

FOXTONS LIMITED

REPORT AND ACCOUNTS

PERIOD ENDED 31ST DECEMBER 1997

SIGNED COPY

Clareville House
26/27 Oxendon Street
London SW1Y 4EP

ROTHMAN PANTALL & CO.
Chartered Accountants



FOXTONS LIMITED

REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31ST DECEMBER 1997

CONTENTS	PAGE
Report of the Directors	1 to 2
Statement of Directors' Responsibilities	3
Auditors' Report to the Members	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Accounts	8 to 17

FOXTONS LIMITEDREPORT OF THE DIRECTORSFOR THE PERIOD ENDED 31ST DECEMBER 1997

The directors present their report and the audited accounts for the period ended 31st December 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company in the period under review was the business of estate and lettings agents.

On 1st October 1996 the company acquired the lettings operation from J M Hunt. The acquisition of this operation combined with the company's continuing policy of expansion through opening new offices has resulted in a significant increase in the trading base of the company. There have been no significant post balance sheet developments.

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

RESULTS AND DIVIDENDS

The results for the period are given on page 5 of the accounts.

The following dividends have been paid during the period:

	1997	1996
	£	£
Dividends on ordinary shares	1,893,292	-
	=====	=====

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARES

The directors who served during the period (none of whom had any interest in the share capital of the company) were as follows:

J M Hunt
S J Cusack (resigned 27 June 1997)
P J L Rollings

The interests of the directors in the share capital of the ultimate parent company, Heven Holdings Limited, are given in the accounts of that company.

THE MILLENIUM

The directors are implementing procedures to minimise the risks to the company inherent in the use of electronic media, by both the company and its third parties, in the approach to the year 2000. The costs associated with this are not expected to be material and will simply result in an acceleration of necessary expenditure.

FOXTONS LIMITED

REPORT OF THE DIRECTORS (continued)

FOR THE PERIOD ENDED 31ST DECEMBER 1997

AUDITORS

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

REGISTERED OFFICE
92 Park Lane
London
W1Y 4EJ

By order of the Board

..... *R. Gipson*
R Gipson
Secretary

Date. . . 30/4/99.

FOXTONS LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIESFOR THE PERIOD ENDED 31ST DECEMBER 1997

It is the responsibility of the directors to prepare financial statements for each period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for the period. In preparing those financial statements the directors are required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv) 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 maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS OF**FOXTONS LIMITED****FOR THE PERIOD ENDED 31ST DECEMBER 1997**

We have audited the accounts on pages 5 to 17 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, have been consistently applied and adequately disclosed.

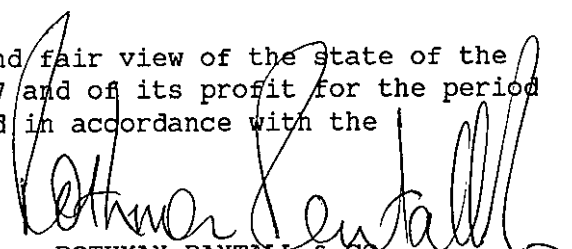
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Date

30 April 1999



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

FOXTONS LIMITEDPROFIT AND LOSS ACCOUNTPERIOD ENDED 31ST DECEMBER 1997

	Note	1997 £	1997 £	1996 £
TURNOVER	2			
Continuing operations		10,042,787		4,962,495
Acquisitions		4,278,420		-
		<hr/>	14,321,207	<hr/> 4,962,495
Administrative expenses			(3,326,096)	(1,271,567)
Other operating charges			(9,395,875)	(4,491,413)
			<hr/>	<hr/>
OPERATING PROFIT/(LOSS)	3			
Continuing operations		1,509,496		(800,485)
Acquisitions		89,740		
		<hr/>	1,599,236	
Exceptional items	6		1,939,335	-
Interest receivable and similar income	7		110,917	1,864
Profit on disposal of fixed assets			213,718	123,645
Interest payable and similar charges	8		(178,650)	(56,069)
			<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			3,684,556	(731,045)
Taxation on profit/(loss) on ordinary activities	9		(1,327,102)	217,655
			<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	10		2,357,454	(513,390)
RETAINED PROFIT BROUGHT FORWARD			1,594,098	2,107,488
Dividends	11		(1,893,292)	-
			<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD			£2,058,260	£1,594,098
			=====	=====

There are no recognised gains or losses for either of the two financial periods other than the profit/(loss) shown above.

There were no discontinued activities during either of the above financial periods and no acquisitions in the previous period.

The notes on pages 8 to 17 form part of these accounts.

