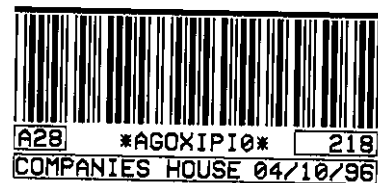


**PHOENIX BEARD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1995**



**PHOENIX BEARD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1995**

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## **PHOENIX BEARD**

### **DIRECTORS' REPORT**

The directors submit their report and the audited financial statements for the year ended 31st December 1995.

#### **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 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. 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. The directors 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.

#### **Principal activities and business review**

The company trades as surveyors, valuers and property consultants. The directors are pleased with the improved operating profit in what continues to be a competitive market place and aim to continue this improvement in the coming year.

#### **Results and dividends**

The profit for the year after taxation amounted to £6,301 and is dealt with as on page 4.

The company paid an interim dividend amounting to £38,406 (1994 - £40,889). No final dividend is recommended.

#### **Fixed assets**

Details of changes in fixed assets are as set out in note 8 to the financial statements.

#### **Directors and their interests**

The directors who served during the year were as follows;

C S Edwards (Chairman)  
M J Eagleton (Deputy Chairman)  
R J Poynton  
I P Hughes  
W R Houle  
C J Spruce

A M Robinson (resigned 9th June 1995)  
C J Juniper  
J Lunt  
S J Farrant  
E P O'Brien (appointed 1st May 1995)  
C S Beard (Non executive)

Mr S Taylor was appointed director on 1st January 1996. He resigned on 19th July 1996.

The directors have no interest in the share capital of the company but their interests in the share capital of the parent company are disclosed in that company's directors' report.

## **PHOENIX BEARD**

### **DIRECTORS' REPORT (continued)**

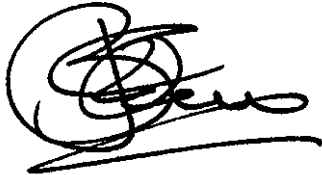
#### **Charitable contributions**

During the year the company made charitable donations amounting to £2,750.

#### **Auditors**

The company has elected by elective resolution to dispense with the annual re-appointment of auditors. Accordingly Casson Beckman will continue as auditors in accordance with the provisions of Section 386 Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'C J Spruce', written over a horizontal line.

**C J Spruce**  
Secretary

16th September 1996

Registered Office:

2 Chandos Street  
Cavendish Square  
London W1M 0EH.

## **PHOENIX BEARD**

### **REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies as set out on page 7.

#### **Respective responsibilities of directors and auditors**

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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, are consistently applied and are 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 31st December 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**CASSON BECKMAN**

Chartered Accountants  
and Registered Auditors

Hobson House  
155 Gower Street  
London WC1E 6BJ

16th September 1996

**PHOENIX BEARD****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 1995**

	Notes	1995 £	1994 £
Gross turnover		3,466,276	3,352,410
Subcontractors' fees		(203,856)	(159,426)
Net turnover		3,262,420	3,192,984
Administrative expenses		(3,199,227)	(3,186,118)
Operating profit	2	63,193	6,866
Interest receivable	3	11,088	3,684
Interest payable	4	(51,399)	(22,062)
Profit/(loss) before taxation		22,882	(11,512)
Taxation	6	(16,581)	21,898
Profit after taxation	13	6,301	10,386
Dividends	7	(38,406)	(40,889)
Loss transferred to reserves		£(32,105)	£(30,503)

Turnover and operating profit arise from continuing operations.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

# PHOENIX BEARD

## BALANCE SHEET

AT 31ST DECEMBER 1995

	Notes	1995	1994
		£	£
<b>Fixed assets</b>			
Tangible assets	8	575,697	686,036
<b>Current assets</b>			
Debtors	9	839,731	853,903
Cash at bank and in hand		5,558	5,791
		<u>845,289</u>	<u>859,694</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(923,864)</u>	<u>(1,012,399)</u>
<b>Net current liabilities</b>		<u>(78,575)</u>	<u>(152,705)</u>
		<u>£497,122</u>	<u>£533,331</u>
<b>Creditors</b>			
Amounts falling due after more than one year	11	180,663	184,767
<b>Capital and reserves</b>			
Called up share capital	12	25,000	25,000
Profit and loss account	13	291,459	323,564
		<u>316,459</u>	<u>348,564</u>
		<u>£497,122</u>	<u>£533,331</u>

