

Company number 582147

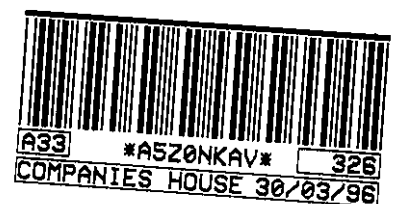
AMENDING

TRAFALGAR HOUSE PROPERTY LIMITED

REPORT AND ACCOUNTS

30 SEPTEMBER 1995

AB110



TRAFALGAR HOUSE PROPERTY LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their Report and Statement of Accounts for the year ended 30 September 1995.

PRINCIPAL ACTIVITIES

The Company's principal activity is as a holding company for subsidiaries engaged in property development and investment.

BUSINESS REVIEW

During the year the Board of Directors continued its efforts to expand and improve the Company's operations.

The Board considers that there is scope for further development of the Company's operations.

RESULTS

The results for the year are set out in the profit and loss account on page 3. Retained losses of £11,889,398 (1994 - profit £19,666,412) have been transferred to reserves.

DIVIDENDS

The directors do not recommend a dividend.

FIXED ASSETS

Details of the movements in fixed assets during the year are given in notes 7 and 8 to the accounts.

DIRECTORS

The directors of the Company during the year were:

| | |
|----------------|----------------------------|
| A R Winter | Chairman |
| D C Henderson | |
| R P Lowes | (resigned 18 January 1995) |
| G P Kelly | |
| T C Garnham | |
| H G R Williams | |
| A L Fenton | (resigned 31 May 1995) |

TRAFALGAR HOUSE PROPERTY LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (continued)

During the year the ultimate parent undertaking, Trafalgar House Public Limited Company, maintained insurance for directors and officers against liabilities in relation to its subsidiary companies.

DIRECTORS' SHARE INTERESTS

Given below are details of the interests in the Shares and Debentures of Trafalgar House Public Limited Company (the ultimate parent undertaking) at 30 September 1994, or subsequent date of appointment, and at 30 September 1995 of the directors of the Company at that latter date who were not also directors of Trafalgar House Public Limited Company.

These figures include interests acquired under the terms of Trafalgar House Public Limited Company's profit sharing and share option schemes.

| | <u>30 September 1995</u> | | | <u>30 September 1994</u> (or subsequent date of appointment) | | |
|----------------|--|--|------------------|--|--|------------------|
| | Convertible Cumulative Preference Shares of <u>6p each</u> | Ordinary Shares of <u>20p each</u> | Share Options | Convertible Cumulative Preference Shares of <u>6p each</u> | Ordinary Shares of <u>20p each</u> | Share Options |
| D C Henderson | 607 | 1,883 | 121,142 | 607 | 1,858 | 126,844 |
| T C Garnham | - | - | 57,139 | - | - | 57,139 |
| G P Kelly | - | - | 52,280 | - | - | 52,280 |
| H G R Williams | - | - | 66,228 | - | - | 58,562 |

AUDITORS

On 6 February 1995, our auditors changed the name under which they practice to KPMG and, accordingly, have signed their report in their new name.

A resolution to re-appoint KPMG as auditors of the Company will be proposed at the Annual General Meeting.

By Order of the Board


G P KELLY
Secretary

10 Bedford Street
London WC2E 9HE

12 December 1995

TRAFALGAR HOUSE PROPERTY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS' REPORT TO THE MEMBERS

OF

TRAFALGAR HOUSE PROPERTY LIMITED

We have audited the financial statements on pages 3 to 16 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG

Chartered Accountants and Registered Auditors

8 Salisbury Square
London EC4Y 8BB

12 December 1995

TRAFALGAR HOUSE PROPERTY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1995

| | <u>1995</u> | <u>1994</u> |
|---|-----------------------|---------------------|
| | <u>£</u> | <u>£</u> |
| <u>TURNOVER</u> | | |
| Continuing operations | 2,549,914 | 4,939,049 |
| <u>NET OPERATING EXPENSES</u> | (25,477,397) | 10,517,781 |
| <u>(LOSS)/PROFIT ON CONTINUING OPERATIONS</u> (note 3) | (22,927,483) | 15,456,830 |
| <u>INCOME FROM SHARES IN SUBSIDIARY UNDERTAKINGS</u> - dividends | 5,264,113 | 2,235,282 |
| <u>OPERATING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u> | (17,663,370) | 17,692,112 |
| <u>INTEREST RECEIVABLE AND SIMILAR INCOME</u> | 5,774,384 | 9,922,092 |
| <u>INTEREST PAYABLE AND SIMILAR CHARGES</u> (note 4) | (412) | (7,971,908) |
| <u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u> (note 5) | (11,889,398) | 19,642,296 |
| <u>TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</u> (note 6) | - | 24,116 |
| <u>RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR</u> (note 14) | (11,889,398) ===== | 19,666,412 ===== |

The notes on pages 7 to 16 form part of these accounts.

There is no material difference between the loss on ordinary activities before taxation and the transfer of retained losses to reserves stated above, and their historical cost equivalents.

TRAFALGAR HOUSE PROPERTY LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1995

| | <u>£</u> | <u>1995</u> | <u>£</u> | <u>1994</u> | <u>£</u> |
|--|---------------|---------------|---------------|---------------|----------|
| <u>FIXED ASSETS</u> | | | | | |
| Tangible assets (note 7) | 57,403 | | 22,078 | | |
| Investments (note 8) | 179,969,852 | | 158,184,148 | | |
| | | | | | |
| | | 180,027,255 | | 158,206,226 | |
| <u>CURRENT ASSETS</u> | | | | | |
| Debtors (note 9) | 468,580,335 | | 435,677,558 | | |
| Cash at bank and in hand | - | | 10,560 | | |
| | | | | | |
| | 468,580,335 | | 435,688,118 | | |
| <u>CREDITORS: amounts falling due within one year:</u> | | | | | |
| Bank borrowings (note 10) | (2,740,916) | | - | | |
| Trade creditors | - | | (166,416) | | |
| Amounts owed to subsidiary undertakings | (196,728,134) | | (138,905,500) | | |
| Amounts owed to fellow subsidiary undertakings | (155,532,971) | | (95,012,599) | | |
| Amounts owed to associated undertakings | (165) | | (165) | | |
| Accruals and deferred income | (43,468) | | (29,471) | | |
| | | | | | |
| | (355,045,654) | | (234,114,151) | | |
| <u>NET CURRENT ASSETS</u> | | 113,534,681 | | 201,573,967 | |
| <u>TOTAL ASSETS LESS CURRENT LIABILITIES</u> | | 293,561,936 | | 359,780,193 | |
| <u>CREDITORS: amounts falling due after one year (note 11)</u> | | - | | (69,250,000) | |
| <u>PROVISION FOR LIABILITIES AND CHARGES (note 12)</u> | | (157,580,067) | | (142,659,329) | |
| <u>NET ASSETS</u> | | 135,981,869 | | 147,870,864 | |

TRAFALGAR HOUSE PROPERTY LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1995 (CONTINUED)

| | <u>1995</u> | <u>1994</u> |
|---|----------------------|----------------------|
| | <u>£</u> | <u>£</u> |
| <u>CAPITAL AND RESERVES</u> | | |
| Called up equity share capital (note 13) | 435,130,000 | 435,130,000 |
| Equity reserves | | |
| Revaluation reserves (note 14) | 2,707 | 2,304 |
| Profit and loss account (note 14) | (299,150,838) | (287,261,440) |
| | <hr/> | <hr/> |
| <u>SHAREHOLDERS' FUNDS</u> | 135,981,869 ===== | 147,870,864 ===== |

The notes on pages 7 to 16 form part of these accounts.

