

**Knightspur Properties Plc**  
**Annual Report and Financial Statements**  
**for the year ended 31st December 2002**



# **Knightspur Properties Plc**

## **Company Information**

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

# **Knightspur Properties Plc**

## **Contents**

|                                                      | <b>Page</b> |
|------------------------------------------------------|-------------|
| Chairman's statement                                 | 1           |
| Directors' report                                    | 2 - 3       |
| Auditors' report                                     | 4           |
| Consolidated profit and loss account                 | 5           |
| Group statement of total recognised gains and losses | 6           |
| Consolidated balance sheet                           | 7           |
| Company balance sheet                                | 8           |
| Consolidated cash flow statement                     | 9           |
| Notes to the consolidated cash flow statement        | 10 - 11     |
| Notes to the financial statements                    | 12 - 27     |

# **Knightspur Properties Plc**

## **Chairman's statement**

### **Financial statements for the year ended 31st December 2002**

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 has expanded its activities through active participation in development joint ventures.

I am pleased to report a consolidated profit before taxation of £581,442 for the year to 31st December 2002 (2001: £862,294).

The group's gross realisations of both investment and trading portfolios, including joint ventures in which the group has significant influence and control, amounted to c£12.39m (2001: c£10.73m).

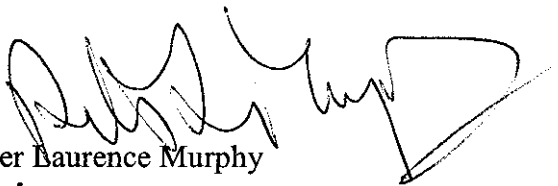
The Knightspur group is continuing to devote more resources to the development of residential property. During 2002 there was further significant growth in its joint venture development activities with sales of c£8.56m (2001: c£5.96m) and stock of property under development of c£11.24m (2001: c£13.49m). The construction and sale of houses at Grange Close in Winchester contributed c£3.68m to group turnover (2001: £0.84m).

Progress has been made at other joint venture development sites mentioned in last year's annual report with 5 more units sold at Cossington Farm, Kent where the other two remaining units have also been sold after the year end and 4 further units sold at Boroughs Oak Farm, Kent. The remaining 4 units at this development have been or are expected to be sold in the current year.

The group has acquired further sites for re-development where development work had not commenced at the year end date.

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: 29 July 2003

## **Knightspur Properties Plc**

### **Directors' report for the year ended 31st December 2002**

The directors present their report and the financial statements for the year ended 31st December 2002.

#### **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 £581,442 (2001: £862,294).

The directors do not recommend the payment of a dividend.

#### **Fixed assets**

The significant changes in fixed assets during the year are detailed in notes 8 to 10 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:

|                       | <b>Class of Share</b> | <b>31.12.02</b> | <b>1.1.02</b> |
|-----------------------|-----------------------|-----------------|---------------|
| 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% (2001: 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% (2001: 9.40%) of the company's share capital.

#### **Policy and practice on payment of creditors**

It is the company's and group's policy to pay suppliers in accordance with the payment terms negotiated with them.

## **Knightspur Properties Plc**

### **Directors' report for the year ended 31st December 2002 (continued)**

#### **Auditors**

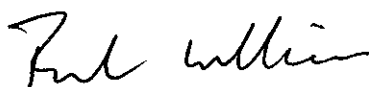
The company's auditors, Simmons Gainsford have incorporated and are now called Simmons Gainsford LLP. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

#### **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 2002. 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.

By order of the Board



Paul Williams  
**Secretary**  
29 July 2003

**Independent auditors' report  
to the shareholders of Knightspur Properties Plc**

We have audited the financial statements of Knightspur Properties Plc on pages 5 to 27 for the year ended 31 December 2002. These financial statements 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company and other members of the group have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 the company's and group's affairs as at 31st December 2002 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Simmons Gainsford LLP*

**Simmons Gainsford LLP**

Chartered Accountants  
& Registered Auditors

29 July 2003

7/10 Chandos Street  
Cavendish Square  
London W1G 9DQ

# Knightspur Properties Plc

## Consolidated profit and loss account for the year ended 31st December 2002

|                                                      | Notes      | 2002<br>£        | 2001<br>£        |
|------------------------------------------------------|------------|------------------|------------------|
| <b>Turnover</b>                                      | <b>2</b>   | 11,901,445       | 9,757,903        |
| Cost of sales                                        |            | (8,773,884)      | (6,975,737)      |
| Joint venturers' share of profits                    |            | (722,728)        | (510,688)        |
| <b>Gross profit</b>                                  |            | <b>2,404,833</b> | <b>2,271,478</b> |
| Selling and marketing costs                          |            | (479,873)        | (297,550)        |
| Property costs                                       |            | (101,720)        | (99,252)         |
| Administrative expenses                              |            | (1,438,660)      | (1,193,541)      |
| Other operating income                               |            | 525,319          | 373,792          |
| <b>Operating profit</b>                              | <b>3</b>   | <b>909,899</b>   | <b>1,054,927</b> |
| Profit on sale of investment properties              | <b>4</b>   | 279,777          | 414,987          |
| <b>Profit on ordinary activities before interest</b> |            | <b>1,189,676</b> | <b>1,469,914</b> |
| Investment income                                    | <b>5</b>   | 869              | 210              |
| Other interest receivable and similar income         |            | 53,167           | 40,760           |
| Interest payable and similar charges                 | <b>6</b>   | (662,270)        | (648,590)        |
| <b>Profit on ordinary activities before taxation</b> |            | <b>581,442</b>   | <b>862,294</b>   |
| Tax on profit on ordinary activities                 | <b>7</b>   | (160,166)        | (235,209)        |
| <b>Profit on ordinary activities after taxation</b>  |            | <b>421,276</b>   | <b>627,085</b>   |
| Minority interest                                    |            | 2,896            | (51,911)         |
| <b>Retained profit for the year</b>                  | <b>16a</b> | <b>424,172</b>   | <b>575,174</b>   |

The consolidated profit and loss account has been prepared on the basis that all operations are continuing operations.