Approved by the Board on 16th September 1996 and signed on its behalf by

C S Edwards - Director

M J Eagleton - Director

# PHOENIX BEARD

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1995

	Note	1995	1994
		£	£
<b>Net cash inflow from operating activities</b>	14	<b>240,872</b>	<b>182,976</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		11,088	3,684
Interest paid		(29,449)	(6,303)
Dividends paid		(38,406)	(133,514)
Interest element of hire purchase contracts		(21,950)	(15,759)
		<u>(78,717)</u>	<u>(151,892)</u>
<b>Taxation</b>			
Corporation tax repaid/(paid)		20,106	(56,612)
		<u>20,106</u>	<u>(56,612)</u>
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		(49,329)	(420,105)
Proceeds from sale of tangible fixed assets		25,127	65,394
		<u>(24,202)</u>	<u>(354,711)</u>
<b>Net cash inflow/(outflow) before financing</b>		<b>158,059</b>	<b>(380,239)</b>
<b>Financing</b>	14		
Loan from parent undertaking		82,500	275,601
Repayment of capital on hire purchase contracts		(152,087)	(122,875)
		<u>(69,587)</u>	<u>152,726</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	14	<b>£88,472</b>	<b>£(227,513)</b>



# **PHOENIX BEARD**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31ST DECEMBER 1995**

#### **1. Accounting policies**

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

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

##### **Turnover**

Turnover represents amounts invoiced by the company in respect of services rendered during the year stated net of value added tax and after deducting shared fees attributable to third parties.

##### **Tangible fixed assets**

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over the expected useful life as follows:

Leasehold land and buildings	-	Straight line over the life of the lease
Computer equipment	-	20% Straight line
Fixtures and fittings	-	10% Straight line
Motor vehicles	-	25% Straight line

##### **Deferred taxation**

Deferred taxation is calculated on the liability method. It is provided to the extent that it is considered, with reasonable probability, that a liability will become payable within the foreseeable future.

##### **Leasing and hire purchase**

Rentals payable under operating leases are charged against profits on a straight line basis over the terms of the leases. Assets acquired under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated in accordance with the accounting policy on depreciation - the related net obligations are included within creditors and the finance costs are charged against profits on a straight line basis over the terms of the contracts.

##### **Pensions**

The company operates a defined contribution pension scheme. Pension costs charged against profits represent the amounts payable to the scheme in respect of the year.

# PHOENIX BEARD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31ST DECEMBER 1995

#### 2. Operating profit

	1995 £	1994 £
The operating profit is stated after charging:-		
Auditors' emoluments	11,000	11,000
Depreciation	203,462	183,890
Operating lease rentals:-		
Land and buildings	235,394	225,649
Plant and machinery	107	890
	<u>          </u>	<u>          </u>

#### 3. Interest receivable

	1995	1994
Bank interest receivable	£11,088	£3,684
	<u>          </u>	<u>          </u>

#### 4. Interest payable

	1995 £	1994 £
On bank overdraft	29,449	6,303
Hire purchase interest	21,950	15,759
	<u>          </u>	<u>          </u>
	£51,399	£22,062
	<u>          </u>	<u>          </u>

#### 5. Directors and employees

	1995 £	1994 £
Staff costs (including directors) during the year amounted to:-		
Wages and salaries	1,666,146	1,651,501
Social security costs	155,112	159,746
Pension costs*	23,249	90,668
	<u>          </u>	<u>          </u>
	£1,844,507	£1,901,915
	<u>          </u>	<u>          </u>

\* Includes pension contributions of £7,516 (1994: £4,307) outstanding at the year end and included in creditors.