These accounts were approved by the Board of Directors on
and signed on its behalf by:

12 December 1995


G P KELLY
Director

TRAFALGAR HOUSE PROPERTY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 1995

| | <u>1995</u> | <u>1994</u> |
|---|----------------------------|----------------------------|
| | <u>£</u> | <u>£</u> |
| (Loss)/profit for the financial year | (11,889,398) | 19,666,412 |
| Unrealised surplus on revaluation of shares in associated undertaking | 403 | 281 |
| Total recognised gains and losses relating to the year | <u>11,888,995</u> ===== | <u>19,666,693</u> ===== |

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 1995

| | <u>1995</u> | <u>1994</u> |
|--|-----------------------------|-----------------------------|
| | <u>£</u> | <u>£</u> |
| (Loss)/profit for the financial year | (11,889,398) | 19,666,412 |
| Capital subscribed | - | 12,000,000 |
| Other recognised gains and losses relating to the year | 403 | 281 |
| Net (reduction)/addition to shareholders' funds | <u>(11,888,995)</u> | <u>31,666,693</u> |
| Opening shareholders' funds | 147,870,864 | 116,204,171 |
| Closing shareholders' funds | <u>135,981,869</u> ===== | <u>147,870,864</u> ===== |

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AT 30 SEPTEMBER 1995

1. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking is Trafalgar House Public Limited Company, which is registered in England and Wales. Copies of the Report and Accounts of Trafalgar House Public Limited Company are available from The Company Secretary's office at 1 Berkeley Street, London W1A 1BY.

2. ACCOUNTING POLICIES

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

(a) Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified for the revaluation of certain fixed assets, and include the results of activities described in the directors' report, which are continuing.

(b) Basis of preparation

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirements to prepare group accounts.

(c) Cash flow statement

The Company has taken advantage of the exemption under the rules of FRS1 not to produce a cash flow statement. The appropriate amounts have been included in the consolidated accounts of Trafalgar House Public Limited Company.

(d) Turnover

Turnover, which includes inter company trading, represents management fees and legal charges and arises mainly within the United Kingdom.

(e) Leased assets

Leased assets are held under operating leases and the annual rents are charged wholly to the profit and loss account.

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AT 30 SEPTEMBER 1995 (CONTINUED)

2. ACCOUNTING POLICIES (continued)

(f) Taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts to the extent that it is probable that a liability or asset will crystallise in the future.

(g) Depreciation

Tangible fixed assets are depreciated over their estimated useful lives on a straight line basis as follows:

| | |
|---------------------|---------|
| Plant and machinery | 8 years |
| Computer equipment | 3 years |
| Motor vehicles | 5 years |

(h) Fixed asset investments

Shares in subsidiary undertakings are stated at cost less amounts written off.

Shares in associated undertakings are stated at their net asset value. Other investments are stated at cost less amounts written off.

(i) Revaluation reserve

Surpluses arising on the revaluation of tangible fixed assets are credited to a non distributable reserve known as the revaluation reserve. Any permanent diminution in valuation is written off firstly against amounts previously credited to revaluation reserve and secondly written off in the profit and loss account. In accordance with FRS3, the profit or loss on sale of a tangible fixed asset is the difference between the disposal proceeds and the carrying value of the asset, including any revaluation. Any amount in the revaluation reserve relating to such an asset is transferred directly to the profit and loss reserve and is not included in the profit for the financial year.

(j) Pensions

The expected cost to the company of pensions in respect of defined benefit and defined contribution pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the schemes.

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AT 30 SEPTEMBER 1995 (CONTINUED)

3. OPERATING (LOSS)/PROFIT

Continuing operations

| | <u>1995</u> <u>£</u> | <u>1994</u> <u>£</u> |
|-------------------------|-------------------------|-------------------------|
| Turnover | | |
| United Kingdom | 2,534,368 | 4,939,049 |
| United States | 15,546 | - |
| | ----- | ----- |
| | 2,549,914 | 4,939,049 |
| Net operating expenses | | |
| Administrative expenses | | |
| United Kingdom | (25,477,397) | 10,517,781 |
| | ----- | ----- |
| | (22,927,483) | 15,456,830 |
| | ===== | ===== |

Included in administration expenses are items relating to:

| | | |
|---|--------------|--------------|
| Loan to associated undertaking waived | (85,000) | - |
| Surplus on disposal of shares in subsidiary undertakings | 609,000 | 481,338 |
| Surplus on disposal of shares in associated undertakings | 9,999 | - |
| Amounts written off investment in subsidiary undertakings | (9,300,350) | (16,223,618) |
| Amounts written off investment in associated undertakings not required | 423,000 | 7,802,999 |
| Provision for losses of subsidiary undertakings | (13,702,889) | (4,827,097) |
| Provision for losses of associated undertakings (required)/not required | (1,217,849) | 25,468,910 |
| Provision for losses of unlisted investment not required | - | 1,200,000 |
| Surplus on disposal of fixed asset | 2,605 | - |

