

FOXTONS LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 30TH SEPTEMBER 1992

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Clareville House
26/27 Oxendon Street
London SW1Y 4EP

ROTHMAN PANTALL & CO.
Chartered Accountants



FOXTONS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1992

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FOXTONS LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 30TH SEPTEMBER 1992

The directors present their report and the audited accounts for the year ended 30th September 1992.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company in the year under review was the business of estate agents.

There were no significant changes in the operation of the company's business during the year.

In the opinion of the directors, the company was in a satisfactory position at the year end.

RESULTS AND DIVIDENDS

The results for the year are given on page 3 of the accounts.

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARES

The directors and their beneficial interests in the company's shares at the beginning and end of the year were as follows:

	Ordinary shares of £1.00 each	
	1992	1991
J M Hunt	10,000	10,000
S J Cusack	-	-

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

In the opinion of the directors, the value of the company's freehold land and buildings is not materially in excess of that shown in the accounts in relation to its use in the company's trade.

AUDITORS

The auditors, Rothman Pantall & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

REGISTERED OFFICE
94-98 Old Brompton Road
London SW7 3RD

By order of the Board



S J Cusack
Secretary

Date. 9.6.93

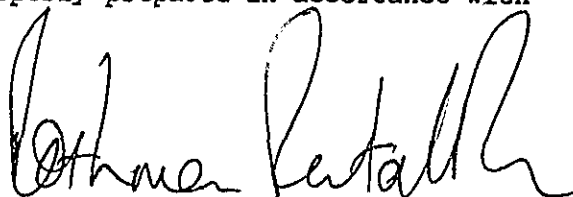
AUDITORS' REPORT TO THE MEMBERS OF
FOXTONS LIMITED
FOR THE YEAR ENDED 30TH SEPTEMBER 1992

We have audited the accounts on pages 3 to 14 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 1992 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date

9 June 1993



ROTHMAN PANTALL & CO
Chartered Accountants and
Registered Auditors
Clareville House
26/27 Oxendon Street
London SW1Y 4EP

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FOXTONS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH SEPTEMBER 1992

	Note	1992 £	1991 £
TURNOVER	2	2,091,413	1,870,927
Cost of sales		-	(115,695)
GROSS PROFIT		2,091,413	1,755,232
Administrative expenses		(421,408)	(433,360)
Other operating charges		(1,429,333)	(1,340,341)
Other operating income	3	-	4,717
OPERATING PROFIT/(LOSS)	4	240,672	(13,692)
Interest payable and similar charges	6	(122,930)	(171,980)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		117,742	(185,672)
Taxation on profit/(loss) on ordinary activities	7	(44,716)	17,406
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		73,026	(168,266)
Extraordinary items	8	-	195,395
PROFIT FOR THE FINANCIAL YEAR		73,026	27,129
(DEFICIT) BROUGHT FORWARD		(21,862)	(48,991)
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD		£51,164 =====	£(21,862) =====

The notes on pages 6 to 14 form part of these accounts.

FOXTONS LIMITEDBALANCE SHEET30TH SEPTEMBER 1992

	Note	1992 £	1991 £
FIXED ASSETS			
Intangible Assets	9	323,999	353,906
Tangible Assets	10	1,557,380	1,232,035
		<u>1,881,379</u>	<u>1,585,941</u>
CURRENT ASSETS			
Debtors	11	272,964	324,571
Cash at Bank and in Hand		212	193
		<u>273,176</u>	<u>324,764</u>
CREDITORS: Amounts falling due within one year	12	(1,060,949)	(805,611)
NET CURRENT (LIABILITIES)		<u>(787,773)</u>	<u>(480,847)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,093,606</u>	<u>1,105,094</u>
CREDITORS: Amounts falling due after more than one year	13	(595,042)	(684,306)
PROVISIONS FOR LIABILITIES AND CHARGES:			
Deferred Taxation	14	(7,500)	(2,750)
NET ASSETS		<u>£491,064</u> =====	<u>£418,038</u> =====
CAPITAL AND RESERVES			
Share Capital	18	10,000	10,000
Revaluation Reserve	19	429,900	429,900
Profit and Loss Account		51,164	(21,862)
		<u>£491,064</u> =====	<u>£418,038</u> =====

Approved by the Board of Directors on... 4.6.93and signed on their behalf by:

..... Director
J M Hunt

..... Director
S J Cusack

The notes on pages 6 to 14 form part of these accounts.

