

Company No: 2649607



MINERVA PLC

FINANCIAL STATEMENTS

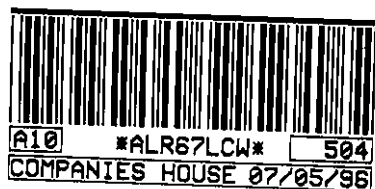
FOR THE YEAR ENDED 30TH JUNE 1995

GERALD EDELMAN

CHARTERED ACCOUNTANTS

25 HARLEY STREET · LONDON W1N 2BR

TELEPHONE 0171 637 8555 · FAX 0171 631 0917



MINERVA PLC

CHAIRMAN'S STATEMENTS

As the current accounts and balance sheet speak for themselves, and the history of events which have occurred in the Property Sector in recent years is so commonly and widely known, I do not propose to comment on the activities of the company, other than to draw attention to the high quality of the group's properties and tenants, which underpins our recurring income, 88% of which is contracted for five years or more, and to say that continuing progress is being made concerning the group's net income stream receivable.

However, what is of particular relevance, is that since the balance sheet date, negotiations for a reconstruction and simultaneous refinancing for the group have progressed to a point where the principal participants in this reconstruction have agreed, subject to contract, the relevant terms and conditions. Upon completion of the reconstruction, it is my unqualified view that the group's position will be significantly enhanced beyond that which is represented by the balance sheet and accounts of which this statement forms part.

1st May 1996

DATED

D.E. GARRARD

.....

CHAIRMAN

MINERVA PLC

REPORT OF THE DIRECTORS

The directors submit their report together with the financial statements for the year ended 30th June 1995.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £10,211,000. Shareholders' funds decreased during the year by £9,273,000. The directors do not recommend the payment of a dividend in respect of the year.

REVIEW OF THE BUSINESS

The principal activity of the Group in the period under review was the holding of commercial property throughout the United Kingdom primarily for investment purposes. A small proportion of the properties held are classified as dealing stock.

FIXED ASSETS

Details of movement in fixed assets are disclosed in notes 8 to 11 of the financial statements.

DIRECTORS AND THEIR INTERESTS

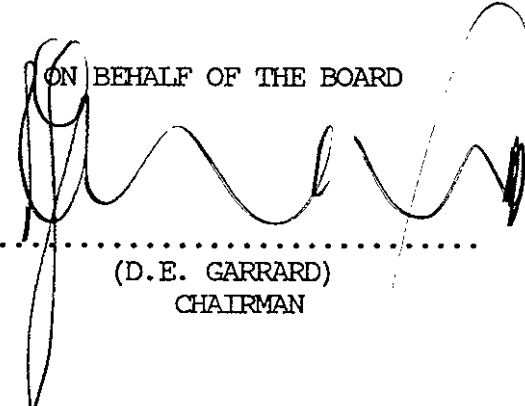
The directors at 30th June 1995 and their interests, including family interests, in the share capital of the company were as follows:-

	<u>At 30th June 1995</u>	<u>At 30th June 1994</u>
D.E. Garrard (Chairman)	6,059,475	6,059,475
P.A. Coster	497,025	497,025
A.I. Rosenfeld	1,692,000	1,692,000
G.W. Sharp - resigned 5th October 1995	1,692,000	1,692,000

AUDITORS

A resolution to reappoint Gerald Edelman, Chartered Accountants, as auditors to the company will be put to the members at the Annual General Meeting.

1st May 1996
DATED

ON BEHALF OF THE BOARD

.....
(D.E. GARRARD)
CHAIRMAN

MINERVA PLC

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

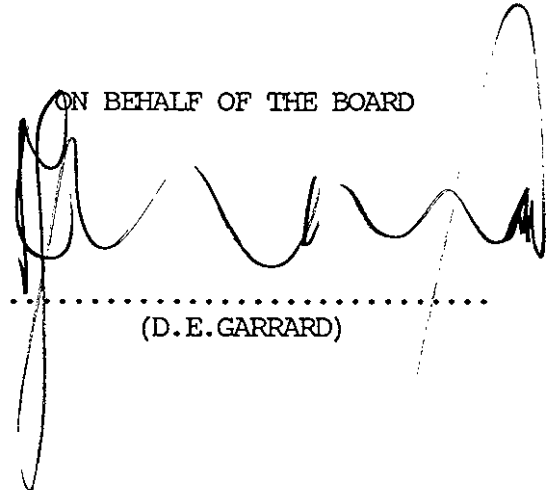
The directors are required by United Kingdom company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial period and of the results of the group for that period.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for preventing and detecting fraud and other irregularities.

