

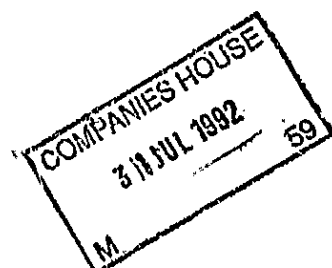
FOXTONS LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 30TH SEPTEMBER 1991

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 1991

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FOXTONS LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 30TH SEPTEMBER 1991

The directors present their report and the audited accounts for the year ended 30th September 1991.

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

	Ordinary shares of £1.00 each	
	1991	1990
J M Hunt	10,000	10,000
S J Cusack	-	-

FIXED ASSETS

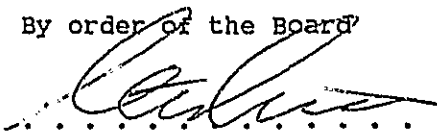
Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

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., who were appointed during the year, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the Board


S J Cusack
Secretary

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

Date.

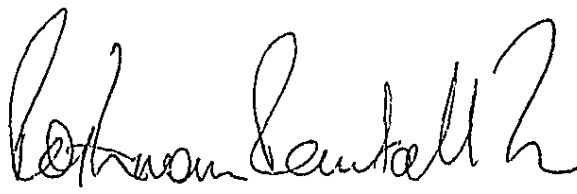
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AUDITORS' REPORT TO THE MEMBERS OF
FOXTONS LIMITED
FOR THE YEAR ENDED 30TH SEPTEMBER 1991

We have audited the accounts on pages 3 to 13 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 1991 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30 July 1992
Date.


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

FOXFONS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH SEPTEMBER 1991

	Note	1991 £	1990 £
TURNOVER	2	1,870,927	2,548,220
Cost of sales		(115,695)	(331,722)
GROSS PROFIT		<u>1,755,232</u>	<u>2,216,498</u>
Administrative expenses		(433,300)	(490,191)
Exceptional items	3	-	(51,345)
Other operating charges		(1,340,341)	(1,584,862)
Other operating income	4	4,717	-
OPERATING (LOSS)/PROFIT	5	<u>(13,692)</u>	<u>90,100</u>
Interest receivable and similar income	7	-	13,730
Interest payable and similar charges	8	(171,980)	(231,170)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(185,672)</u>	<u>(127,293)</u>
Taxation on (loss) on ordinary activities	9	17,406	10,336
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(168,266)</u>	<u>(116,957)</u>
Extraordinary items	10	195,395	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>27,129</u>	<u>(116,957)</u>
(DEFICIT)/RETAINED PROFIT BROUGHT FORWARD		(48,991)	67,966
(DEFICIT) CARRIED FORWARD		<u>£(21,862)</u> =====	<u>£(48,991)</u> =====

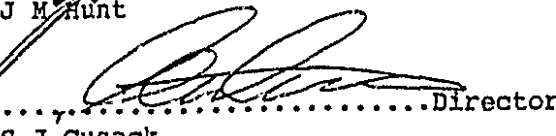
The notes on pages 5 to 13 form part of these accounts.

FOXTONS LIMITEDBALANCE SHEET30TH SEPTEMBER 1991

	Note	1991		1990	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	11		353,906		475,151
Tangible Assets	12		1,232,035		1,398,738
			<u>1,585,941</u>		<u>1,873,889</u>
CURRENT ASSETS					
Debtors	13	324,571		710,863	
Cash at Bank and in Hand		193		257,792	
		<u>324,764</u>		<u>968,645</u>	
CREDITORS: Amounts falling due within one year	14	(805,611)		(1,663,870)	
NET CURRENT (LIABILITIES)			<u>(480,847)</u>		<u>(695,225)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,105,094		1,178,664
CREDITORS: Amounts falling due after more than one year	15		(684,306)		(766,755)
PROVISIONS FOR LIABILITIES AND CHARGES:					
Deferred Taxation	16		(2,950)		(21,000)
NET ASSETS			<u>£418,038</u>		<u>£390,909</u>
			<u>=====</u>		<u>=====</u>
CAPITAL AND RESERVES					
Share Capital	20		10,000		10,000
Revaluation Reserve	21		429,900		429,900
Profit and Loss Account			(21,862)		(48,991)
			<u>£418,038</u>		<u>£390,909</u>
			<u>=====</u>		<u>=====</u>

Approved by the Board of Directors on 30 July 1992 and signed on their behalf by:

 Director
J M Hunt

 Director
S J Cusack

The notes on pages 5 to 13 form part of these accounts.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

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.