4. INTEREST PAYABLE AND SIMILAR CHARGES

| | <u>1995</u> <u>£</u> | <u>1994</u> <u>£</u> |
|---|-------------------------|-------------------------|
| Short-term loan (repayable within five years) | 412 | 121,283 |
| Intercompany | - | 7,850,625 |
| | ----- | ----- |
| | 412 | 7,971,908 |
| | ===== | ===== |

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AT 30 SEPTEMBER 1995 (CONTINUED)

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

| | <u>1995</u> | <u>1994</u> |
|--|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Auditors' remuneration | | |
| Audit work | 40,300 | 45,000 |
| Non audit work | - | - |
| Depreciation | 19,396 | 11,239 |
| Hire costs including operating lease payments: | | |
| Hire of motor vehicles | 77,648 | 64,189 |
| | ===== | ===== |
| Staff costs including Directors' emoluments: | | |
| Wages and salaries | 1,011,670 | 1,542,375 |
| Social security costs | 93,432 | 141,760 |
| Other pension costs | 98,522 | 189,700 |
| | ----- | ----- |
| | 1,203,624 | 1,873,835 |
| | ===== | ===== |

The average weekly number employed in property development during the year was 26 (1994 - 43).

The Company participates in pension schemes operated by the Trafalgar House Group. The Trafalgar House Group operates a number of pension schemes for employees and directors. The most significant schemes are of the defined benefit type. The assets of each scheme are held in separate Trustee administered funds.

The pension costs relating to the schemes are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial assessments of the most significant group schemes were at April 1994, and these showed that they were fully funded at that date. Particulars of the actuarial valuations of the group schemes are included in the financial statements of Trafalgar House Public Limited Company.

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AT 30 SEPTEMBER 1995 (CONTINUED)

5. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

Directors' emoluments

| | <u>Pre-pension contributions</u> | | <u>Post-pension contributions</u> | |
|---------------|----------------------------------|-------------|-----------------------------------|-------------|
| | <u>1995</u> | <u>1994</u> | <u>1995</u> | <u>1994</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| As executives | 428,145 | 372,423 | 461,532 | 421,735 |
| | ===== | ===== | ===== | ===== |

The emoluments of the chairmen and highest paid director were:

| | <u>Pre-pension contributions</u> | | <u>Post-pension contributions</u> | |
|-------------------|----------------------------------|-------------|-----------------------------------|-------------|
| | <u>1995</u> | <u>1994</u> | <u>1995</u> | <u>1994</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Chairmen: | | | | |
| 1 October 1993 to | | | | |
| 30 June 1994 | - | - | - | - |
| 1 July 1994 to | | | | |
| 30 September 1995 | 188,125 | 39,375 | 188,125 | 39,375 |

Highest paid director:

| | | | | |
|-------------------|---------|--------|---------|---------|
| 1 October 1993 to | | | | |
| 30 September 1994 | - | 93,416 | - | 107,041 |
| 1 October 1994 to | | | | |
| 30 September 1995 | 188,125 | - | 188,125 | - |

Particulars of other directors' emoluments excluding pension contributions are as follows:-

| | <u>1995</u> | <u>1994</u> |
|----------------------|---------------|---------------|
| | <u>Number</u> | <u>Number</u> |
| Not exceeding £5,000 | 2 | 2 |
| £10,001 - £15,000 | 1 | 2 |
| £60,001 - £65,000 | 1 | 1 |
| £70,001 - £75,000 | - | 1 |
| £75,001 - £80,000 | - | 1 |
| £80,001 - £85,000 | 2 | - |
| | = | = |

Compensation paid to directors arising from the early termination of their service agreements as directors

| | |
|-------|----------|
| - | £280,000 |
| ===== | ===== |

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AS AT 30 SEPTEMBER 1995 (CONTINUED)

| 6. <u>TAXATION</u> | <u>1995</u> | <u>1994</u> |
|--|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Consortium relief receipt - prior year | - | 24,116 |
| | ===== | ===== |

There is no charge for corporation tax as the Company has incurred a loss for the year.

