

ARTHUR
ANDERSEN
& CO

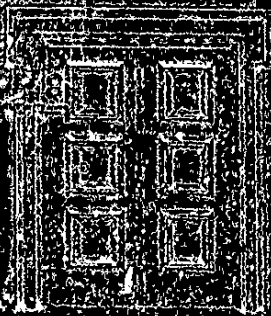
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SURVEYORS HOLDINGS LIMITED

ACCOUNTS -- 31 DECEMBER 1986

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORT

COMPANIES REGISTRATION
10 JUN 1987
GCHQ



SURVEYORS HOLDINGS LIMITED

ACCOUNTS -- 31 DECEMBER 1986

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORT

SURVEYORS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1986

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 December 1986.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company continues to be the production of journals and publications together with the provision of other services for the surveying profession.

The accompanying Chairman's Statement gives further details of the Company's activities and progress during the year.

The directors do not recommend the payment of a dividend in respect of the year covered by the accounts.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:-

J N C James FRICS	Chairman (resigned 31 March 1986)
A H C Voaden FRICS	(appointed Chairman 1 April 1986)
J M Allan FRICS	
C A Coward MA FRICS	
C W Jonas FRICS	
M A Pattison BA	
S G Povalì FRICS	(appointed 3 March 1986)
J R Thomas FRICS	(appointed 3 March 1986)
Ted Watts FBIM FRICS	

Mr C W Jonas is a partner in Drivers Jonas, a firm of Chartered Surveyors, which has been engaged by the Company to perform certain professional work at a fee of £19,243 during the year. The firm has been retained to undertake further work at an estimate of £10,000.

The directors do not have any other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

DIRECTORS' REPORT (Continued)

FIXED ASSETS

Information relating to changes in tangible fixed assets is given in Note 2 to the accounts.

AUDITORS

The directors will place a resolution before the annual general meeting to re-appoint Arthur Andersen & Co. as auditors for the ensuing year.

BY ORDER OF THE BOARD

22 April 1987

A SANDISON FCCA
Secretary

11 Great George Street,
London SW1.

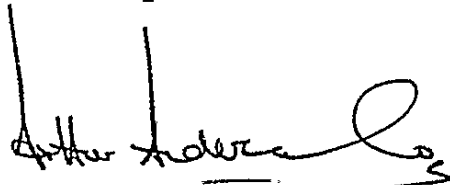
ARTHUR ANDERSEN & Co.

1 SURREY STREET
LONDON WC2R 2PS

To the Members of SURVEYORS HOLDINGS LIMITED:

We have audited the accounts set out on pages 4 to 14 in accordance with approved Auditing Standards.

In our opinion, the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the affairs of the company at 31 December 1986 and of the profit and source and application of funds for the year then ended, and comply with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Arthur Andersen & Co.', is written over a horizontal line.

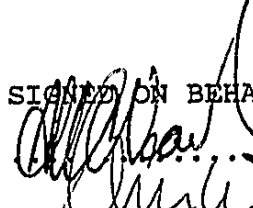
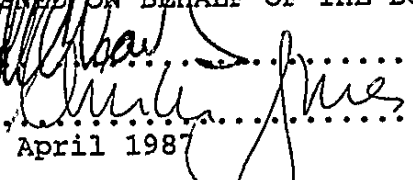
Arthur Andersen & Co.,

22 April 1987.

SURVEYORS HOLDINGS LIMITED
BALANCE SHEET - 31 DECEMBER 1986

	<u>Notes</u>	<u>1986</u> <u>£000</u>	<u>1985</u> <u>£000</u>
FIXED ASSETS			
Tangible Assets	1b & 2	149	53
Investments	1c & 3	3,356	2,215
		-----	-----
		3,505	2,268
		-----	-----
CURRENT ASSETS			
Stocks	1d & 4	283	299
Debtors	5	188	248
Investments	6	1,938	2,557
Cash at bank and in hand		1	25
		-----	-----
		2,410	3,129
CREDITORS: Amounts falling due within one year			
	7	(663)	(455)
		-----	-----
NET CURRENT ASSETS		1,747	2,674
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		5,252	4,942
CREDITORS: Amounts falling due after more than one year			
	8	(5,146)	(5,204)
PROVISION FOR LIABILITIES AND CHARGES			
	1e & 9	(21)	(24)
		-----	-----
		85	(286)
		=====	=====
NET ASSETS/(LIABILITIES)			
CAPITAL AND RESERVES			
Called-up share capital	10	-	-
Profit and Loss account		85	(286)
		-----	-----
TOTAL CAPITAL EMPLOYED		85	(286)
		=====	=====