**Knightspur Properties Plc**

**Group statement of total recognised gains and losses**

|                                                        | <b>2002</b> | <b>2001</b> |
|--------------------------------------------------------|-------------|-------------|
|                                                        | £           | £           |
| Results per consolidated profit and loss account       | 424,172     | 575,174     |
| Unrealised surplus on revaluation of properties        | -           | 178,215     |
|                                                        | <hr/>       | <hr/>       |
| Total recognised gains and losses relating to the year | 424,172     | 753,389     |
|                                                        | <hr/>       | <hr/>       |

**Note of historical cost profits and losses**

|                                                                                            | <b>2002</b> | <b>2001</b> |
|--------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                            | £           | £           |
| <b>Reported profit on ordinary activities before taxation</b>                              | 581,442     | 862,294     |
| Realisation of property revaluation gains of previous years                                | 254,101     | 47,000      |
|                                                                                            | <hr/>       | <hr/>       |
| Historical cost profit on ordinary activities before taxation                              | 835,543     | 909,294     |
|                                                                                            | <hr/>       | <hr/>       |
| <b>Historical cost profit on ordinary activities after taxation and minority interests</b> | 678,273     | 622,174     |
|                                                                                            | <hr/>       | <hr/>       |

# Knightspur Properties Plc

## Consolidated balance sheet as at 31st December 2002

|                                              | Notes | 2002         |             | 2001         |             |
|----------------------------------------------|-------|--------------|-------------|--------------|-------------|
|                                              |       | £            | £           | £            | £           |
| <b>Fixed assets</b>                          |       |              |             |              |             |
| Negative goodwill                            | 8     | (123,231)    |             | -            |             |
| Tangible assets                              | 9a    | 2,316,147    |             | 2,663,191    |             |
| Investments                                  | 10a   | 2,140        |             | 1,540        |             |
|                                              |       |              | 2,195,056   |              | 2,664,731   |
| <b>Current assets</b>                        |       |              |             |              |             |
| Stocks                                       | 11    | 14,250,471   |             | 16,817,688   |             |
| Debtors                                      | 12    | 691,203      |             | 2,358,382    |             |
| Cash at bank and in hand                     |       | 2,674,541    |             | 762,364      |             |
|                                              |       | 17,616,215   |             | 19,938,434   |             |
| <b>Creditors:</b>                            |       |              |             |              |             |
| Amounts falling due within one year          | 13    | (11,148,511) |             | (14,138,093) |             |
| <b>Net current assets</b>                    |       |              | 6,467,704   |              | 5,800,341   |
| <b>Total assets less current liabilities</b> |       |              | 8,662,760   |              | 8,465,072   |
| <b>Creditors:</b>                            |       |              |             |              |             |
| Amounts falling due after more than one year | 14    |              | (1,359,400) |              | (1,315,997) |
|                                              |       |              | 7,303,360   |              | 7,149,075   |
| <b>Capital and reserves</b>                  |       |              |             |              |             |
| Called up share capital                      | 15    | 2,100,062    |             | 2,100,062    |             |
| Share premium account                        | 16a   | 621,412      |             | 621,412      |             |
| Revaluation reserve                          | 16a   | 1,049,418    |             | 1,303,519    |             |
| Capital reserve                              | 16a   | 489,227      |             | 489,227      |             |
| Profit and loss account                      | 16a   | 3,003,699    |             | 2,325,426    |             |
| Equity shareholders' funds                   | 17    | 7,263,818    |             | 6,839,646    |             |
| Minority interest                            |       | 39,542       |             | 309,429      |             |
|                                              |       |              | 7,303,360   |              | 7,149,075   |

The financial statements were approved by the Board on 29 July 2003.