# PHOENIX BEARD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31ST DECEMBER 1995

<b>5. Directors and employees (continued)</b>	<b>1995</b>	<b>1994</b>
The average weekly number of employees during the year was:	No.	No.
Management and administration	34	35
Property consultancy	51	53
	<u>85</u>	<u>88</u>
Directors' emoluments:		
Remuneration for management services (including pension contributions)	<u>£613,018</u>	<u>£706,781</u>
Included above is remuneration paid to:		
The chairman and highest paid director	<u>£75,597</u>	<u>£ 83,804</u>
The number of other directors who received remuneration in the following ranges were:	No.	No.
£20,001 - £25,000	1	1
£25,001 - £30,000	2	-
£30,001 - £35,000	-	2
£35,001 - £40,000	-	1
£40,001 - £45,000	2	-
£45,001 - £50,000	1	-
£50,001 - £55,000	1	-
£55,001 - £60,000	-	1
£60,001 - £65,000	3	-
£65,001 - £70,000	-	3
£70,001 - £75,000	1	-
£75,001 - £80,000	-	1
£80,001 - £85,000	-	1
	<u>      </u>	<u>      </u>

<b>6. Taxation</b>	<b>1995</b>	<b>1994</b>
	£	£
The taxation charge/(credit) which is based on the results of the year is made up as follows:-		
Current year		
Corporation tax	16,698	(21,898)
Prior year		
Corporation tax	(117)	-
	<u>£16,581</u>	<u>£(21,898)</u>

United Kingdom corporation tax has been computed at 25% (1994 - 25%).

Deferred tax amounted to a deferred asset of £14,217 (1994: £7,803) relating to the excess of depreciation over capital allowances. No provision has been made for this amount.

# PHOENIX BEARD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31ST DECEMBER 1995

7. Dividends	1995	1994
Ordinary: -		
Interim dividends paid	£38,406	£40,889

### 8. Tangible fixed assets

	Short leasehold £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1st January 1995	76,805	599,055	661,428	1,337,288
Additions at cost	9,864	36,465	64,598	110,927
Disposals	-	-	(71,023)	(71,023)
At 31st December 1995	£86,669	£635,520	£655,003	£1,377,192
<b>Depreciation</b>				
At 1st January 1995	27,700	360,492	263,060	651,252
Charge for the year	3,031	57,817	142,614	203,462
Disposals	-	-	(53,219)	(53,219)
At 31st December 1995	£30,731	£418,309	£352,455	£801,495
<b>Net book value</b>				
At 31st December 1995	£55,938	£217,211	£302,548	£575,697
At 31st December 1994	£49,105	£238,563	£398,368	£686,036

The net book value of the company's fixed assets includes £333,008 (1994 - £415,107) in respect of assets held under finance leases and hire purchase contracts, and the related depreciation charge for the year in respect of those assets is £ 123,936 (1994: £98,653).

9. Debtors	1995 £	1994 £
Trade debtors	605,859	601,447
Amount owed by parent undertaking	25,351	18,571
Other debtors	6,139	31,980
Prepayments and accrued income	202,382	201,905
	£839,731	£853,903

# PHOENIX BEARD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31ST DECEMBER 1995

#### 10. Creditors: Amounts falling due within one year

	1995 £	1994 £
Bank overdraft	235,840	324,545
Trade creditors	183,677	277,191
Corporation tax	16,698	-
Other taxes and social security costs	231,635	211,501
Net obligations under finance lease and hire purchase contracts	146,938	150,823
Other creditors	13,598	7,469
Accruals	95,478	40,870
	<u>£923,864</u>	<u>£1,012,399</u>

The bank overdraft is secured by way of fixed and floating charges over the assets of the company.

