

Company No:
2703870

LANGBOURN PROPERTY NOMINEES (NO.2) LIMITED
REPORT AND FINANCIAL STATEMENTS
31st December 1994



REPORT OF THE DIRECTORS

The directors submit their annual report, together with the audited financial statements, for the year ended 31st December 1994.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a nominee company and did not trade during the year.

DIRECTORS

The directors who served during the year were:

C T S Cavanagh
P E Churchill—Coleman
P J Ellis
L M S Knox
P L Longcroft
G E B Thomas

G E B Thomas resigned as a director on 1st June 1995 and A D Pomfret was appointed a director on the same date. P J Ellis resigned as a director on 22nd June 1995 and P J Allen was appointed a director on the same date.

DIRECTORS' INTERESTS

None of the directors had an interest in the share capital of the Company.

The interests of those directors serving at the year end in the share capital of the ultimate parent company, Kleinwort Benson Group plc, were as follows:

Mr P L Longcroft had an interest in 217 shares (1993—Nil) and had outstanding options, granted on 30th September 1992 and 29th September 1994 to subscribe for 5,852 (1993—4,032) ordinary 25p shares of Kleinwort Benson Group plc at a price of 186p and 417p per share. The options were granted for no consideration pursuant to the Kleinwort Benson Savings—Related Share Option Scheme, exercisable five years after the date of grant and are otherwise subject to the terms and conditions of the Scheme.

Mr P E Churchill—Coleman had an interest in 822 shares (1993—Nil) and had outstanding options, granted on 15th April 1991, to subscribe for 2,933 ordinary shares of 25p each (1993—2,933) at a price of 341p per share. The options were granted for no consideration pursuant to the Kleinwort Benson Executive Share Option Scheme, are exercisable in whole or in part between the third and tenth anniversaries of the date of grant and are otherwise subject to the terms and conditions of the Scheme.

The interests of L M S Knox, C T S Cavanagh, P J Ellis and G E B Thomas in the share capital of Kleinwort Benson Group plc, together with any options granted to them to subscribe for shares, are shown in the directors' report of Kleinwort Benson Investment Management Holdings Limited.

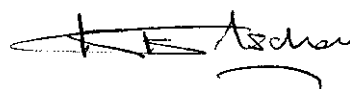
AUDITORS

The Company has taken advantage of the provisions of Section 379A Companies Act 1985, including the election to dispense with the annual appointment of auditors; accordingly, Touche Ross & Co. continue in office.

20 Fenchurch Street
London EC3P 3DB

25th July 1995

Approved by the Board of Directors
Signed on behalf of the Board



K R Ascham
Secretary

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:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed; and
- * 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 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' REPORT TO THE MEMBERS OF
LANGBOURN PROPERTY NOMINEES (NO.2) LIMITED**

We have audited the financial statements on pages 4 and 5 which have been prepared under the accounting policies set out on page 5.

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 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 31st December 1994 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

TOUCHE ROSS & CO.
Chartered Accountants and Registered Auditors
25th July 1995

Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

BALANCE SHEET
31st December 1994

	Note	1994 £	1993 £
CURRENT ASSETS			
Amounts owed by parent undertaking		2	2
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL (all equity)	2	2	2
		<u> </u>	<u> </u>

APPROVED BY THE BOARD OF DIRECTORS ON 25TH JULY 1995

SIGNED ON BEHALF OF THE BOARD



A D Pomfret
Director

The notes on page 5 form part of these accounts.

NOTES TO THE ACCOUNTS

31st December 1994

1. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

b) Expenses

All costs including audit fees have been borne by Kleinwort Benson Investment Management Limited, its immediate parent company. None of the directors have received any emoluments in respect of services as a director of the company.

c) Balance Sheet

The Company acts solely as a nominee in respect of assets registered in its name. It therefore has no beneficial interest in those assets and accordingly they are not shown in this balance sheet.

d) Profit and Loss Account

The Company has not traded since incorporation and consequently no profit and loss account has been prepared.

There were no recognised gains and losses or movements in shareholders' funds during the year.

e) Cash Flow Statement

These financial statements do not include a cashflow statement as required by Financial Reporting Standard No.1 as a consolidated statement is prepared by Kleinwort Benson Group plc, the ultimate parent company.

2. CALLED UP SHARE CAPITAL	1994 £	1993 £
Authorised 100 ordinary shares of £1 each	100	100
Allotted and fully paid 2 ordinary shares of £1 each	2	2

3. ULTIMATE PARENT COMPANY

The ultimate parent company is Kleinwort Benson Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of that company are available at 20 Fenchurch Street, London EC3P 3DB.