SIGNED ON BEHALF OF THE BOARD

)
) Directors
 22 April 1987

The accompanying notes are an integral part of this balance sheet.

SURVEYORS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1986

	<u>NOTES</u>	<u>1986</u> <u>£000</u>	<u>1985</u> <u>£000</u>
TURNOVER	1f & 12	1,889	1,722
Cost of sales		(1,151)	(1,107)
GROSS PROFIT		738	615
Other operating expenses (Net)	13	(1,087)	(940)
OPERATING (LOSS)	12	(349)	(325)
Investment income	1c & 14	475	425
Profit on sale of fixed asset investments		513	96
Increase/(Decrease) in value of investments	15	14	(53)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	16	653	143
Tax on profit on ordinary activities (including payment to related company for consortium relief)	1e & 18	(282)	(177)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		371	(34)
ACCUMULATED DEFICIT, at 31 December 1985		(286)	(252)
ACCUMULATED SURPLUS (DEFICIT), at 31 December 1986		85	(286)

The accompanying notes are an integral part of this profit and loss account.

SURVEYORS HOLDINGS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1986.

	<u>1986</u> £000	<u>1985</u> £000
SOURCE OF FUNDS		
Profit/(Loss) on ordinary activities after taxation	371	(34)
Add (deduct) items not involving cash flow during the year:	76	46
- depreciation		
- gain on disposal of fixed asset investments	(513)	(96)
- change in investment in related company	(14)	53
(Decrease)/Increase in provision for liabilities and charges	(3)	24
	-----	-----
Total funds from operations	(83)	(7)
Proceeds from disposal of fixed asset investments	2,509	396
(Decrease)/Increase in creditors falling due after more than one year	(58)	1,385
	-----	-----
	2,368	1,774
	=====	=====
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	172	37
Purchase of fixed asset investments	3,065	782
Further investment in related company	58	126
	-----	-----
	3,295	945
	-----	-----
Increase (decrease) in net current assets:		
- stocks	(16)	28
- debtors	(60)	124
- investments	(619)	815
- creditors other than bank overdraft falling due within one year	(187)	(146)
	---	----
	(882)	821
Movement in net liquid funds:		
- cash at bank and in hand	(24)	8
- bank overdraft	(21)	-
	-----	-----
	2,368	1,774
	=====	=====

The accompanying notes are an integral part of this statement.

SURVEYORS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1986

1. STATEMENT OF ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year, is set out below:

a) Basis of accounting

The accounts are prepared under the historical cost convention.

b) Tangible fixed assets

Tangible fixed assets are shown at cost less depreciation. Depreciation is provided to write off the cost of fixed assets in equal annual instalments over their useful lives, which are estimated to be:

Computer equipment	- 3 years
Office equipment	- 4 years
Fixtures and fittings	- 5 years

c) Investments

- (i) Fixed asset investments are shown at cost less amounts written off.
- (ii) Investment in subsidiary company is stated at cost. The results and net assets of the subsidiary company are not consolidated because, in the opinion of the directors, the amounts involved are not material in relation to those of the company.
- (iii) Investment in related company is stated at cost, plus long-term loans, less amounts written off to reflect the company's share of losses incurred by the related company since incorporation.
- (iv) Dividend income is included, with any related tax credit, in the accounts of the year in which it is receivable.

d) Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

e) Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in timing recognition, principally of depreciation, between the accounts and the tax computations) has been calculated on the liability method. Under this method deferred taxation is only provided in cases where it is expected that an actual corporation tax liability will arise at some future date and is calculated at the current rate of tax, which is annually reviewed to reflect changes in tax rates.