1st May 1996
DATED

ON BEHALF OF THE BOARD

A large, stylized handwritten signature in black ink, appearing to be 'D.E. Garrard', is written over a horizontal dotted line. The signature is fluid and extends above and below the line.

(D.E. GARRARD)

MINERVA PLC

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF MINERVA PLC

We have audited the financial statements on pages 4 to 18 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 9 and 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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

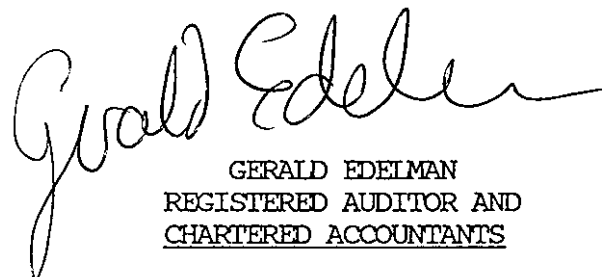
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30th June 1995 and of the results of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25 Harley Street
London W1N 2BR



GERALD EDELMAN
REGISTERED AUDITOR AND
CHARTERED ACCOUNTANTS

1st May 1996

MINERVA PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1995

		Year ended 30th June <u>1995</u>		18 Months ended 30th June <u>1994</u>	
	<u>Note</u>	£'000	£'000	£'000	£'000
Gross rental income		25,433		40,492	
Net property outgoings		(3,167)		(6,791)	
<u>Net revenue from properties</u>			22,266		33,701
Sales of trading properties		-		-	
Cost of sales		254		-	
<u>Trading profit</u>			254		-
<u>Gross profit</u>			22,520		33,701
Administrative expenses	2		(3,558)		(3,820)
			18,962		29,881
Other operating income			245		245
<u>Operating profit</u>			19,207		30,126
Exceptional items	3		-		35,651
Interest receivable	4	101		357	
Interest payable	5	(29,519)		(49,695)	
			(29,418)		(49,338)
<u>(Loss)/profit on ordinary activities before taxation</u>			(10,211)		16,439
Taxation	6		-		37
<u>(Loss)/profit on ordinary activities after taxation</u>			(10,211)		16,476
Minority interest			-		(3,628)
<u>(Net loss)/retained profit for the financial year</u>	7,18		(10,211)		12,848

There have been no acquisitions or discontinued operations during the year. The results shown above for this year and the prior period therefore relate to continuing operations.

MINERVA PLC

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 1995

	<u>Note</u>	<u>1995</u> £'000	<u>1994</u> £'000
<u>FIXED ASSETS</u>			
Tangible assets:			
Investment properties	8	323,780	336,350
Other fixed assets	9	148	108
Investments:			
Associated undertakings	11	1	1
		323,929	336,459
<u>CURRENT ASSETS</u>			
Realisable investment properties		13,685	-
Trading properties		570	570
Debtors	12	6,284	7,583
Cash at bank and in hand		2,734	2,725
		23,273	10,878
<u>CREDITORS: AMOUNTS FALLING DUE</u>			
<u>WITHIN ONE YEAR</u>	13	(60,043)	(14,587)
<u>NET CURRENT LIABILITIES</u>		(36,770)	(3,709)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		287,159	332,750
<u>CREDITORS: AMOUNTS FALLING DUE AFTER</u>			
<u>MORE THAN ONE YEAR</u>	14,15	(244,977)	(281,295)
		42,182	51,455
<u>CAPITAL AND RESERVES</u>			
Called up share capital	16	9,940	9,940
Revaluation reserve	17	60,500	59,562
Other reserves		2,960	2,960
Profit and loss account	18	(31,218)	(21,007)
<u>Shareholders' funds</u>		42,182	51,455

The financial statements on pages 4 to 18 were approved by the board of directors on 1st May 1995 and were signed on its behalf by:

DIRECTOR.....
(D.E. GARRARD)

DIRECTOR.....
(A.I. ROSENFELD)

PARENT COMPANY BALANCE SHEET AS AT 30TH JUNE 1995

The financial statements on pages 4 to 18 were approved by the board of directors on 1st May 1996 and were signed on its behalf by:

DIRECTOR 
(A.I. ROSENFELD)

DIRECTOR 
(D.E. GARRARD)

MINERVA PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Year ended 30th June 1995 £'000	18 Months ended 30th June 1994 £'000
(Loss)/profit for the financial year	(10,211)	12,848
Unrealised surplus on revaluation of properties	938	30,007
Realisation of revaluation surplus of previous years on properties sold in year	-	(1,282)
Total recognised gains and losses for the year	(9,273)	41,573

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	Year ended 30th June 1995 £'000	18 Months ended 30th June 1994 £'000
Reported (loss)/profit on ordinary activities before tax	(10,211)	16,439
Realisation of revaluation surplus of previous years on properties sold in the year	-	1,282
Historical cost (loss)/profit on ordinary activities before tax	(10,211)	17,721
Historical cost (net loss)/retained profit for the year	(10,211)	14,130

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 30th June 1995 £'000	18 Months ended 30th June 1994 £'000
Total recognised gains and losses for the year	(9,273)	41,573
Other reserves	-	2,960
Net movement on shareholders' funds	(9,273)	44,533
Shareholders' funds at 30th June 1994	51,455	6,922
Shareholders' funds at 30th June 1995	42,182	51,455

MINERVA PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 1995

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Net cash movement from operating activities (note 23)	20,480	34,677
<u>Returns on investments and servicing of finance</u>		
Interest received	106	543
Interest paid	(28,501)	(49,188)
<u>Net cash movement from returns on investments and servicing of finance</u>	(28,395)	(48,645)
<u>Taxation</u>		
Group relief subvention receipt	-	37
	-	37
<u>Investing activities</u>		
Acquisition of subsidiary undertakings	-	(33,493)
Acquisition of investment properties	(177)	(898)
Acquisition of tangible fixed assets	(111)	(69)
Sales of subsidiaries	-	77,672
Sales of tangible fixed assets	21	15
<u>Net cash movement from investing activities</u>	(267)	43,227
<u>Net cash movement before financing</u>	(8,182)	29,296
<u>Financing</u>		
Movement in bank loans (note 23)	(8,191)	28,691
<u>Movement in cash and cash equivalents (note 23)</u>	9	605
	(8,182)	29,296

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with the historical cost convention, as modified by the inclusion of certain properties and investments at valuation, and in accordance with applicable accounting standards.

Consolidation

The audited financial statements of the company and its subsidiary undertakings have been consolidated. The consolidated financial statements include the group's interest in the results of associated undertakings by reference to their latest available financial statements, except where the investments are considered to be for the short term, in which case the interests are included as trade investments and are stated at cost.

In accordance with S230 of the Companies Act 1985, a separate profit and loss account for the company is not presented.

Acquisitions, disposals and goodwill

Where subsidiary and associated undertakings are acquired or disposed of during a year, the group profit and loss account includes their results from or to date of acquisition or disposal.

Goodwill arising on consolidation, representing the excess of purchase consideration over the fair value of the net assets acquired, is written off against reserves in the period of acquisition.

Investment property

In accordance with Statement of Standard Accounting Practice No.19.

- i) Properties held for investment are periodically revalued. Where the revaluation is adopted in the financial statements any net surpluses are transferred to revaluation reserve.
- ii) No provision is made for depreciation or amortisation of properties held for investment purposes. The directors consider that this accounting policy (which represents a departure from the accounting requirements of the Companies Act 1985) is necessary for the financial statements to show a true and fair view.

Realisable investment property

Investment property which is sold in the period following the balance sheet date are transferred from fixed assets and included in current assets at their realisable value.

Trading properties

Properties which are held for development or trading are included at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995
(CONTINUED)

1. ACCOUNTING POLICIES - (continued)Depreciation and amortisation

Fixed assets other than investment properties are depreciated on the reducing balance method at the following annual rates:

Motor vehicles	33 per cent
Fixtures and fittings	20 per cent

Deferred taxation

Deferred taxation is computed under the liability method on short-term timing differences.