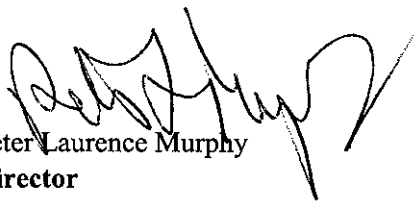
  
Peter Laurence Murphy  
Director

# Knightspur Properties Plc

## Balance sheet as at 31st December 2002

|                                              | Notes | 2002         |             | 2001         |           |
|----------------------------------------------|-------|--------------|-------------|--------------|-----------|
|                                              |       | £            | £           | £            | £         |
| <b>Fixed assets</b>                          |       |              |             |              |           |
| Tangible assets                              | 9b    |              | 11,258      |              | 12,509    |
| Investments                                  | 10b   |              | 7,293,769   |              | 6,269,169 |
|                                              |       |              | <hr/>       |              | <hr/>     |
|                                              |       |              | 7,305,027   |              | 6,281,678 |
| <b>Current assets</b>                        |       |              |             |              |           |
| Stocks                                       | 11    | 9,776,345    |             | 11,910,532   |           |
| Debtors                                      | 12    | 1,971,676    |             | 3,811,776    |           |
| Cash at bank and in hand                     |       | 2,229,078    |             | 375,636      |           |
|                                              |       | <hr/>        |             | <hr/>        |           |
|                                              |       | 13,977,099   |             | 16,097,944   |           |
| <b>Creditors:</b>                            |       |              |             |              |           |
| Amounts falling due within one year          | 13    | (14,710,837) |             | (15,852,082) |           |
|                                              |       | <hr/>        |             | <hr/>        |           |
| <b>Net current assets</b>                    |       |              | (733,738)   |              | 245,862   |
|                                              |       |              | <hr/>       |              | <hr/>     |
| <b>Total assets less current liabilities</b> |       |              | 6,571,289   |              | 6,527,540 |
| <b>Creditors:</b>                            |       |              |             |              |           |
| Amounts falling due after more than one year | 14    |              | (1,066,900) |              | (927,500) |
|                                              |       |              | <hr/>       |              | <hr/>     |
|                                              |       |              | 5,504,389   |              | 5,600,040 |
|                                              |       |              | <hr/>       |              | <hr/>     |
| <b>Capital and reserves</b>                  |       |              |             |              |           |
| Called up share capital                      | 15    | 2,100,062    |             | 2,100,062    |           |
| Share premium account                        | 16b   | 621,412      |             | 621,412      |           |
| Investment revaluation reserve               | 16b   | 2,589,106    |             | 2,589,106    |           |
| Capital reserve                              | 16b   | 1,109        |             | 1,109        |           |
| Profit and loss account                      | 16b   | 192,700      |             | 288,351      |           |
|                                              |       | <hr/>        |             | <hr/>        |           |
| <b>Equity shareholders' funds</b>            | 17    |              | 5,504,389   |              | 5,600,040 |
|                                              |       |              | <hr/>       |              | <hr/>     |

The financial statements were approved by the Board on 29 July 2003.

  
Peter Laurence Murphy  
Director

**Knightspur Properties Plc**

**Consolidated cash flow statement for the year ended  
31st December 2002**

|                                                                              | Notes    | 2002        |   | 2001        |   |
|------------------------------------------------------------------------------|----------|-------------|---|-------------|---|
|                                                                              |          | £           | £ | £           | £ |
| <b>Net cash inflow from operating activities</b>                             | <b>1</b> | 1,483,344   |   | 734,190     |   |
| <b>Returns on investments and servicing of finance</b>                       |          |             |   |             |   |
| Interest received                                                            |          | 53,167      |   | 40,760      |   |
| Interest paid                                                                |          | (642,667)   |   | (672,792)   |   |
| Dividends received                                                           |          | 869         |   | 210         |   |
| <b>Net cash outflow from returns on investments and servicing of finance</b> |          | (588,631)   |   | (631,822)   |   |
| <b>Taxation</b>                                                              |          |             |   |             |   |
| Corporation Tax paid                                                         |          | (288,148)   |   | (294,194)   |   |
| <b>Capital expenditure and financial investment</b>                          |          |             |   |             |   |
| Purchase of investment properties                                            |          | (50,435)    |   | (91,380)    |   |
| Purchase of other tangible fixed assets                                      |          | (1,522)     |   | (16,066)    |   |
| Sale of investment properties                                                |          | 662,342     |   | 1,182,536   |   |
| Receipts from sales of tangible fixed assets                                 |          | -           |   | 5,000       |   |
| <b>Net cash inflow from capital expenditure and financial investment</b>     |          | 610,385     |   | 1,080,090   |   |
| <b>Acquisitions and disposals</b>                                            |          |             |   |             |   |
| Purchase of subsidiary                                                       |          | (630,200)   |   | -           |   |
| Net cash acquired with subsidiary                                            |          | 594,315     |   | -           |   |
| Purchase of minority interest in subsidiary                                  |          | (100,000)   |   | (24,142)    |   |
| <b>Net cash outflow from acquisitions and disposals</b>                      |          | (135,885)   |   | (24,142)    |   |
| <b>Financing</b>                                                             |          |             |   |             |   |
| Debt due within one year                                                     |          |             |   |             |   |
| Short term loans drawn down                                                  |          | 3,848,346   |   | 1,845,595   |   |
| Short term loans repaid                                                      |          | (2,744,508) |   | (1,990,999) |   |
| Debt due in more than one year                                               |          |             |   |             |   |
| Loans repaid                                                                 |          | (245,000)   |   | (245,000)   |   |
| Capital element of hire purchase contracts                                   |          | (7,196)     |   | (7,198)     |   |
| <b>Net cash inflow / (outflow) from financing</b>                            |          | 851,642     |   | (397,602)   |   |
| <b>Increase in cash in the year</b>                                          |          | 1,932,707   |   | 466,520     |   |

# Knightspur Properties Plc

## Notes to the consolidated cash flow statement for the year ended 31st December 2002

### 1 Reconciliation of operating profit to net cash flows from operating activities

|                                                  | 2002             | 2001           |
|--------------------------------------------------|------------------|----------------|
|                                                  | £                | £              |
| Operating profit                                 | 909,899          | 1,054,927      |
| Depreciation charges                             | 16,436           | 20,115         |
| Loss on disposal of fixed assets                 | -                | 8,359          |
| Decrease / (increase) in stocks of properties    | 2,687,217        | (4,636,477)    |
| Decrease / (increase) in debtors                 | 1,667,643        | (366,190)      |
| (Decrease) / increase in creditors               | (3,797,851)      | 4,653,456      |
|                                                  | <hr/>            | <hr/>          |
| <b>Net cash inflow from operating activities</b> | <b>1,483,344</b> | <b>734,190</b> |
|                                                  | <hr/> <hr/>      | <hr/> <hr/>    |