Details for the provision for deferred taxation are given in note 9.

f) Turnover

Turnover represents the value of goods and services provided by the company and is stated net of discounts and VAT.

2. TANGIBLE FIXED ASSETS

The movement in the year was as follows:

	<u>Fixtures & Fittings</u> £000	<u>Computer Equipment</u> £000	<u>Office Equipment</u> £000	<u>Total</u> £000
COST:				
beginning of year	-	354	34	388
additions	125	46	1	172
	---	---	---	---
end of year	125	400	35	560
	---	---	---	---
DEPRECIATION:				
beginning of year	-	312	23	335
charge	25	44	7	76
	---	---	---	---
end of year	25	356	30	411
	---	---	---	---
NET BOOK VALUE				
end of year	100	44	5	149
	---	---	---	---
NET BOOK VALUE				
beginning of year	-	42	11	53
	---	---	---	---

3. FIXED ASSET INVESTMENTS

a) Fixed asset investments comprise:

	<u>1986</u> £000	<u>1985</u> £000
Government securities	1,138	947
UK listed securities	1,413	1,153
Listed overseas	644	26
	-----	-----
	3,195	2,126
Investment in subsidiary company	1	1
Investment in related company	160	88
	-----	-----
	3,356	2,215
	-----	-----

b) The aggregate market value of listed securities were as follows:

	<u>1986</u> £000	<u>1985</u> £000
Government securities	1,235	1,041
UK listed securities	2,205	1,887
Listed overseas	761	28
	-----	-----
	4,201	2,956
	-----	-----

c) Investment in subsidiary company

- (i) The company owns the entire issued share capital of The Building Maintenance Cost Information Service Limited ("BMCIS"), a company incorporated in Great Britain. The principal activity of BMCIS is to promote research, design and development relating to buildings and construction and to the maintenance and use of buildings. This company is now in the process of changing its name to Building Maintenance Information Ltd.
- (ii) In the opinion of the directors, the aggregate values of the shares in BMCIS is not less than the amount stated in the Company's balance sheet.

d) Investment in related company

The company owns 50% of the equity share capital of RICS Journals Limited. RICS Journals Limited is incorporated in Great Britain and the holding is stated at cost plus long-term loans, less any amounts written-off to reflect the company's share of losses incurred by the company since incorporation. The principal activity of the company is the publication of professional journals under licence from Surveyors Holdings Limited which owns the titles.

The company's investment in RICS Journals Limited comprises:

	<u>1986</u> £000	<u>1985</u> £000
Share capital	1	1
Long-term loans	716	658
Less amounts written off	(557)	(571)
	---	---
	160	88
	---	---

4. STOCKS

All stocks are goods held for resale. The estimated replacement cost approximates their balance sheet value.

5. DEBTORS

	<u>1986</u> £000	<u>1985</u> £000
Amounts falling due within one year:		
Trade debtors	64	67
VAT	-	7
Prepayments and accrued income	93	154
Income tax recoverable	31	20
	---	---
	188	248
	---	---

6. CURRENT ASSET INVESTMENTS

Current asset investments comprise short term deposits.

7. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

The following amounts are included in creditors falling due within one year:

	<u>1986</u> £000	<u>1985</u> £000
Trade creditors	103	124
Accruals and deferred income	176	267
Bank account overdraft	21	-
Other creditors:		
- Value added tax	22	-
- UK Corporation tax payable	341	64
	---	---
	663	455
	---	-

8. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Creditors falling due after more than one year comprise amounts due to The Royal Institution of Chartered Surveyors, ("RICS") which owns the entire share capital of the company. The loan is interest free, and the RICS has given an undertaking not to request repayment for at least twelve months.

9. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation has been provided to the extent that the directors have concluded, on the basis of reasonable assumptions and the intentions of management, that it is probable that part of the liability will crystallise.

