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COMPANY NUMBER 02287654

LONDON TOWN ASSURED PROPERTIES PLC

Financial statements

Year ended

30 September 1994



LONDON TOWN ASSURED PROPERTIES PLC

Annual report and financial statements for the year ended 30 September 1994

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LONDON TOWN ASSURED PROPERTIES PLC

COMPANY INFORMATION

COMPANY NUMBER

2287654

DIRECTORS

A. Margo, FRICS, FSVA - Chairman
B.M. Palmer, LLB, FCA
J.C. Dodwell, FCA

SECRETARY

Secretarial Services Limited
Willoughby House
439 Richmond Road
Nr Richmond Bridge
Middlesex TW1 2HA

REGISTERED OFFICE

Willoughby House
439 Richmond Road
Nr Richmond Bridge
Middlesex TW1 2HA

AUDITORS

BDO Stoy Hayward
Chartered Accountants and Registered Auditors
Willoughby House
439 Richmond Road
Nr Richmond Bridge
Middlesex TW1 2HA

BANKERS

Barclays Bank PLC
212 Regent Street
London W1A 4BP

REGISTRARS

SLC Registrars Limited
32a High Street
Esher
Surrey KT10 9RT

LONDON TOWN ASSURED PROPERTIES PLC

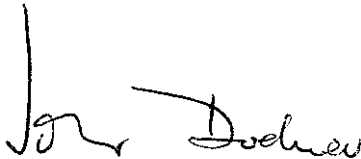
NOTICE OF MEETING

Notice is hereby given that the annual general meeting of the company will be held at the offices of BDO Stoy Hayward, 8 Baker Street, London W1 on 22 March 1995 at 11.30 a.m. for the following purposes:

- 1 To approve the financial statements for the year ended 30 September 1994 together with the reports of the directors and auditors thereon.
- 2 To re-elect J.C. Dodwell as a director of the company.
- 3 To re-elect Messrs. BDO Stoy Hayward, Chartered Accountants, as auditors and to authorise the directors to fix their remuneration.

Any member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the company.

On behalf of the board



J.C. DODWELL
Director

23 February 1995

LONDON TOWN ASSURED PROPERTIES PLC

CHAIRMAN'S STATEMENT

In my last half year statement, I reported that we had begun implementing the policy of selling our properties, once vacant possession had been obtained. I am pleased to report that by the financial year end, we had completed the sale of three properties. Since then, three further completions have taken place and sales have been agreed for two other properties. This leaves four properties to be sold; of these, one is still tenanted and the other three are on the market. The enclosed accounts show that, after taking into account selling costs, a small loss arose on the sale of the first three properties (compared with the directors' previous valuation). There is a revaluation surplus in the year on the unsold properties (after taking into account estimated selling costs). I hope you like the detailed information on this subject given in note 4.

Turning to the profit and loss account, turnover (rental income) was down as we obtained vacant possession prior to the sale of the properties. Property management expenses would have been down by a similar amount had it not been for the catching up of some service charges from previous years. The sale proceeds were received in the last quarter of the year; so interest receivable is about the same as last year but will be more in the current year. The resultant combination of operating profit and interest receivable reflects this year of change with an absence of rental income prior to interest being earned on sale proceeds.

Our cash balances rose from about £177,000 to £390,000 and, at the time of writing, are over £600,000. The net asset value per share remains at about 71p.

I have mentioned before the possibility of the company merging with another entity and a subsequent Stock Exchange quotation. Exploratory discussions continue to take place but nothing has yet become firm. As our cash balances increase, so do the possibilities of reaching agreement on such a transaction to put to shareholders. If it turns out that this is not possible, then the programme of selling properties which we are carrying out means that the company would in due course be able to go into voluntary liquidation and make a distribution to shareholders.