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

|                                                          | 2002               | 2001               |
|----------------------------------------------------------|--------------------|--------------------|
|                                                          | £                  | £                  |
| Increase in cash in the year                             | 1,932,707          | 466,520            |
| Cash (inflow) / outflow from increase / decrease in debt | (851,642)          | 397,602            |
|                                                          | <hr/>              | <hr/>              |
| Changes in net debt resulting from cash flows            | 1,081,065          | 864,122            |
| Loan notes issued on acquisition of subsidiary           | (294,400)          | -                  |
| Net debt at start of year                                | (6,373,629)        | (7,237,751)        |
|                                                          | <hr/>              | <hr/>              |
| <b>Net debt at end of year</b>                           | <b>(5,586,964)</b> | <b>(6,373,629)</b> |
|                                                          | <hr/> <hr/>        | <hr/> <hr/>        |

### 3 Analysis of changes in net debt

|                          | At 1 January<br>2002 | Cash<br>flow     | Other non-cash<br>changes | At 31<br>December<br>2002 |
|--------------------------|----------------------|------------------|---------------------------|---------------------------|
|                          | £                    | £                | £                         | £                         |
| Cash in hand and at bank | 762,364              | 1,912,177        | -                         | 2,674,541                 |
| Overdrafts               | (24,255)             | 20,530           | -                         | (3,725)                   |
|                          | <hr/>                | <hr/>            | <hr/>                     | <hr/>                     |
|                          | 738,109              | 1,932,707        | -                         | 2,670,816                 |
| Debt due within one year | (5,788,545)          | (1,103,838)      | -                         | (6,892,383)               |
| Debt due after one year  | (1,310,000)          | 245,000          | (294,400)                 | (1,359,400)               |
| Finance leases           | (13,193)             | 7,196            | -                         | (5,997)                   |
|                          | <hr/>                | <hr/>            | <hr/>                     | <hr/>                     |
| <b>Net debt</b>          | <b>(6,373,629)</b>   | <b>1,081,065</b> | <b>(294,400)</b>          | <b>(5,586,964)</b>        |
|                          | <hr/> <hr/>          | <hr/> <hr/>      | <hr/> <hr/>               | <hr/> <hr/>               |

# Knightspur Properties Plc

## Notes to the consolidated cash flow statement (continued) for the year ended 31st December 2002

### 4 Major non-cash transactions

Part of the consideration for the purchase of the subsidiary undertaking that occurred during the year comprised of loan notes. Further details of the acquisition are set out below.

### 5 Purchase of subsidiary undertaking

|                            | £         |
|----------------------------|-----------|
| <b>Net assets acquired</b> |           |
| Fixed asset investments    | 47,341    |
| Stocks                     | 120,000   |
| Debtors                    | 354,837   |
| Cash at bank and in hand   | 594,315   |
| Creditors                  | (95,105)  |
|                            | <hr/>     |
|                            | 1,021,388 |
| Negative goodwill          | (96,788)  |
|                            | <hr/>     |
|                            | 924,600   |
|                            | <hr/>     |
| <b>Satisfied by</b>        |           |
| Loan notes issued          | 294,400   |
| Cash                       | 630,200   |
|                            | <hr/>     |
|                            | 924,600   |
|                            | <hr/>     |

# **Knightspur Properties Plc**

## **Notes forming part of the financial statements for the year ended 31st December 2002**

### **1 Accounting policies**

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:

#### **1.1 Basis of consolidation**

##### **Subsidiaries**

The consolidated financial statements include the accounts of the holding company and all its subsidiaries. Negative goodwill arising on consolidation and representing the excess of the fair value of the net assets acquired over purchase price is amortised over ten years from the first full financial year after acquisition.

##### **Joint ventures**

The group is involved in various property development joint ventures. The nature of all but one of these joint ventures is such that the group effectively controls the day to day operations with a share of the profits payable to the joint venture partners. Accordingly, the group has consolidated the results of those joint ventures under its control as if they were a normal part of its own trading. The share of profits payable to joint venture partners has been shown separately before arriving at gross profit and the amounts invested by the joint venturers has been included under creditors due within one year.

The results for the remaining joint venture have been included under other operating income and the amount invested in this joint venture has been included under debtors.

#### **1.2 Turnover**

Turnover represents sales of properties held as trading stock, rents receivable from investment properties and property management fees.

#### **1.3 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:

|                                  |                                   |
|----------------------------------|-----------------------------------|
| Computer equipment               | - straight line over 3 years      |
| Furniture, fixtures and fittings | - 10% per annum on net book value |
| Motor vehicles                   | - 25% per annum on net book value |

# **Knightspur Properties Plc**

## **Notes forming part of the financial statements for the year ended 31st December 2002**

### **1 Accounting policies (continued)**

#### **1.4 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.

#### **1.5 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.

#### **1.6 Deferred taxation**

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS 19 – Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. On the basis of these financial statements, no provision has been made for deferred tax.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the group does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period, no asset / liability would have been recognised as the conditions for recognition would not have been satisfied.