In accordance with Financial Reporting Standard No.1 the company is exempt from the requirement to present a cashflow statement.

TURNOVER

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

DEFERRED EXPENDITURE

The expenditure costs associated with the initial development of new offices are capitalised and amortised over a period of five years.

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	20%
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.

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.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

2. TURNOVER

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

3. EXCEPTIONAL ITEMS

The operating loss is stated after the following exceptional items:

	1991 £	1990 £
Bad debt written off	-	51,345
	=====	=====

4. OTHER OPERATING INCOME

	1991 £	1990 £
Other operating income	4,717	-
	=====	=====

5. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	1991 £	1990 £
Directors' emoluments for:		
- Services as directors	43,189	46,480
Amortisation	86,640	119,038
Depreciation	188,992	209,938
(Profit) on disposals of fixed assets	(1,371)	(35,629)
Auditors' remuneration	4,000	7,500
Operating lease charges:		
Plant and equipment	3,518	3,518
Other leases	101,000	101,000
	=====	=====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

6. PARTICULARS OF STAFF

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

	1991 £	1990 £
Wages and Salaries	545,585	813,277
Social Security Costs	51,517	82,202
Other Pension Costs	2,000	20,250
	<u>£599,102</u> =====	<u>£915,729</u> =====

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

	1991	1990
Administration and Management	11	11
Sales	17	25
	<u>28</u> =====	<u>36</u> =====

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	1991 £	1990 £
Bank interest receivable	-	13,730
	<u>=====</u>	<u>=====</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	1991 £	1990 £
Interest payable on bank overdrafts	131,715	180,027
HP interest and finance leases charges	35,986	51,096
Other similar charges payable	4,279	-
	<u>£171,980</u> =====	<u>£231,123</u> =====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

9. TAXATION ON (LOSS) ON ORDINARY ACTIVITIES

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

	1991 £	1990 £
Current year corporation tax at 25%	844	16,164
(Decrease) in deferred tax provision	(18,250)	(26,500)
	<u>£(17,406)</u>	<u>£(10,336)</u>
	=====	=====

10. EXTRAORDINARY ITEMS

The extraordinary item consists of the profit on disposal of the lettings business of the company (see note 19).

11. INTANGIBLE FIXED ASSETS

	Goodwill £	Deferred expenditure £	Total £
COST/VALUATION:			
Balance Brought Forward	490,000	274,710	764,710
Additions at Cost	-	-	-
Disposals at Cost	-	(86,513)	(86,513)
Balance Carried Forward	<u>490,000</u>	<u>188,197</u>	<u>678,197</u>
	=====	=====	=====
AMORTISATION:			
Balance Brought Forward	98,000	191,559	289,559
Depreciation on disposals	-	(51,908)	(51,908)
Depreciation charge	49,000	37,640	86,640
Balance Carried Forward	<u>147,000</u>	<u>177,291</u>	<u>324,291</u>
	=====	=====	=====
NET BOOK VALUE:			
At 30th September 1991	<u>£343,000</u>	<u>£10,906</u>	<u>£353,906</u>
	=====	=====	=====
At 1st October 1990	<u>£392,000</u>	<u>£83,151</u>	<u>£475,151</u>
	=====	=====	=====

FOXTONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Short L'holds & Improvets £	Fixtures, Fittings & Equipment £	Motor Vehicles £	TOTAL £
COST/VALUATION					
Balance B/Fwd	828,119	270,305	453,231	361,048	1,912,703
Additions	-	10,000	40,630	58,625	109,255
Disposals	-	-	-	(155,115)	(155,115)
Balance C/Fwd	<u>828,119</u>	<u>280,305</u>	<u>493,861</u>	<u>264,558</u>	<u>1,866,843</u>
DEPRECIATION					
Balance B/Fwd	16,562	30,070	298,990	168,342	513,964
Eliminated on disposals	-	-	-	(70,979)	(70,979)
Charge for year	13,731	16,476	92,645	66,140	188,992
Revaluation	2,831	-	-	-	2,831
Balance C/Fwd	<u>33,124</u>	<u>46,546</u>	<u>391,635</u>	<u>163,503</u>	<u>634,808</u>
NET BOOK VALUE					
This year	<u>£794,995</u>	<u>£233,759</u>	<u>£102,226</u>	<u>£101,055</u>	<u>£1,232,035</u>
Last year	<u>£811,557</u>	<u>£240,235</u>	<u>£154,241</u>	<u>£192,706</u>	<u>£1,398,739</u>

Included in the above figures are assets held under hire purchase agreements:

	1991	1990
	NBV	NBV
	£	£
Plant and Equipment	<u>137,105</u>	<u>291,942</u>

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

	1991	1990
	£	£
Cost	465,941	455,941
Depreciation	34,072	20,341
	<u>£431,869</u>	<u>£435,600</u>

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

13. DEBTORS

	1991 £	1990 £
Trade debtors	149,409	492,219
Other debtors	144,358	147,350
Prepayments and accrued income	30,804	71,294
	<u>£324,571</u>	<u>£710,863</u>
	=====	=====

14. CREDITORS: Amounts falling due within one year

	1991 £	1990 £
Bank loans and overdrafts	262,565	238,952
Trade creditors	129,654	292,858
Corporation tax	16,994	16,153
Other taxes & social security costs	153,078	264,568
Obligations under H.P/finance leases	115,268	156,206
Other creditors	48,904	610,107
Accruals and deferred income	79,148	85,029
	<u>£805,611</u>	<u>£1,663,870</u>
	=====	=====

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

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

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

	1991	1990
	£	£
Bank loans	627,320	572,381
Obligations under H.P/finance leases	56,986	117,374
Other creditors	-	77,000
	<u>£684,306</u>	<u>£766,755</u>
	=====	=====

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:

	1991	1990
	£	£
Due between two and five years	233,390	39,864
Due after five years	393,930	532,517
	<u>£627,320</u>	<u>£572,381</u>
	=====	=====

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

16. DEFERRED TAX

The total potential liability for deferred taxation together with the amount provided was as follows:

	Total Potential Liability		Amount Provided	
	1991	1990	1991	1990
	£	£	£	£
Short term timing differences	2,750	21,000	2,750	21,000
Capital gains	261,572	218,000	-	-
	<u>£264,322</u>	<u>£239,000</u>	<u>£2,750</u>	<u>£21,000</u>
	=====	=====	=====	=====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS AND FINANCE LEASES

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

	1991 £	1990 £
Total amounts payable:		
- within 1 year	115,268	156,206
- between 2 and 5 years	56,986	117,374
	<u>£172,254</u>	<u>£273,580</u>
	=====	=====

18. COMMITMENTS UNDER NON-CANCELLABLE OPERATING LEASES

The company has annual commitments under operating leases as follows:

	1991		1990	
	Land and Buildings £	Other Items £	Land and Buildings £	Other Items £
Agreements expiring:				
- within 1 year	-	506	-	-
- between 2 and 5 years	-	2,229	-	2,735
- after more than 5 years	101,000	-	101,000	-
	<u>£101,000</u>	<u>£2,735</u>	<u>£101,000</u>	<u>£2,735</u>
	=====	=====	=====	=====

19. 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 £464,557.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1991

20. SHARE CAPITAL

	1991		1990	
	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
	=====	=====	=====	=====

21. REVALUATION RESERVE

There has not been any movement on the revaluation reserve during the year.

22. CAPITAL COMMITMENTS

At 30th September 1991 there were no outstanding commitments for capital expenditure (1990:fnil).

23. CONTINGENT LIABILITIES

At 30th September 1991 the company had no material contingent liabilities (1990:fnil).