ANTHONY MARGO, FRICS
Chairman

23 February 1995

LONDON TOWN ASSURED PROPERTIES PLC

DIRECTORS' REPORT

30 September 1994

The directors submit their report together with the audited financial statements for the year ended 30 September 1994.

PRINCIPAL ACTIVITY

The principal activity of the company relates to the ownership and letting of residential properties.

SHARE CAPITAL

There were no changes in share capital during the year.

RESULTS

The profit and loss account is set out on page 7 and shows the profit for the year.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

A review of the business together with an indication of future developments is given in the Chairman's statement on page 3.

DIRECTORS AND THEIR INTERESTS

The directors who have served during the year together with their beneficial interests in the issued share capital of the company are as follows:

	Ordinary 75p shares	
	30 September 1994	1 October 1993
A. Margo (Chairman)	7,389	7,389
B.M. Palmer	5,000	5,000
J.C. Dodwell	2,183	1,433

There has been no change in the shareholding of the directors between 30 September 1994 and the date of this report.

J.C. Dodwell retires by rotation and, being eligible, offers himself for re-election.

Chancery Corporate Services Limited holds an option, granted for a consideration of £1 and exercisable at any time after 30 September 1994 and before 30 September 1998, to subscribe in cash at £1 each for 71,724 ordinary shares of 75p each. Chancery Corporate Services Limited is now wholly controlled by J.C. Dodwell. Under the terms of an agreement between J.C. Dodwell and Chancery Plc, 45% of any profit which may arise on the exercise of the option is due to Chancery Plc.

A. Margo and B.M. Palmer each have an option, exercisable between 30 September 1994 and 30 September 1998 to subscribe in cash for 35,862 shares at £1 each.

SUBSTANTIAL SHAREHOLDINGS

The directors are not aware of any beneficial shareholdings in excess of 3% of the issued share capital.

LONDON TOWN ASSURED PROPERTIES PLC

DIRECTORS' REPORT (continued)

30 September 1994

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors confirm that they have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis.

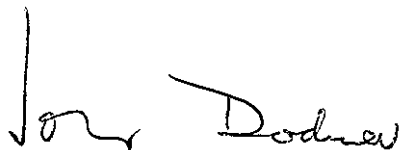
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

Following their admission on 1 October 1994 as the United Kingdom representatives of BDO International our auditors have changed their name to BDO Stoy Hayward with effect from that date.

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



J.C. DODWELL
Director

23 February 1995

LONDON TOWN ASSURED PROPERTIES PLC

REPORT OF THE AUDITORS

To the members of London Town Assured Properties PLC

We have audited the financial statements on pages 7 to 13 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 5 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 affairs of the company as at 30 September 1994 and of the company's profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD

Chartered Accountants and Registered Auditors

RICHMOND UPON THAMES

23 February 1995

LONDON TOWN ASSURED PROPERTIES PLC

PROFIT AND LOSS ACCOUNT

Year ended 30 September 1994

	note	1994 £	1993 £
TURNOVER	2	66,747	81,153
Property management expenses		39,861	38,054
		<hr/>	<hr/>
		26,886	43,099
Administrative expenses		(29,601)	(30,827)
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT		(2,715)	12,272
Exceptional item	4	(2,588)	-
Interest payable		(66)	(59)
Interest receivable		11,237	10,764
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	2 & 3	5,868	22,977
Tax on profit on ordinary activities	6	2,088	6,560
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAX	12	3,780	16,417
		<hr/>	<hr/>
Earnings per 75p share	7	0.26p	1.14p
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

A statement of the movement of reserves can be found in note 12.

The notes on pages 10 to 13 form part of these financial statements.

