

LONDON & OXFORD PROPERTY SERVICES LIMITED

Report and Financial Statements

31 December 2003

Company Number

4089670



London & Oxford Property Services Limited

Registered No 4089670

DIRECTORS

P Newton
J Hampson

SECRETARY

P Newton

AUDITORS

I Stokes & Co
Upper South Wraxall
Bradford on Avon
Wilts BA15 2SE

BANKERS

Lloyds TSB Bank plc
3rd Floor
25 Gresham Street
London
EC2V 7HN

REGISTERED OFFICE

5 Frederick's Place
Old Jewry
London EC2R 8JQ

London & Oxford Property Services Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2003.

RESULTS AND DIVIDENDS

The company made a profit after tax for the period of £278,977 (2002: £215,101). Dividends totalling £515,000 (2002: nil) were declared and paid during the year.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The principal activity of the company is the acquisition and management of investment property and related activities. During the period, active management of properties in portfolio yielded an increase in net rent receivable by the company. The directors intend to continue to manage and improve returns from the portfolio whilst taking advantage of opportunities to dispose of individual properties at a profit.

DIRECTORS AND THEIR INTERESTS

None of the directors who were in office either during the period or at the period end held any interest in the share capital of the company. The interests of the directors in the share capital of the parent undertaking are disclosed in the financial statements of that company, copies of which are available from its registered office.

The directors who held office during the year were as follows:

P Newton

J Hampson

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period 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 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, subject to any material departures disclosed and explained in the financial statements; 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 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.

London & Oxford Property Services Limited

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint the auditors, I Stokes & Co, will be put to the members at the Annual General Meeting.

By order of the board



Secretary

Date 26 January 2004

INDEPENDENT AUDITORS' REPORT

To the members of London & Oxford Property Services Limited

We have audited the company's financial statements for the period ended 31 December 2003 which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and 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 has 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 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 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 31 December 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Registered Auditor

Date

[Handwritten signature]
26/12/04

London & Oxford Property Services Limited

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2003

	<i>Notes</i>	<i>2003</i> £	<i>2002</i> £
TURNOVER	2	2,429,326	2,411,161
Cost of sales		(2,201,363)	(2,238,540)
		<u> </u>	<u> </u>
GROSS PROFIT		227,963	172,621
Administrative expenses		(108,842)	(168,237)
		<u> </u>	<u> </u>
OPERATING PROFIT	3	119,121	4,384
Interest received		232,316	264,491
		<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		351,437	268,875
Tax on profit on ordinary activities	5	(72,460)	(53,775)
		<u> </u>	<u> </u>
PROFIT FOR THE FINANCIAL PERIOD TRANSFERRED TO RESERVES	11	278,977	215,100
		<u> </u>	<u> </u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the period ended 31 December 2003


There are no recognised gains and losses attributable to the shareholders of the company other than the profit for the period of £278,977 stated above.

London & Oxford Property Services Limited

BALANCE SHEET

at 31 December 2003

	Notes	2003 £	2002 £
CURRENT ASSETS			
Debtors & prepayments	6	621,870	623,246
Due from associated companies	7	124,056	9,602,627
Tenants' rent deposits		60,452	59,069
Cash at bank and in hand		4,076,635	4,793,806
		<u>4,883,013</u>	<u>15,078,748</u>
CREDITORS: amounts falling due within one year	8	(1,090,563)	(10,536,492)
NET CURRENT ASSETS		<u>3,792,450</u>	<u>4,542,256</u>
CREDITORS: amounts falling due after one year	9	(3,772,997)	(4,286,780)
NET ASSETS		<u>19,453</u>	<u>255,476</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	19,452	255,475
EQUITY SHAREHOLDERS' FUNDS		<u>19,453</u>	<u>255,476</u>



Director

Date 26 January 2004

London & Oxford Property Services Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

1. ACCOUNTING POLICIES

Basis of preparation

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

Leasing commitments

Rentals payable for properties held under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Future leasehold liabilities are secured by way of bank guarantees. In support of such guarantees, the bank has a charge over cash deposits of the company. The charge will be reduced over the life of the leasehold agreements.

Interest receipts

Interest received is taken to profit on receipt.

Cash flow statement

The company has taken advantage of the exemption available under FRS 1 (revised) not to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of an entity, which prepares publicly available consolidated financial statements which include a cash flow statement.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Turnover and profit before taxation are attributable to the continuing principal activity of the company, which is carried out wholly within the United Kingdom.

3. OPERATING LOSS

This is stated after charging:

	2003 £	2002 £
Rents payable	1,882,564	1,900,126
Auditors' remuneration	nil	2,500
	=====	=====

4. DIRECTORS' EMOLUMENTS

	2003 £	2002 £
Emoluments, including fees paid to service companies in which the directors held an interest	Nil	78,549
	=====	=====

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation of £72,460 (2002 £53,775) is payable in respect of the results for the year.

London & Oxford Property Services Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

6. DEBTORS

	2003	2002
	£	£
Trade debtors & prepayments	615,303	622,919
Other debtors	6,567	327
	<u>621,870</u>	<u>623,426</u>

7. DUE FROM ASSOCIATED AND GROUP COMPANIES

	2003	2002
	£	£
Associated companies	nil	9,182,076
Amounts due from London & Oxford Holdings Ltd (see Note 12)	124,056	420,551
	<u>124,056</u>	<u>9,602,627</u>

Money due from associated companies comprises balances owed by London & Oxford Capital Markets PLC, a company associated by way of common shareholders.

8. CREDITORS: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	398,937	403,850
Sundry creditors	41,881	35,951
Accruals	90,952	84,804
Corporation tax	73,846	53,775
Bank overdraft	Nil	9,452,259
Deferred revenue	484,947	505,853
	<u>1,090,563</u>	<u>10,536,492</u>

See note 9 in respect of deferred revenue.

9. CREDITORS: amounts falling due after one year

	2003	2002
	£	£
Deferred revenue	3,772,977	4,286,780
	<u>3,772,977</u>	<u>4,286,780</u>

Deferred revenue represents premiums received on the acquisition of leasehold properties, which will be released to the profit and loss account over the life of the related leasehold agreements.

London & Oxford Property Services Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

10. CALLED UP SHARE CAPITAL

	2003	2003	2002	2002
	No.	£	No.	£
Authorised	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2003	2003	2002	2002
	No.	£	No.	£
Allotted, called up and fully paid	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENTS ON RESERVES

	Share capital	Profit and loss account	Total
	£	£	£
At 31 December 2002	1	255,475	255,476
Issue of ordinary shares	-	-	-
Profit for the period	-	278,977	278,977
Dividends paid	-	(515,000)	(515,000)
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2003	1	19,452	19,453
	<u> </u>	<u> </u>	<u> </u>

12. ULTIMATE HOLDING COMPANY

The ultimate holding company of the company is London & Oxford Holdings Limited.