The potential amount of deferred taxation, which is unprovided, calculated on the liability method at 33% (1994 - 33%) is:

| | <u>1995</u> | <u>1994</u> |
|--------------------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Accelerated depreciation | (25,629) | (46,290) |
| Other timing differences | 282,234 | 147,659 |
| | ----- | ----- |
| | 256,605 | 101,369 |
| | ===== | ===== |

7. FIXED ASSETS

Tangible Assets

| | <u>Plant and Equipment</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|--|------------------------------------|---------------------------|--------------|
| | <u>£</u> | <u>£</u> | <u>£</u> |
| Cost: | | | |
| At 1 October 1994 | 304,022 | 23,742 | 327,764 |
| Additions | 17,486 | 8,577 | 26,063 |
| Transfers from fellow subsidiary undertakings | 197,349 | - | 197,349 |
| Disposals | - | (23,742) | (23,742) |
| | ----- | ----- | ----- |
| At 30 September 1995 | 518,857 | 8,577 | 527,434 |
| | ===== | ===== | ===== |

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AS AT 30 SEPTEMBER 1995 (CONTINUED)

7. FIXED ASSETS (continued)

| | <u>Plant and Equipment</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|---|------------------------------------|---------------------------|--------------|
| Depreciation | | | |
| At 1 October 1994 | 281,945 | 23,741 | 305,686 |
| Charge for year | 17,727 | 1,669 | 19,396 |
| Transfers from fellow subsidiary undertakings | 168,690 | - | 168,690 |
| Disposals | - | (23,741) | (23,741) |
| | ----- | ----- | ----- |
| At 30 September 1995 | 468,362 | 1,669 | 470,031 |
| | ===== | ===== | ===== |
| Net book value: | | | |
| At 30 September 1995 | 50,495 | 6,908 | 57,403 |
| | ===== | ===== | ===== |
| At 30 September 1994 | 22,077 | 1 | 22,078 |
| | ===== | ===== | ===== |

8. FIXED ASSETS

| <u>Investments</u> | <u>1995</u> | <u>1994</u> |
|-----------------------------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Shares in subsidiary undertakings | 163,364,088 | 142,001,787 |
| Shares in associated undertakings | 16,605,763 | 16,182,360 |
| Other - unlisted | 1 | 1 |
| | ----- | ----- |
| | 179,969,852 | 158,184,148 |
| | ===== | ===== |

In the opinion of the directors the aggregate value of investments is not less than that shown in the balance sheet.

Subsidiary Undertakings:

| | <u>£</u> |
|--|-------------|
| At 1 October 1994 (cost £316,464,955) | 142,001,787 |
| Additions | 31,172,651 |
| Disposals | (510,000) |
| Amounts written off to profit and loss | (9,300,350) |
| | ----- |
| At 30 September 1995 (cost £342,708,168) | 163,364,088 |
| | ===== |

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AS AT 30 SEPTEMBER 1995 (CONTINUED)

8. FIXED ASSETS (continued)

Listed below are the principal subsidiary undertakings. These subsidiary undertakings are wholly-owned, incorporated in Great Britain, registered in England and Wales and carry on their activities of property development in the country of incorporation.

Broadextra Limited
Cowley Park Developments Limited
Davy Monk Developments Limited
Davy Property Holdings Limited
Davy Property Investments Limited
Goldquill Properties Limited
Paddington Basin Developments Limited
Trafalgar House Developments Limited
Trafalgar House Baltic Limited
Trafalgar House Brooklands Limited
Trafalgar House Business Parks Limited
Trafalgar House Estates Limited

Associated Undertakings:

| | <u>£</u> |
|---|------------|
| At 1 October 1994 (cost £24,414,307) | 16,182,360 |
| Additions | 1 |
| Revaluation of shares to net asset value | 403 |
| Amounts written off to profit and loss account in prior years no longer required | 423,000 |
| Disposals | (1) |
| | <hr/> |
| At 30 September 1995 (cost £24,164,308) | 16,605,763 |
| | ===== |