FOXTONS LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 30TH SEPTEMBER 1992

	1992		1991	
	£	£	£	£
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit/(loss)	240,672		(13,692)	
Amortisation charges	89,232		86,640	
Depreciation charges	198,245		191,823	
(Profit) on sale of fixed assets	(9,856)		(1,371)	
Decrease in debtors	51,607		386,292	
Increase/(Decrease) in creditors	259,198		(882,716)	
NET CASH INFLOW/(OUTFLOW)		829,098		(233,024)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest paid	(99,797)		(131,715)	
Interest element of finance lease charges	(21,578)		(35,986)	
Other similar charges	(1,555)		(4,279)	
		(122,930)		(171,980)
TAXATION				
Corporation tax paid (including ACT)	(15,250)		-	
		(15,250)		-
INVESTING ACTIVITIES				
Payments to acquire intangible fixed assets	(59,325)		-	
Payments to acquire tangible fixed assets	(565,344)		(109,255)	
Proceeds on disposal of Lettings business	-		230,000	
Receipts from sales of tangible fixed assets	51,610		85,507	
		(573,059)		206,252
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		117,859		(198,752)
FINANCING				
Bank loan (repaid)	(29,066)		(140,973)	
Hire Purchase loans	(41,388)		(60,388)	
Other loan movements	-		(77,000)	
		(70,454)		(278,361)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		£47,405		£(477,113)
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS				
	1992	Change in year	1991	
	£	£	£	
Cash at bank and in hand	212	19	193	
Bank overdraft	(172,139)	47,386	(219,525)	
	£(171,927)	£47,405	£(219,332)	
	=====	=====	=====	

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The accounts have been prepared in accordance with applicable accounting standards and on the historical cost basis as modified by the revaluation of land and buildings.

TURNOVER

Turnover represents amounts receivable for services supplied to customers and is stated net of Value Added Tax.

DEFERRED EXPENDITURE

The expenditure including staff costs and related overheads associated with the initial development of new offices are capitalised. These deferred costs were, in previous accounting periods, amortised over a period of five years. The directors are of the opinion that the period over which the costs should be amortised should be revised to two years. Accordingly the rate at which these deferred costs are amortised has been adjusted to 50% per annum.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Goodwill	10%
Deferred expenditure	50%
Freehold Buildings	2%
Leasehold Property	Over the lease term
Fixtures & Fittings	20% to 25%
Office Equipment	20% to 25%
Motor Vehicles	25%
Computer Equipment	25%

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

DEFERRED TAXATION

Provision is made for deferred taxation in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company and are derived wholly in the United Kingdom.

3. OTHER OPERATING INCOME

	1992 £	1991 £
Other operating income	- =====	4,717 =====

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	1992 £	1991 £
Directors' remuneration	54,420	41,189
Amortisation	89,232	86,640
Depreciation	198,245	191,823
(Profit) on disposals of fixed assets	(9,856)	(1,371)
Auditors' remuneration	4,000	4,000
Operating lease charges:		
Plant and equipment	2,329	3,518
Other leases	105,668 =====	101,000 =====

5. PARTICULARS OF STAFF

Staff costs, including directors' remuneration, were as follows:

	1992 £	1991 £
Wages and Salaries	653,644	545,585
Social Security Costs	66,089	51,517
Other Pension Costs	-	2,000
	<u>£719,733</u> =====	<u>£599,102</u> =====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

PARTICULARS OF STAFF (continued)

The average weekly number of employees (including directors) during the year was:

	1992	1991
Administration and Management	12	11
Sales	20	17
	<u>32</u>	<u>28</u>
	=====	=====

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1992 £	1991 £
Interest payable on bank overdrafts	99,797	131,715
HP interest and finance leases charges	21,578	35,986
Other similar charges payable	1,555	4,279
	<u>£122,930</u>	<u>£171,980</u>
	=====	=====

7. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The charge/(credit) in the profit and loss account comprises:

	1992 £	1991 £
Current year corporation tax at 25%	39,966	844
Increase/(Decrease) in deferred tax provision	4,750	(18,250)
	<u>£44,716</u>	<u>£(17,406)</u>
	=====	=====

8. EXTRAORDINARY ITEMS

The extraordinary item consists of the profit on disposal of the lettings business of the company (see note 17).