Leases

Rentals payable under operating leases are charged to the profit and loss account over the lease term on a straight line basis.

	Year ended 30th June 1995 £'000	18 Months ended 30th June 1994 £'000
2. <u>ADMINISTRATIVE EXPENSES</u>		
<u>Administrative expenses include:</u>		
Auditors' remuneration	39	35
Depreciation	60	38
Leasing and hire of equipment	10	50
Operating lease rentals - buildings	1,199	1,800
Loss on sale of tangible fixed assets	-	3
Staff costs:		
Salaries and wages	592	1,038
Social security costs	69	115
Other pension costs	8	6
	669	1,154
	<u>Number</u>	<u>Number</u>
The average number of employees during the year was	15	18
Staff costs include amounts paid and provided for directors' emoluments, together with pension contributions, in total amounting to:	£300,000	£583,500
Chairman	£ -	£ -
Highest paid director	£100,000	£236,000

MINERVA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995
(CONTINUED)

2. <u>ADMINISTRATIVE EXPENSES</u> - (continued)	Year ended 30th June 1995	18 Months ended 30th June 1994
<u>Other directors:</u>	<u>Number</u>	<u>Number</u>
£ Nil - £ 5,000	-	1
£ 95,001 - £100,000	2	-
£145,001 - £150,000	-	1
£195,001 - £200,000	-	1
3. <u>EXCEPTIONAL ITEMS</u>	£'000	£'000
Amounts due from former subsidiaries written off	-	(2,299)
Cost of option over minority interest	-	(876)
Net gain on disposal of subsidiaries	-	12,901
Write back of provision for diminution in value of investment property	-	13,860
Bank loans written off on acquisition of minority interest	-	12,015
Gain on disposal of investment property	-	50
	-	35,651
4. <u>INTEREST RECEIVABLE</u>		
Bank interest	78	256
Other interest	23	101
	101	357
5. <u>INTEREST PAYABLE</u>		
Interest on bank loans and other loans repayable within five years	29,512	49,295
Other interest	7	400
	29,519	49,695

MINERVA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995
(CONTINUED)

	Year ended 30th June <u>1995</u> £'000	18 Months ended 30th June <u>1994</u> £'000
6. <u>TAXATION</u>		
Group relief subvention receipt	-	37

No liability to UK Corporation tax arises as, subject to Inland Revenue agreement, the group has losses available.

Investment properties are held as long term investments and there is no intention to dispose of them. Therefore, no provision has been made for taxation which might become payable if the properties were sold at the amounts at which they are stated in the financial statements. If all the properties were disposed of, the taxation liability to the group could amount to approximately £8.3 million (1994 - £10.8 million).

	<u>1995</u> £'000	<u>1994</u> £'000
7. <u>(LOSS)/PROFIT DEALT WITH BY PARENT COMPANY</u>		
The Group (loss)/profit is attributable to:		
Minerva Plc	(1,188)	10,874
Subsidiary undertakings	(9,023)	1,974
	<u>(10,211)</u>	<u>12,848</u>

	<u>Total</u> £'000	<u>Freehold</u> £'000	<u>Long leasehold</u> £'000
8. <u>INVESTMENT PROPERTIES</u>			
<u>The Group</u>			
Professional valuation - 1st July 1994	336,350	210,900	125,450
Additions at cost	177	51	126
Revaluation surplus	938	884	54
Transfer to realisable investment properties	(13,685)	(13,685)	-
	<u>323,780</u>	<u>198,150</u>	<u>125,630</u>
Directors' valuation - 30th June 1995			

The investment properties were valued by the directors on an open market basis in June 1995. The historical cost of properties at 30th June 1995 was £249,248,000 (1994 - £260,441,000). The total amount of interest capitalised as part of the cost of investment properties at 30th June 1995 was £30,310,429 (1994 - £31,594,750).