Listed below are the principal associated undertakings, which are incorporated in Great Britain, registered in England and Wales and carry on their business of property development in the country of incorporation.

| | <u>Percentage held</u> |
|---|------------------------|
| Arrowbarn Limited | 50 |
| British Cargo Airlines Limited (in liquidation) | 35 |
| St. Mary Axe Developments Limited | 50 |
| Chiswick Park Limited | 50 |
| Marston House PLC | 50 |

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AS AT 30 SEPTEMBER 1995 (CONTINUED)

8. FIXED ASSETS (continued)

Unlisted investments

| | |
|--|----------|
| | <u>£</u> |
| At 30 September 1994 (cost £1,045,000) and | |
| 30 September 1995 (cost £1,045,000) | 1 |
| | == |

9. DEBTORS

| | <u>1995</u> | <u>1994</u> |
|--|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Amounts falling due within one year: | | |
| Amount owed by parent undertaking | 263,857,823 | 263,857,823 |
| Amounts owed by subsidiary undertakings | 81,455,926 | 69,936,038 |
| Amounts owed by fellow subsidiary undertakings | 29,585,120 | 1,046,000 |
| Amounts owed by associated undertakings | 93,617,045 | 100,785,170 |
| Taxation and social security | 64,371 | 28,361 |
| Other debtors | 50 | 24,166 |
| | <hr/> | <hr/> |
| | 468,580,335 | 435,677,558 |
| | ===== | ===== |

10. BANK BORROWINGS

Bank borrowings consist of the Company's share of a group memorandum account.

The Company has a contingent liability under a joint and several guarantee to the bankers in support of borrowings of group companies who are party to a memorandum account.

11. CREDITORS: Amounts falling due after one year

| | <u>1995</u> | <u>1994</u> |
|---|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Loan from fellow subsidiary undertaking | - | 69,250,000 |
| | ===== | ===== |

The loan was repaid on 7 November 1994.

£50,000,000 of the loan was at an interest rate of 11.5625% per annum and was repayable on 30 September 2014. The balance of the loan was at an interest rate of 10.75% per annum and was repayable on 25 September 2006.

TRAFALGAR HOUSE PROPERTY LIMITED

NOTES TO THE ACCOUNTS AS AT 30 SEPTEMBER 1995 (CONTINUED)

12. PROVISION FOR LIABILITIES AND CHARGES

| | |
|---|----------------------|
| | <u>£</u> |
| At 1 October 1994 | 142,659,329 |
| Add : Provisions required for deficiency of assets of subsidiary and associated undertakings | 14,920,738 |
| | <hr/> |
| At 30 September 1995 | 157,580,067 ===== |
| Analysis: | <u>£</u> |
| Provision for deficiency of assets of subsidiary undertakings | 97,266,572 |
| Provision for deficiency of assets of associated undertakings | 60,313,495 |
| | <hr/> |
| | 157,580,067 ===== |

13. CALLED UP EQUITY SHARE CAPITAL

| | <u>AUTHORISED</u> | | <u>ALLOTTED AND FULLY PAID</u> | |
|---|-------------------|-------------|--------------------------------|-------------|
| | <u>1995</u> | <u>1994</u> | <u>1995</u> | <u>1994</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| 2,175,650,000 ordinary shares of 20p each | 435,130,000 | 435,130,000 | 435,130,000 | 435,130,000 |
| | ===== | ===== | ===== | ===== |

14. RESERVES

| | <u>Revaluation Reserve</u> | <u>Profit and Loss Account</u> |
|---|--------------------------------|------------------------------------|
| | <u>£</u> | <u>£</u> |
| At 1 October 1994 - (deficit) | 2,304 | (287,261,440) |
| Retained loss for the financial year | - | (11,889,398) |
| Revaluation of shares in associated undertakings to net asset value | 403 | - |
| | <hr/> | <hr/> |
| At 30 September 1995 - (deficit) | 2,707 ===== | (299,150,838) ===== |