LONDON TOWN ASSURED PROPERTIES PLC

BALANCE SHEET

30 September 1994

	note	£	1994 £	£	1993 £	£
FIXED ASSETS						
Tangible assets	8		629,243			839,878
CURRENT ASSETS						
Debtors	9	10,011		28,456		
Cash at bank and building society		389,603		176,596		
		<u>399,614</u>		<u>205,052</u>		
CREDITORS: amounts falling due within one year	10	10,582		30,435		
		<u> </u>		<u> </u>		
NET CURRENT ASSETS			389,032			174,617
			<u> </u>			<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,018,275			1,014,495
			<u> </u>			<u> </u>
CAPITAL AND RESERVES						
Called up share capital	11		1,075,860			1,075,860
Share premium account	12		142,707			142,707
Profit and loss account	12		(200,292)			(204,072)
			<u> </u>			<u> </u>
			1,018,275			1,014,495
			<u> </u>			<u> </u>
Net assets per share			70.99p			70.72p
			<u> </u>			<u> </u>

These financial statements were approved by the board on 23 February 1995 and signed on its behalf by:



J.C. DODWELL
Director

The notes on pages 10 to 13 form part of these financial statements.

LONDON TOWN ASSURED PROPERTIES PLC

CASH FLOW STATEMENT
Year ended 30 September 1994

	note	£	1994	£	£	1993	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	14(a)			2,347		31,786	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE							
Interest paid		(66)			(59)		
Interest received		10,431			13,490		
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				10,365		13,431	
TAXATION							
Corporation tax paid				(6,560)		(8,666)	
INVESTING ACTIVITIES							
Proceeds on sale of fixed asset properties				206,855		-	
NET CASH INFLOW BEFORE FINANCING				213,007		36,551	
FINANCING							
Increase in cash	14(b)			213,007		36,551	

The notes on pages 10 to 13 form part of these financial statements.

NOTES ON THE FINANCIAL STATEMENTS

30 September 1994

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention as modified to include any revaluation of properties.

Turnover

Turnover represents income receivable from properties owned.

Tangible fixed assets

Properties are stated at cost except where, in the opinion of the directors, there has been a permanent diminution in their open market value, when provision is made for such diminution. Therefore, no depreciation is provided on fixed asset properties.

Depreciation

Furnishings are depreciated on a straight line basis over their estimated useful lives at the rate of 20% per annum.

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

Turnover and profit on ordinary activities before tax relate solely to the company's principal activity.

3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	1994	1993
	is stated after charging:	£	£
	Auditors' remuneration:		
	- in respect of audit services	2,232	2,408
	- in respect of other services	294	411
	Directors' emoluments	10,285	10,285
	Depreciation	1,192	1,193
		<u>14,003</u>	<u>14,307</u>

In addition £9,988, including VAT, was paid for the services of J.C. Dodwell (1993: £10,068).

4	EXCEPTIONAL ITEM	1994	1993
		£	£
	Gross proceeds from sale of properties	213,000	-
	Less book value	(213,000)	-
	Profit on sale of properties	<u>-</u>	<u>-</u>
	Less selling costs on properties sold	(6,145)	-
		<u>(6,145)</u>	<u>-</u>
	Surplus arising on the revaluation of unsold properties	26,300	-
	Provision for selling costs on unsold properties	(22,743)	-
		<u>3,557</u>	<u>-</u>
		<u>(2,588)</u>	<u>-</u>

LONDON TOWN ASSURED PROPERTIES PLC

NOTES ON THE FINANCIAL STATEMENTS (continued) 30 September 1994

5	STAFF COSTS (including directors)	1994	1993
		£	£
	Wages and salaries	10,285	10,285
	Social security costs	670	438
		<u>10,955</u>	<u>10,723</u>

Excluding the directors, the average number of employees during the year was nil (1993: nil).

6	TAX ON PROFIT ON ORDINARY ACTIVITIES	1994	1993
		£	£
	The charge is based on the assessable results for the year and consists of:		
	UK Corporation tax at 25%	2,088	6,560
		<u>2,088</u>	<u>6,560</u>

7 EARNINGS PER SHARE

The calculation of earnings per share is based on a profit of £3,780 (1993: £16,417) and 1,434,480 Ordinary shares in issue during the year.