MINERVA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995
(CONTINUED)

9. OTHER FIXED ASSETS

<u>The Group</u>	<u>Total</u>	<u>Short</u>	<u>Fixtures</u>	<u>Motor</u>
<u>Cost</u>	<u>£'000</u>	<u>leasehold</u>	<u>and</u>	<u>Vehicles</u>
		<u>property</u>	<u>Fittings</u>	
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
At 1st July 1994	258	7	63	188
Additions	111	-	33	78
Disposals	(61)	-	(7)	(54)
At 30th June 1995	308	7	89	212
<u>Depreciation</u>				
At 1st July 1994	150	3	37	110
Charge for the year	60	-	11	49
Written back on disposals	(50)	-	(4)	(46)
At 30th June 1995	160	3	44	113
<u>Net book value at 30th June 1995</u>	<u>148</u>	<u>4</u>	<u>45</u>	<u>99</u>
<u>Net book value at 30th June 1994</u>	<u>108</u>	<u>4</u>	<u>26</u>	<u>78</u>

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

<u>Parent company</u>	<u>£'000</u>
Shares at cost	
At 30th June 1994 and 30th June 1995	9,940

The principal subsidiary undertakings, whose main activities are property investment and development, are incorporated in Great Britain and registered in England and are as follows:-

	<u>Ordinary capital</u>	
	<u>% held</u>	
	<u>Directly</u>	<u>Indirectly</u>
Anglemist Limited		100
Croydon Plaza Limited		100
Helios Properties Limited		100
Larchfield Investments Limited		100
Minerva Corporation Plc	100	
M1 Limited		100
M6 Limited		100
Shroco Limited		100
Sparrage Properties Limited		100
Twin Tower Properties Limited		100

MINERVA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995
(CONTINUED)

11. <u>INVESTMENT IN ASSOCIATED UNDERTAKINGS</u>	<u>The Group</u>		<u>Parent Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Shares at cost	1	1	-	-

The group owns 50 per cent of the ordinary share capital of Moscow Minerva Limited and Beatrice Properties Limited, both of which are incorporated in Great Britain and registered in England. Both these companies have remained inactive during the year. The cost of the group's investment in these companies is £550.

12. <u>DEBTORS</u>	<u>The Group</u>		<u>Parent Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Amounts owed by subsidiary undertakings	-	-	29,392	27,170
Amounts owed by associated undertakings	-	-	-	-
Other debtors	2,726	7,134	-	2,911
Prepayments and accrued income	3,558	449	1,862	-
	<u>6,284</u>	<u>7,583</u>	<u>31,254</u>	<u>30,081</u>

13. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>The Group</u>		<u>Parent Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 14)	50,548	5,148	5,354	-
Amounts owed to subsidiary undertakings	-	-	57	50
Taxation and social security	210	195	-	-
Hire purchase creditors	52	14	-	-
Other creditors	820	1,015	-	31
Accruals and deferred income	8,413	8,215	231	1
	<u>60,043</u>	<u>14,587</u>	<u>5,642</u>	<u>82</u>

14. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>The Group</u>		<u>Parent Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Bank loans	229,930	267,139	10,382	13,826
Hire purchase creditors	62	40	-	-
Other creditors	9,759	9,852	4,926	4,926
Accruals and deferred income	5,226	4,264	622	377
	<u>244,977</u>	<u>281,295</u>	<u>15,930</u>	<u>19,129</u>

MINERVA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995
(CONTINUED)

14. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR - (continued)

The bank loans are secured upon the deeds of title of properties held by certain of the subsidiary undertakings and by a floating charge over the remaining assets of certain of the subsidiary and associated undertakings. The bank loans are also secured by a fixed charge over the company's shareholding in Minerva Corporation Plc, and a floating charge over all of the company's assets.

The bank loans are repayable as follows:

	£'000
Within one year	50,548
Between one and two years	229,930
	280,478

15. CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR

Repayment of long term borrowings is analysed as follows:-

	<u>The Group</u>		<u>Parent Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Between two and five years	-	281,295	-	19,129
Between one and two years	250,332	-	15,930	-
	250,332	281,295	15,930	19,129

The interest rates on all material loans have been hedged through swap market transactions where the relevant LIBOR rate has been fixed or capped at levels varying between approximately 6% and 14%.