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

9. INTANGIBLE FIXED ASSETS

	Goodwill	Deferred expenditure	Total
COST/VALUATION:	£	£	£
Balance Brought Forward	490,000	188,197	678,197
Additions at Cost	-	59,325	59,325
Disposals at Cost	-	(54,533)	(54,533)
Balance Carried Forward	<u>490,000</u> =====	<u>192,989</u> =====	<u>682,989</u> =====
AMORTISATION:			
Balance Brought Forward	147,000	177,291	324,291
Depreciation on disposals	-	(54,533)	(54,533)
Depreciation charge	49,000	40,232	89,232
Balance Carried Forward	<u>196,000</u> =====	<u>162,990</u> =====	<u>358,990</u> =====
NET BOOK VALUE:			
At 30th September 1992	<u>£294,000</u> =====	<u>£29,999</u> =====	<u>£323,999</u> =====
At 1st October 1991	<u>£343,000</u> =====	<u>£10,906</u> =====	<u>£353,906</u> =====

FOXTONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

10. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Short-term Leasehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	TOTAL £
COST/VALUATION:					
Balance B/Fwd	828,119	280,305	493,861	264,558	1,866,843
Additions	73,283	176,315	81,659	234,087	565,344
Disposals	-	-	(303,931)	(107,279)	(411,210)
Balance C/Fwd	<u>901,402</u> =====	<u>456,620</u> =====	<u>271,589</u> =====	<u>391,366</u> =====	<u>2,020,977</u> =====
DEPRECIATION:					
Balance B/Fwd	33,124	46,546	391,635	163,503	634,808
Depn on disposals	-	-	(299,224)	(70,232)	(369,456)
Depn charge	18,028	27,694	57,660	94,863	198,245
Balance C/Fwd	<u>51,152</u> =====	<u>74,240</u> =====	<u>150,071</u> =====	<u>188,134</u> =====	<u>463,597</u> =====
NET BOOK VALUE:					
At 30th September 1992	<u>850,250</u> =====	<u>382,380</u> =====	<u>121,518</u> =====	<u>203,232</u> =====	<u>1,557,380</u> =====
At 1st October 1991	<u>794,995</u> =====	<u>233,759</u> =====	<u>102,226</u> =====	<u>101,055</u> =====	<u>1,232,035</u> =====

Included in the above figures are assets held under finance leases:

	1992		1991	
	NBV £	Depr'n Charge £	NBV £	Depr'n Charge £
Fixtures and Fittings	29,114	29,114	46,833	29,113
Motor Vehicles	140,774	71,124	90,272	41,925
	<u>£169,888</u> =====	<u>£100,238</u> =====	<u>£137,105</u> =====	<u>£71,038</u> =====

Assets held under hire purchase agreements are secured under those agreements.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

TANGIBLE FIXED ASSETS (continued)

The cost and net book value of freehold and leasehold property, calculated on the basis of historical cost, was as follows:

	1992	1991
	£	£
Cost	715,539	465,341
Depreciation	59,944	34,072
	<u>£655,595</u>	<u>£431,869</u>
	=====	=====

11. DEBTORS

	1992	1991
	£	£
Trade debtors	75,320	149,409
Other debtors	168,880	144,358
Prepayments and accrued income	28,764	30,804
	<u>£272,964</u>	<u>£324,571</u>
	=====	=====

12. CREDITORS: Amounts falling due within one year

	1992	1991
	£	£
Bank loans and overdrafts	233,989	262,565
Trade creditors	186,010	129,654
Corporation tax	41,710	16,994
Other taxes & social security costs	100,522	153,078
Obligations under H.P/finance leases	112,437	115,268
Other creditors	337,798	48,904
Accruals and deferred income	48,483	79,148
	<u>£1,060,949</u>	<u>£805,611</u>
	=====	=====

The security for and repayment terms of bank loans and overdrafts are given in the following note.