# **Knightspur Properties Plc**

## **Notes to the financial statements for the year ended 31st December 2002**

### **2 Turnover analysis by activity**

|                     | <b>2002</b> | <b>2001</b> |
|---------------------|-------------|-------------|
|                     | £           | £           |
| <b>Group</b>        |             |             |
| Sales of properties | 11,729,451  | 9,550,039   |
| Rent receivable     | 151,337     | 180,223     |
| Property management | 20,657      | 27,641      |
|                     | <hr/>       | <hr/>       |
|                     | 11,901,445  | 9,757,903   |
|                     | <hr/>       | <hr/>       |

### **3 Operating profit / (loss)**

|                                                     | <b>2002</b> | <b>2001</b> |
|-----------------------------------------------------|-------------|-------------|
|                                                     | £           | £           |
| Operating profit / (loss) is stated after charging: |             |             |
| Depreciation of tangible assets                     | 16,436      | 20,115      |
| Loss on disposal of tangible assets                 | -           | 8,359       |
| Auditors' remuneration                              | 43,281      | 50,469      |
| and after crediting:                                |             |             |
| Rent receivable from trading properties             | 260,964     | 258,864     |
|                                                     | <hr/>       | <hr/>       |

### **4 Profit on sale of investment properties**

|                                                                  | <b>2002</b> | <b>2001</b> |
|------------------------------------------------------------------|-------------|-------------|
|                                                                  | £           | £           |
| Profit on sale of freehold property<br>against opening valuation | 279,777     | 414,987     |
|                                                                  | <hr/>       | <hr/>       |
| Realised on investment property<br>against historical cost       | 533,878     | 461,987     |
|                                                                  | <hr/>       | <hr/>       |

# **Knightspur Properties Plc**

## **Notes to the financial statements for the year ended 31st December 2002**

### **5 Investment income**

|                                | <b>2002</b>       | <b>2001</b>       |
|--------------------------------|-------------------|-------------------|
|                                | £                 | £                 |
| Income from listed investments | 869               | 210               |
|                                | <u>          </u> | <u>          </u> |

### **6 Interest payable**

|                              | <b>2002</b>       | <b>2001</b>       |
|------------------------------|-------------------|-------------------|
|                              | £                 | £                 |
| On bank loans and overdrafts | 636,017           | 671,010           |
| Other loans                  | 7,774             | 12,000            |
| Lease finance charges        | 972               | 972               |
| On overdue tax               | 17,507            | (35,392)          |
|                              | <u>          </u> | <u>          </u> |
|                              | 662,270           | 648,590           |
|                              | <u>          </u> | <u>          </u> |

# Knightspur Properties Plc

## Notes to the financial statements for the year ended 31st December 2002

### 7 Taxation

|                                                                                                                              | 2002<br>£ | 2001<br>£ |
|------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| <b>Domestic current year tax</b>                                                                                             |           |           |
| UK Corporation Tax                                                                                                           | 231,731   | 357,178   |
| Adjustment for prior years                                                                                                   | (71,565)  | (121,969) |
|                                                                                                                              | <hr/>     | <hr/>     |
| <b>Current tax charge</b>                                                                                                    | 160,166   | 235,209   |
|                                                                                                                              | <hr/>     | <hr/>     |
| <b>Factors affecting the tax charge for the year</b>                                                                         |           |           |
| Profit on ordinary activities before taxation                                                                                | 381,442   | 862,294   |
|                                                                                                                              | <hr/>     | <hr/>     |
| Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 29.13% (2001: 30.00%) | 171,125   | 258,688   |
|                                                                                                                              | <hr/>     | <hr/>     |
| Effects of:                                                                                                                  |           |           |
| Non deductible expenses                                                                                                      | 6,495     | 11,426    |
| Depreciation                                                                                                                 | 4,931     | 4,023     |
| Capital allowances                                                                                                           | (3,349)   | (5,192)   |
| Adjustments to previous periods                                                                                              | (71,565)  | (121,969) |
| Chargeable disposals                                                                                                         | 131,943   | 160,513   |
| Dividends and distributions received                                                                                         | (252)     | (63)      |
| Other tax adjustments                                                                                                        | (79,163)  | (72,217)  |
|                                                                                                                              | <hr/>     | <hr/>     |
|                                                                                                                              | (10,959)  | (23,479)  |
|                                                                                                                              | <hr/>     | <hr/>     |
| <b>Current tax charge</b>                                                                                                    | 160,166   | 235,209   |
|                                                                                                                              | <hr/>     | <hr/>     |

**Knightspur Properties Plc**

**Notes to the financial statements  
for the year ended 31st December 2002**

**8 Negative goodwill - group**

|                       |         |
|-----------------------|---------|
|                       | £       |
| <b>Cost</b>           |         |
| At 1st January 2002   | -       |
| Additions             | 123,231 |
|                       | <hr/>   |
| At 31st December 2002 | 123,231 |
|                       | <hr/>   |

The negative goodwill arising on consolidation will be credited to the profit and loss account over its estimated economic life of five years from the first full financial year after acquisition.