16. <u>CALLED UP SHARE CAPITAL</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000
<u>Authorised</u>		
10,000,000 Ordinary shares of £1 each	10,000	10,000
<u>Issued and fully paid</u>		
9,940,500 Ordinary shares of £1 each	9,940	9,940

MINERVA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995

(CONTINUED)

17. REVALUATION RESERVE

	<u>The Group</u>		<u>Parent Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Net surplus on revaluation of investment properties	70,370	69,432	-	-
Capitalisation on issue of share capital	(9,870)	(9,870)	-	-
Balance at 30th June 1995	60,500	59,562	-	-

	<u>The Group</u>		<u>Parent Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Balance at 1st July 1994	(21,007)	(32,498)	10,870	(4)
Transfer to revaluation reserve	-	(1,357)	-	-
(Net loss)/retained profit for the year	(10,211)	12,848	(1,188)	10,874
Balance at 30th June 1995	(31,218)	(21,007)	9,682	10,870

19. DIRECTORS' INTERESTS

- a) Included in creditors falling due after more than one year is an amount of £785,832 due to Mr. D.E. Garrard. Total interest in respect of this loan included in accruals is £995,625. Interest charged to the profit and loss account was £178,393 for the year. There are no terms as to repayment.
- b) Any entitlement arising from an agreement between Paul Coster and the Group for Mr. Coster to participate in 20% of the net profit arising for the benefit of the Group in respect of M1 Limited and M6 Limited, has, by mutual agreement, been deferred until either after the discharge of the current Group debenture, or the holder's agreement for any such participation to be received by Mr. Coster.

20. CAPITAL COMMITMENTS

There was no material capital expenditure approved by the Board and contracted for at 30th June 1995.

21. COMMITMENTS UNDER OPERATING LEASES

The amounts due in respect of operating leases falling due within the next twelve months are as follows:-

	<u>Buildings</u>
	£'000
Under leases expiring in more than five years	1,263

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995
(CONTINUED)

22. CONTINGENT LIABILITIES

- a) The company has provided its bank with a counter indemnity in respect of a standby letter of credit issued by the bank for the amount of £2,271,396 on behalf of the company.
- b) The company has guaranteed the facilities of certain of its subsidiary undertakings which at the balance sheet date amounted to £98,489,000.
- c) On the disposal of Metis Properties Limited and Novoquote Limited in 1994, the company entered into a Deed of Undertaking under which it would pay to Bankers Trust, the purchaser, a maximum amount of £6,500,000 plus interest at 7% per annum, three years from the date of disposal, in the event that Bankers Trust suffer a loss on disposal of the property portfolio owned by the two companies against the debt outstanding. The company also has participation in any profit achieved. Additionally, The company has an option to buy-out the guarantee within twelve months at a price of £5,000,000. No provision has been made in respect of the guarantee or options.

	<u>1995</u>	<u>1994</u>
	£'000	£'000

23. CASH FLOW STATEMENTa) Reconciliation of operating profit to net cash movement from operating activities

Operating profit	19,207	30,126
Depreciation charges	60	39
(Profit)/loss on sale of tangible fixed assets	(10)	3
Exceptional items	-	21,791
Movement in debtors	1,065	(702)
Movement in creditors	158	(3,679)
Profit on sale of subsidiaries	-	(12,901)
<u>Net cash movement from operating activities</u>	<u>20,480</u>	<u>34,677</u>

b) Analysis of changes in cash and cash equivalents during the year

Balance at 1st July 1994	2,725	2,120
Net cash movement	9	605
Balance at 30th June 1995	<u>2,734</u>	<u>2,725</u>

c) Analysis of the balance of cash and cash equivalents as shown in the balance sheet

	At <u>1995</u> £'000	At <u>1994</u> £'000	Change <u>in year</u> £'000	At <u>1994</u> £'000	At <u>1992</u> £'000	Change <u>in year</u> £'000
Cash at bank and in hand	2,734	2,725	9	2,725	2,120	605

MINERVA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1995
(CONTINUED)

23. CASH FLOW STATEMENT - (continued)

d) <u>Analysis of changes in financing during the year</u>	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
<u>Bank loans</u>		
Financing at 1st July 1994	272,287	300,978
Cash movement from financing	8,191	(28,691)
Financing at 30th June 1995	280,478	272,287

25. COMPARATIVE FIGURES

The comparative figures are for the 18 months ended 30th June 1994.