,806,246	£ 4,245,303

23 Directors' emoluments - group and company

	2000	1999
	£	£
Emoluments for qualifying services	£ 319,028	£ 285,933

Emoluments disclosed above relate entirely to the highest paid director.

24 Control

The group is under the control of the director Peter Laurence Murphy by virtue of his interest in the issued share capital of Knightspur Properties Plc as disclosed in the directors' report.