8 TANGIBLE ASSETS

	Freehold properties £	Long leasehold properties £	Furniture and fittings £	Total £
Cost or valuation				
At 1 October 1993	166,000	672,500	5,965	844,465
Disposals	(83,000)	(130,000)	-	(213,000)
Revaluation surplus	-	3,557	-	3,557
	<u>83,000</u>	<u>546,057</u>	<u>5,965</u>	<u>635,022</u>
Accumulated depreciation				
At 1 October 1993	-	-	4,587	4,587
Charge for year	-	-	1,192	1,192
	<u>-</u>	<u>-</u>	<u>5,779</u>	<u>5,779</u>
Net book value:				
At 30 September 1994	83,000	546,057	186	629,243
	<u>83,000</u>	<u>546,057</u>	<u>186</u>	<u>629,243</u>
At 30 September 1993	166,000	672,500	1,378	839,878
	<u>166,000</u>	<u>672,500</u>	<u>1,378</u>	<u>839,878</u>

NOTES ON THE FINANCIAL STATEMENTS (continued)
30 September 1994

8 TANGIBLE ASSETS (continued)

	Freehold properties £	Long leasehold properties £	Furniture and fittings £	Total £
Cost or valuation at 30 September 1994 is represented by:				
Cost	109,810	811,774	5,965	927,549
Revaluation deficit	(26,810)	(265,717)	-	(292,527)
	<u>83,000</u>	<u>546,057</u>	<u>5,965</u>	<u>635,022</u>

The directors consider that the valuation of properties, based on open market value assuming vacant possession, at 30 September 1994 is £629,057. The surplus arising of £3,557 has been credited to the profit and loss account.

9 DEBTORS

Amounts receivable within one year:

	1994 £	1993 £
Rent receivable	31	6,065
Monies held by managing agents or other third parties	6,026	16,469
Sundry debtors	3,954	5,922
	<u>10,011</u>	<u>28,456</u>

10 CREDITORS

Amounts falling due within one year:

Corporation tax	2,088	6,560
Other creditors and accruals	8,494	23,875
	<u>10,582</u>	<u>30,435</u>

11 SHARE CAPITAL

Authorised 6,000,000 ordinary shares of 75p each	4,500,000	4,500,000
Allotted, called up and fully paid 1,434,480 ordinary shares of 75p each	1,075,860	1,075,860

Details of share options are given in the directors' report.

LONDON TOWN ASSURED PROPERTIES PLC

NOTES ON THE FINANCIAL STATEMENTS (continued) 30 September 1994

12 SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Issued share capital £	Share premium account £	Profit and loss account £	Total 1994 £	Total 1993 £
At beginning of year	1,075,860	142,707	(204,072)	1,014,495	998,078
Profit attributable to members of the company	-	-	3,780	3,780	16,417
At end of year	1,075,860	142,707	(200,292)	1,018,275	1,014,495

13 DIRECTORS' INTERESTS IN CONTRACTS WITH THE COMPANY

B.M. Palmer has a 45% interest in Capital Property Management Limited which received fees of £723 (1993: £8,744) plus VAT for acting as managing agents to the company.

14 NOTES ON THE CASH FLOW STATEMENT

a)	Reconciliation of operating profit to net cash inflow from operating activities	1994 £	1993 £
	Operating (loss)/profit	(2,715)	12,272
	Decrease in debtors	19,251	18,541
	(Decrease) in creditors	(15,381)	(220)
	Depreciation	1,192	1,193
	Net cash inflow from operating activities	2,347	31,786
b)	Analysis of changes in cash		
	Balance at beginning of year	176,596	140,045
	Net cash inflow	213,007	36,551
	Balance at end of year	389,603	176,596

15 CLOSE COMPANY

The close company provisions of the Taxes Act 1988 did not apply to the company during the year and there has been no change since the end of the year.