# Knightspur Properties Plc

## Notes to the financial statements for the year ended 31st December 2002

### 9a. Tangible fixed assets - group

|                          | Investment<br>properties<br>£ | Furniture,<br>fixtures &<br>fittings<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|--------------------------|-------------------------------|-------------------------------------------|------------------------|------------|
| <b>Cost</b>              |                               |                                           |                        |            |
| At 1st January 2002      | 2,591,093                     | 122,106                                   | 54,307                 | 2,767,506  |
| Additions                | 50,435                        | 1,522                                     | -                      | 51,957     |
| Disposals                | (382,565)                     | -                                         | -                      | (382,565)  |
|                          | <hr/>                         | <hr/>                                     | <hr/>                  | <hr/>      |
| At 31st December 2002    | 2,258,963                     | 123,628                                   | 54,307                 | 2,436,898  |
|                          | <hr/>                         | <hr/>                                     | <hr/>                  | <hr/>      |
| <b>Depreciation</b>      |                               |                                           |                        |            |
| At 1st January 2002      | -                             | 81,160                                    | 23,155                 | 104,315    |
| Charge for the year      | -                             | 8,647                                     | 7,789                  | 16,436     |
|                          | <hr/>                         | <hr/>                                     | <hr/>                  | <hr/>      |
| At 31st December 2002    | -                             | 89,807                                    | 30,944                 | 120,751    |
|                          | <hr/>                         | <hr/>                                     | <hr/>                  | <hr/>      |
| <b>Net Book Value at</b> |                               |                                           |                        |            |
| 31st December 2002       | 2,258,963                     | 33,821                                    | 23,363                 | 2,316,147  |
|                          | <hr/>                         | <hr/>                                     | <hr/>                  | <hr/>      |
| 31st December 2001       | 2,591,093                     | 40,946                                    | 31,152                 | 2,663,191  |
|                          | <hr/>                         | <hr/>                                     | <hr/>                  | <hr/>      |

The investment properties have been stated at directors' valuation.

Included above are assets held under finance leases or hire purchase contracts as follows:

|                                         | Motor<br>vehicles<br>£ |
|-----------------------------------------|------------------------|
| <b>Net book values</b>                  |                        |
| At 31 December 2002                     | 10,121                 |
|                                         | <hr/>                  |
| At 31 December 2001                     | 13,493                 |
|                                         | <hr/>                  |
| <b>Depreciation charge for the year</b> |                        |
| 31 December 2002                        | 3,373                  |
|                                         | <hr/>                  |
| 31 December 2001                        | 4,498                  |
|                                         | <hr/>                  |

# **Knightspur Properties Plc**

## **Notes to the financial statements for the year ended 31st December 2002**

### **9b. Tangible fixed assets - company**

|                                               | <b>Fixtures &amp; fittings</b> |
|-----------------------------------------------|--------------------------------|
|                                               | <b>£</b>                       |
| <b>Cost</b>                                   |                                |
| At 1st January 2002 and at 31st December 2002 | 55,573                         |
|                                               | <hr/>                          |
| <b>Depreciation</b>                           |                                |
| At 1st January 2002                           | 43,064                         |
| Charge for the year                           | 1,251                          |
|                                               | <hr/>                          |
| At 31st December 2002                         | 44,315                         |
|                                               | <hr/>                          |
| Net book value at 31st December 2002          | 11,258                         |
|                                               | <hr/>                          |
| Net book value at 31st December 2001          | 12,509                         |
|                                               | <hr/>                          |

### **10a. Investments - group**

|                              | <b>Listed<br/>investments</b> | <b>Total</b> |
|------------------------------|-------------------------------|--------------|
|                              | <b>£</b>                      | <b>£</b>     |
| At 1st January 2002          | 1,540                         | 1,540        |
| On acquisition of subsidiary | 600                           | 600          |
|                              | <hr/>                         | <hr/>        |
| At 31st December 2002        | 2,140                         | 2,140        |
|                              | <hr/>                         | <hr/>        |

# **Knightspur Properties Plc**

## **Notes to the financial statements for the year ended 31st December 2002**

### **10b Investments - company**

|                                               | <b>Subsidiary<br/>undertakings<br/>£</b> |
|-----------------------------------------------|------------------------------------------|
| At 1st January 2002                           | 6,269,169                                |
| Additions                                     | 1,024,600                                |
|                                               | <hr/>                                    |
| At 31st December 2002                         | 7,293,769                                |
|                                               | <hr/> <hr/>                              |
| <b>Provision against cost of investments:</b> |                                          |
| At 1st January 2002 and 31st December 2002    | -                                        |
|                                               | <hr/> <hr/>                              |
| <b>Net Book Value at</b>                      |                                          |
| 31st December 2002                            | 7,293,769                                |
|                                               | <hr/> <hr/>                              |
| 31st December 2001                            | 6,269,169                                |
|                                               | <hr/> <hr/>                              |

# Knightspur Properties Plc

## Notes to the financial statements for the year ended 31st December 2002

- 10c** Knightspur 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 |
|--------------------------------------------------|-------------------------|-----------------|-----------------|
| <b>Trading Companies</b>                         |                         |                 |                 |
| 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%             |
| Wadestock Limited                                | England                 | Ordinary shares | 100%            |
| <b>Investment Companies</b>                      |                         |                 |                 |
| B & C Flats Limited                              | England                 | Ordinary Shares | 100%            |
| Bremysyde Properties Limited                     | England                 | Ordinary Shares | 100%            |
| Dawnstar Properties Limited                      | England                 | Ordinary Shares | 100%            |
| 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 | 100%            |
| 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 | 100%            |
| M25 Investments Limited                          | England                 | Ordinary Shares | 75%             |
| <b>Dormant Companies</b>                         |                         |                 |                 |
| Alnor Properties Limited                         | England                 | Ordinary Shares | 100%            |
| Canaryridge Limited                              | England                 | Ordinary Shares | 100%            |
| Plum Properties Limited                          | England                 | Ordinary Shares | 100%            |
| Stimpson (Investments) Limited                   | England                 | Ordinary Shares | 100%            |
| Totteridge House Limited                         | England                 | Ordinary Shares | 100%            |
| Turner Financial Services Limited                | England                 | Ordinary Shares | 100%            |

## 11 Stocks

|                     | Group      |            | Company   |            |
|---------------------|------------|------------|-----------|------------|
|                     | 2002       | 2001       | 2002      | 2001       |
|                     | £          | £          | £         | £          |
| Stock of properties | 14,250,471 | 16,817,688 | 9,776,345 | 11,910,532 |