	<u>1986</u> £000	<u>1985</u> £000
Excess of tax allowances over book depreciation of fixed assets	6	8
Other timing differences related to current assets and liabilities	15	33
Tax effect of losses carried forward	-	(17)
	---	---
	21	24
	---	---

9. PROVISION FOR LIABILITIES AND CHARGES (Continued)

The movement on deferred taxation comprises:

	<u>1986</u> £000	<u>1985</u> £000
Beginning of year	24	-
Charged (credited) to profit and loss account, in respect of:		
- capital allowances	(2)	(10)
- other timing differences	(18)	22
- tax losses	17	12
	---	---
End of year	21	24
	---	---

10. CALLED UP SHARE CAPITAL

The authorised, issued and fully paid-up share capital of the company consists of 100 ordinary shares of £1 each (1985-100).

11. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

At the end of the year there were no capital commitments authorised or contracted for (1985 - £125,000 authorised and contracted for).

12. ANALYSIS OF ACTIVITY

Turnover and the operating loss arose as follows:

	<u>Turnover</u>		<u>Operating Profit/(Loss)</u>	
	<u>1986</u> £000	<u>1985</u> £000	<u>1986</u> £000	<u>1985</u> £000
By activity:				
Surveyors Publications	1,007	846	56	30
S.T.S.	606	666	(61)	(12)
Surveyors Appointments				
Consultancy	179	136	-	(29)
Computer Facilities	72	74	30	36
Exceptional payment to				
RICS Journals Ltd	-	-	(350)	(350)
Administration	25	-	(24)	-
	-----	-----	-----	-----
	1,889	1,722	(349)	(325)
	-----	-----	-----	-----

Substantially all of the company's turnover arises as a result of trading activities in the United Kingdom.

13. OTHER OPERATING EXPENSES (NET):

	<u>1986</u> £000	<u>1985</u> £000
Distribution costs	21	20
Administrative expenses	1,066	920
	-----	---
	1,087	940
	-----	---

14. INVESTMENT INCOME:

	<u>1986</u> £000	<u>1985</u> £000
Income from UK listed fixed asset investments	106	91
Other interest receivable and similar income	369	334
	---	---
	475	425
	---	---

15. AMOUNTS WRITTEN OFF INVESTMENTS:

	<u>1986</u> £000	<u>1985</u> £000
Increase/(Decrease) in value of investment in related company	14	(53)
	---	---

16. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

Profit on ordinary activities before taxation is stated after charging-

	<u>1986</u> £000	<u>1985</u> £000
a) Depreciation and amounts written off tangible assets	76	46
b) Auditors' remuneration	11	10
c) Staff costs (see Note 17)	375	305
d) Exceptional item- payment to RICS Journals Limited in connection with the provision under licence of professional journals to members of the RICS.	350	350
	---	---

17. STAFF COSTS:

	<u>1986</u> £000	<u>1985</u> £000
Staff costs during the year amounted to:		
Wages and salaries	307	249
Social security costs	30	25
Other pension costs	38	31
	---	---
	375	305
	---	---

The average weekly number of persons employed by the company during the year was as follows:

	<u>1986</u>	<u>1985</u>
Distribution	5	4
Sales	19	19
Administration	12	12
	==	==

None of the directors received any form of remuneration from the company.

18. TAX ON PROFIT ON ORDINARY ACTIVITIES:

The tax charge/(credit) is based on the profit for the year and comprises:

	<u>1986</u> £000	<u>1985</u> £000
Corporation tax at 36.25%(1985 41.25%)	277	64
Deferred taxation arising from:		
- capital allowances	(2)	(10)
- other timing differences	(18)	22
- losses	17	12
Overseas taxation	-	1
Tax attributable to franked investment income	19	18
Payment to related company for tax losses	-	71
Reduction in liability to related company for tax loss payments	(11)	
	---	---
	282	178
	-	(1)
Less- relief for overseas taxation	---	---
	282	177
	===	===

The payment to a related company for tax losses is in respect of consortium relief claimed under the Income and Corporation Taxes Act, 1970.