13. CREDITORS: Amounts falling due after more than one year

	1992	1991
	£	£
Bank loans	579,444	627,320
Obligations under H.P/finance leases	15,598	56,986
	<u>£595,042</u>	<u>£684,306</u>
	=====	=====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

13. CREDITORS: Amounts falling due after more than one year

Bank loans and overdrafts includes two loans repayable by monthly instalments, inclusive of interest, over five and fifteen years. Interest is payable on the five year loan at 4% over the Midland Bank plc base rate and on the fifteen year loan at 3% over the Bank of Scotland plc base rate.

The capital element of the loans falling due for repayment is as follows:

	1992 £	1991 £
Due between two and five years	278,535	233,390
Due after five years	300,909	393,930
	<u>£579,444</u> =====	<u>£627,320</u> =====

Bank borrowings are secured by fixed and floating charges over the assets of the company.

14. DEFERRED TAX

At 30th September the total potential liability for deferred taxation together with the amount provided was as follows:

	Total Potential Liability		Amount Provided	
	1992	1991	1992	1991
	£	£	£	£
Short term timing differences	7,500	2,750	7,500	2,750
Accelerated capital allowances	29,072	31,329	-	-
Capital gains	239,772	261,572	-	-
	<u>£276,344</u> =====	<u>£295,651</u> =====	<u>£7,500</u> =====	<u>£2,750</u> =====

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS AND FINANCE LEASES

Future commitments under hire purchase agreements and finance leases are as follows:

	1992 £	1991 £
Total amounts payable:		
- within 1 year	112,437	115,268
- between 2 and 5 years	15,598	56,986
	<u>£128,035</u> =====	<u>£172,254</u> =====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

16. COMMITMENTS UNDER NON-CANCELLABLE OPERATING LEASES

The company has annual commitments under operating leases as follows:

	1992		1991	
	Land and Buildings £	Other Items £	Land and Buildings £	Other Items £
Agreements expiring:				
- within 1 year	-	-	-	506
- between 2 and 5 years	-	2,329	-	2,229
- after more than 5 years	121,250	-	101,000	-
	<u>£121,250</u>	<u>£2,329</u>	<u>£101,000</u>	<u>£2,735</u>
	=====	=====	=====	=====

17. TRANSACTIONS WITH DIRECTORS

Material Interests of Directors

The company's lettings business was transferred to Mr J M Hunt as proprietor with effect from 1 October 1990, the consideration being £230,000 in respect of goodwill less net liabilities taken over at book values as follows:

	£
Trade debtors	250,224
Trade creditors	(563,575)
Bank balances	257,639
	<u>£ (55,712)</u>
	=====

After writing off deferred revenue expenditure the company's surplus on the transfer before taxation was £195,395. The directors intend to obtain roll over relief on the capital gain by reinvesting the proceeds.

During the year management charges were received from J.M. Hunt as proprietor of the lettings business amounting to £674,253.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1992

18. SHARE CAPITAL

	1992		1991	
	Number	£	Number	£
AUTHORISED SHARE CAPITAL				
Ordinary Shares of £1.00 each	50,000	50,000	50,000	50,000
	=====	=====	=====	=====
ALLOTTED, ISSUED AND FULLY PAID				
Ordinary Shares of £1.00 each	10,000	10,000	10,000	10,000
	=====	=====	=====	=====

19. REVALUATION RESERVE

There has not been any movement on the Revaluation Reserve during the year.

20. CAPITAL COMMITMENTS

At 30th September 1992 there were no outstanding commitments for capital expenditure (1991:£nil).

21. CONTINGENT LIABILITIES

At 30th September 1992 the company had no material contingent liabilities (1991:£nil).