# **Knightspur Properties Plc**

## **Notes to the financial statements for the year ended 31st December 2002**

### **12 Debtors: falling due within one year**

|                                                                                      | <b>Group</b>   |                  | <b>Company</b>   |                  |
|--------------------------------------------------------------------------------------|----------------|------------------|------------------|------------------|
|                                                                                      | <b>2002</b>    | <b>2001</b>      | <b>2002</b>      | <b>2001</b>      |
|                                                                                      | £              | £                | £                | £                |
| Trade debtors                                                                        | 19,475         | 41,700           | 7,894            | 6,758            |
| Amounts receivable on completion                                                     | -              | 114,227          | -                | -                |
| Amounts owed by subsidiary undertakings                                              | -              | -                | 1,607,909        | 1,908,733        |
| Other debtors                                                                        | 178,773        | 1,699,652        | 103,699          | 1,535,072        |
| Amounts owed by joint venturers                                                      | 164,608        | 264,700          | 164,608          | 264,700          |
| Prepayments and accrued income                                                       | 328,347        | 238,103          | 87,566           | 96,513           |
|                                                                                      | <u>691,203</u> | <u>2,358,382</u> | <u>1,971,676</u> | <u>3,811,776</u> |
| Other debtors includes the following amounts due from related parties (see note 23): | <u>3,397</u>   | <u>1,421,899</u> | <u>3,397</u>     | <u>1,419,924</u> |

### **13 Creditors: falling due within one year**

|                                        | <b>Group</b>      |                   | <b>Company</b>    |                   |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                        | <b>2002</b>       | <b>2001</b>       | <b>2002</b>       | <b>2001</b>       |
|                                        | £                 | £                 | £                 | £                 |
| Bank loans and overdrafts              | 6,896,108         | 5,812,800         | 5,789,530         | 3,745,249         |
| Net obligations under finance leases   | 5,997             | 7,196             | -                 | -                 |
| Trade creditors                        | 282,536           | 199,614           | 57,900            | 30,295            |
| Amounts payable on completion          | -                 | 4,264,241         | -                 | 4,264,241         |
| Amount owed to subsidiary undertakings | -                 | -                 | 5,895,170         | 5,386,239         |
| Amounts owed to joint venturers        | 2,468,827         | 2,215,194         | 2,041,010         | 1,598,328         |
| Corporation Tax                        | 346,849           | 394,602           | 0                 | 1,935             |
| Other taxes and social security costs  | 26,648            | 180,016           | 18,150            | 14,046            |
| Director's current account             | 148,803           | 4,422             | 148,803           | 4,422             |
| Other creditors                        | 440,808           | 495,529           | 411,775           | 434,398           |
| Accruals and deferred income           | 531,935           | 564,479           | 348,499           | 372,929           |
|                                        | <u>11,148,511</u> | <u>14,138,093</u> | <u>14,710,837</u> | <u>15,852,082</u> |

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

# Knights spur Properties Plc

## Notes to the financial statements for the year ended 31st December 2002

### 14 Creditors: falling due after more than one year

|                                      | Group            |                  | Company          |                |
|--------------------------------------|------------------|------------------|------------------|----------------|
|                                      | 2002             | 2001             | 2002             | 2001           |
|                                      | £                | £                | £                | £              |
| 5% Loan notes                        | 294,400          | -                | 294,400          | -              |
| Bank loans 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         | 85,000           | 330,000          | 152,500          | 307,500        |
| Net obligations under finance leases | -                | 5,997            | -                | -              |
|                                      | <u>1,359,400</u> | <u>1,315,997</u> | <u>1,066,900</u> | <u>927,500</u> |

The loan notes were issued as consideration for the acquisition of 32 Ordinary shares of £1 each in Dawnstar Properties Limited from C&G Properties plc, a company under the control of the director, Peter Laurence Murphy. The earliest date of redemption, unless the company feels otherwise, is 31 December 2010 and the latest date by which they will be redeemed is 31 December 2015.

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 8.4% p.a. until 28th May 2004.

### 15 Share capital

|                                                          | Number of<br>ordinary shares | £                |
|----------------------------------------------------------|------------------------------|------------------|
| <b>Authorised</b>                                        |                              |                  |
| At 1st January 2002 and 31st December 2002 (£1 ordinary) | 3,000,000                    | 3,000,000        |
|                                                          | <u>3,000,000</u>             | <u>3,000,000</u> |
| <b>Allotted, called up and fully paid</b>                |                              |                  |
| At 1st January 2002 and 31st December 2002               | 2,100,062                    | 2,100,062        |
|                                                          | <u>2,100,062</u>             | <u>2,100,062</u> |

# **Knightspur Properties Plc**

## **Notes to the financial statements for the year ended 31st December 2002**

### **16a. Statement of movement on reserves - group**

|                                                                 | Share<br>premium<br>account<br>£ | Revaluation<br>reserve<br>£ | Capital<br>reserve<br>£ | Profit<br>and loss<br>account<br>£ |
|-----------------------------------------------------------------|----------------------------------|-----------------------------|-------------------------|------------------------------------|
| Balance at 1st January 2002                                     | 621,412                          | 1,303,519                   | 489,227                 | 2,325,426                          |
| Retained profit for the year                                    | -                                | -                           | -                       | 424,172                            |
| Transfer from revaluation reserve<br>to profit and loss account | -                                | (254,101)                   | -                       | 254,101                            |
| At 31st December 2002                                           | 621,412                          | 1,049,418                   | 489,227                 | 3,003,699                          |