#### 11. Creditors: Amounts falling due after more than one year

	1995 £	1994 £
Obligations under finance leases and hire purchase contracts	98,163	184,767
Amount owed to parent undertaking	82,500	-
	<u>£180,663</u>	<u>£184,767</u>
<b>Net obligations under finance leases and hire purchases contracts</b>		
Repayable: within one year	163,120	168,674
between one and two years	107,779	163,120
between two and five years	-	42,145
	<u>270,899</u>	<u>373,939</u>
Finance charges and interest allocated to future accounting periods	(25,798)	(38,349)
	<u>245,101</u>	<u>335,590</u>
Included in current liabilities	(146,938)	(150,823)
	<u>£98,163</u>	<u>£184,767</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

# PHOENIX BEARD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31ST DECEMBER 1995

#### 12. Share capital

	1995 £	1994 £
Authorised:		
80,000 Ordinary shares of £1 each	80,000	80,000
20,000 Management shares of £1 each	20,000	20,000
	<hr/>	<hr/>
	£100,000	£100,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
5,000 Ordinary shares of £1 each	5,000	5,000
20,000 Management shares of £1 each	20,000	20,000
	<hr/>	<hr/>
	£ 25,000	£ 25,000
	<hr/>	<hr/>

#### 13. Reserves and reconciliation of Movements in Shareholders' Funds

	Share Capital £	Profit and loss account £	Total shareholders' funds £
Opening shareholders' funds	25,000	323,564	348,564
Profit for the financial year	-	6,301	6,301
Dividends	-	(38,406)	(38,406)
	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	£ 25,000	£291,459	£316,459
	<hr/>	<hr/>	<hr/>

All of the shareholders' funds are attributable to equity interests.

#### 14. Notes to the cash flow statement

	1995 £	1994 £
Reconciliation of operating profit to net cash inflow from operating activities:-		
Operating profit	63,193	6,866
Depreciation	203,462	183,890
Profit on sale of tangible fixed assets	(7,323)	(39,762)
Increase in debtors	(5,817)	(10,857)
(Decrease)/increase in creditors	(12,643)	42,839
	<hr/>	<hr/>
Net cash inflow from operating activities	£240,872	£182,976
	<hr/>	<hr/>

# PHOENIX BEARD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31ST DECEMBER 1995

#### 14. Notes to the cash flow statement (continued)

	1995 £	1994 £
--	-----------	-----------

Analysis of changes in cash and cash equivalents during the year:-

Balance at 1st January 1995	(318,754)	(91,241)
Net cash inflow/(outflow)	88,472	(227,513)
	<hr/>	<hr/>
Balance at 31st December 1995	£(230,282)	£(318,754)
	<hr/>	<hr/>

Analysis of the balances of cash and cash equivalents as shown in the balance sheet:-

	1995 £	1994 £	Change in year £
Cash at bank and in hand	5,558	5,791	(233)
Bank overdrafts	(235,840)	(324,545)	88,705
	<hr/>	<hr/>	<hr/>
	£(230,282)	£(318,754)	£88,472
	<hr/>	<hr/>	<hr/>

Analysis of changes in financing during the year:-

	Share capital £	Loans and finance lease obligations £
Balance at 1st January 1995	25,000	335,590
Cash outflow from financing	-	(69,587)
Inception of hire purchase contracts	-	61,598
	<hr/>	<hr/>
Balance at 31st December 1995	£25,000	£327,601
	<hr/>	<hr/>

#### 15. Client monies

At 31st December 1995, clients' monies held in approved bank accounts amounted to £5,724,044 (1994: £4,357,364). This amount and the matching liability to the clients concerned are not included in the company's balance sheet.

## PHOENIX BEARD

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31ST DECEMBER 1995

##### 16. Contingencies

The company has been notified of a claim against it, the outcome of which cannot yet be determined. The claim would, if successful, be fully covered by professional indemnity insurance and the maximum liability would be limited to the excess under the insurance policy of £50,000. No provision has been made for the excess under the insurance policy.

##### 17. Operating lease commitments

At 31st December 1995 the company was committed to making the following payments during the next year in respect of operating leases:-

	Land and buildings		Other	
	1995	1994	1995	1994
	£	£	£	£
Leases which expire:-				
Within 1 to 5 years	-	-	5,376	5,376
After 5 years	226,640	226,640	-	-
	<u>226,640</u>	<u>226,640</u>	<u>5,376</u>	<u>5,376</u>

##### 18. Ultimate parent company

The company's ultimate parent company is Phoenix Beard Group Limited which is registered in England and Wales.