### **16b. Statement of movement on reserves - company**

|                             | Share<br>premium<br>account<br>£ | Revaluation<br>reserve<br>£ | Capital<br>reserve<br>£ | Profit<br>and loss<br>account<br>£ |
|-----------------------------|----------------------------------|-----------------------------|-------------------------|------------------------------------|
| Balance at 1st January 2002 | 621,412                          | 2,589,106                   | 1,109                   | 288,351                            |
| Retained loss for the year  | -                                | -                           | -                       | (95,651)                           |
| At 31st December 2002       | 621,412                          | 2,589,106                   | 1,109                   | 192,700                            |

# Knightspur Properties Plc

## Notes to the financial statements for the year ended 31st December 2002

### 17 Reconciliation of movements in shareholders' funds

|                                        | Group     |           | Company   |           |
|----------------------------------------|-----------|-----------|-----------|-----------|
|                                        | 2002      | 2001      | 2002      | 2001      |
|                                        | £         | £         | £         | £         |
| Profit / (loss) for the financial year | 424,172   | 575,174   | (95,651)  | 328,358   |
| Other recognised gains and losses      | -         | 178,215   | -         | -         |
| Net addition to shareholders' funds    | 424,172   | 753,389   | (95,651)  | 328,358   |
| Opening shareholders' funds            | 6,839,646 | 6,086,257 | 5,600,040 | 5,271,682 |
| Closing shareholders' funds            | 7,263,818 | 6,839,646 | 5,504,389 | 5,600,040 |

### 18 Company profit and loss account

As permitted by s230 Companies Act 1985, the company has not presented its own profit and loss account. The profit for the financial year is made up as follows:

|                                                          | Year ended<br>31 December<br>2002<br>£ | Year ended<br>31 December<br>2001<br>£ |
|----------------------------------------------------------|----------------------------------------|----------------------------------------|
| Holding company's (loss) / profit for the financial year | (95,651)                               | 328,358                                |

### 19 Contingent liabilities

In connection with overall banking facilities, unlimited guarantees have been given by the company to support the borrowings of a subsidiary undertaking. 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 to the subsidiary involved amounting to £382,500 (2001: £472,500 ) at the balance sheet date.

# Knightspur Properties Plc

## Notes to the financial statements for the year ended 31st December 2002

### 20 Directors' emoluments - group and company

|                                                         | 2002<br>£ | 2001<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Emoluments for qualifying services                      | 322,275   | 316,149   |
| Company pension contributions to money purchase schemes | 250,000   | -         |
|                                                         | <hr/>     | <hr/>     |
|                                                         | 572,275   | 316,149   |
|                                                         | <hr/>     | <hr/>     |

Emoluments disclosed above relate entirely to the highest paid director.

### 21 Employees

#### Number of employees

The average monthly number of employees including directors) during the year was:

|                       | Group |       | Company |       |
|-----------------------|-------|-------|---------|-------|
|                       | 2002  | 2001  | 2002    | 2001  |
| Office and management | 9     | 6     | 7       | 6     |
|                       | <hr/> | <hr/> | <hr/>   | <hr/> |

#### Employment costs

|                       | Group     |           | Company   |           |
|-----------------------|-----------|-----------|-----------|-----------|
|                       | 2002<br>£ | 2001<br>£ | 2002<br>£ | 2001<br>£ |
| Wages and salaries    | 684,078   | 648,230   | 588,865   | 534,393   |
| Social security costs | 79,790    | 69,855    | 71,305    | 59,696    |
| Other pension costs   | 250,000   | -         | 250,000   | -         |
|                       | <hr/>     | <hr/>     | <hr/>     | <hr/>     |
|                       | 1,013,868 | 718,085   | 910,170   | 594,089   |
|                       | <hr/>     | <hr/>     | <hr/>     | <hr/>     |

### 22 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.

# Knightspur Properties Plc

## Notes to the financial statements for the year ended 31st December 2002

### 23 Related party transactions

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

|                                         | Group  |           | Company |           |
|-----------------------------------------|--------|-----------|---------|-----------|
|                                         | 2002   | 2001      | 2002    | 2001      |
|                                         | £      | £         | £       | £         |
| Due from companies under common control | -      | 1,386,586 | -       | 1,384,611 |
| Due from other connected companies      | 3,397  | 35,313    | 3,397   | 35,313    |
| Due to companies under common control   | 70,108 | -         | 70,108  | -         |
| Due to other connected companies        | 15,064 | 17,640    | 15,064  | 17,640    |

- b. Also included in other creditors is an amount of £294,730 (2001: £294,730) due to The KCG Pension Fund of which the director, Peter Murphy is a trustee and member.
- c. Administrative expenses includes rent of £22,500 (2001: £27,161) payable to The KCG Pension Fund for the use of a part of one its investment properties as the group's office.
- d. Administrative expenses includes rent of £150,000 (2001: £150,000) payable to Peter Murphy for the use of a property owned by him.
- e. Peter Murphy is a joint venture partner in some of the group's joint ventures. His profit share for the year amounted to £86,000 (2001: £150,000).
- f. Other operating income includes £62,500 (2001: £30,000) in respect of management fees receivable from The M25 Group Limited, a company of which Peter Murphy is a director and registered shareholder as trustee for the Peter Murphy Children's Trust.
- g. Other operating income includes £200,000 (2001: £nil) in respect of management fees receivable which have been accrued as chargeable to companies within the C & G Properties plc group which is under the control of Peter Murphy.