FOXTONS LIMITEDBALANCE SHEET31ST DECEMBER 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	12		1,198,603		319,866
Tangible Assets	13		2,881,269		2,141,199
Investments	14		522,453		-
			<u>4,602,325</u>		<u>2,461,065</u>
CURRENT ASSETS					
Debtors:					
Falling due within one year	15		1,556,004		1,137,645
Falling due after more than one year	15		1,763,223		872,943
Cash at Bank and in Hand			-		4,230
			<u>3,319,227</u>		<u>2,014,818</u>
CREDITORS: Amounts falling due within one year	16		(5,342,782)		(2,384,312)
NET CURRENT (LIABILITIES)			<u>(2,023,555)</u>		<u>(369,494)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,578,770</u>		<u>2,091,571</u>
CREDITORS: Amounts falling due after more than one year	17		(292,644)		(309,433)
PROVISIONS FOR LIABILITIES AND CHARGES:					
Deferred Taxation	18		(113,042)		(73,216)
NET ASSETS			<u>£2,173,084</u> =====		<u>£1,708,922</u> =====
CAPITAL AND RESERVES					
Share Capital	21		10,000		10,000
Revaluation Reserve	22		104,824		104,824
Profit and Loss Account			2,058,260		1,594,098
TOTAL SHAREHOLDERS FUNDS	10		<u>£2,173,084</u> =====		<u>£1,708,922</u> =====

Approved by the Board of Directors on...**30.4.99**...and signed on their behalf by:

..... Director
J M Hunt

..... Director
P J L Rollings

The notes on pages 8 to 17 form part of these accounts.

FOXTONS LIMITEDCASH FLOW STATEMENTFOR THE PERIOD ENDED 31ST DECEMBER 1997

	1997		1996	
	£	£	£	£
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit/(loss)	1,599,236		(800,485)	
Amortisation charges	458,352		264,190	
Depreciation charges	890,916		495,347	
(Increase)/Decrease in debtors	(1,308,639)		851,770	
Increase in creditors	3,505,973		40,525	
NET CASH INFLOW		5,145,838		851,347
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	110,917		174	
Interest paid	(4,864)		(3,095)	
Interest element of hire purchase and finance lease charges	(71,257)		(43,882)	
Other similar charges	(56,487)		(8,834)	
		(21,691)		(55,637)
TAXATION				
Corporation tax paid (including ACT)	(9,088)		(423,668)	
		(9,088)		(423,668)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire				
Intangible fixed assets	(1,337,089)		(260,400)	
Tangible fixed assets	(2,218,532)		(1,932,503)	
Fixed asset investments	(522,453)		-	
Receipts from sales of Tangible fixed assets	801,265		807,464	
		(3,276,809)		(1,385,439)
EQUITY DIVIDENDS PAID		(1,893,292)		-
NET CASH (OUTFLOW) BEFORE FINANCING		(55,042)		(1,013,397)
FINANCING				
Capital element of hire purchase and finance lease payments	(42,599)		452,626	
		(42,599)		452,626
(DECREASE) IN CASH		£(97,641)		£(560,771)
		=====		=====

ANALYSIS OF CHANGES IN NET DEBT

	1997	Change in year	1996
	£	£	£
Cash at bank and in hand	-	(4,230)	4,230
Bank overdraft	(742,390)	(93,411)	(648,979)
	£(742,390)	£(97,641)	£(644,749)
	=====	=====	=====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION AND BASIS OF PREPARATION

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 costs associated with the initial development of new offices are capitalised and amortised over a period of two 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	50%
Leasehold Property	Over the term of each lease
Fixtures & Fittings	20% to 25%
Office Equipment	20% to 25%
Motor Vehicles	25%
Computer Equipment	25%

GOODWILL

Purchased goodwill representing the difference between the fair value of the assets acquired and the consideration paid is capitalised in the accounts and is written off to the profit and loss account over the period of its estimated useful life.

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.

FINANCE LEASE AGREEMENTS

Assets held under finance leases where substantially all of the benefits and risks of ownership accrue to the Company, are capitalised and disclosed under tangible fixed assets at their fair value. The assets are depreciated over the shorter of the lease term or their useful economic life. The capital element of the future payments is treated as a liability. The total finance charge for each lease is charged against profits so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

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.

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. The acquisition of the lettings operation has had a material impact on turnover, which has been divided in accordance with FRS3 on the face of the Profit and Loss Account.

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	1997 £	1996 £
Directors' emoluments	1,697,585	424,222
Amortisation	458,352	264,190
Depreciation	890,916	495,347
Auditors' remuneration	6,000	6,000
Operating lease charges:		
Plant and equipment	213,583	22,926
Property rental	893,750	447,777
	=====	=====

In accordance with FRS3, Turnover and Operating Profit for the current period are attributable to continuing and acquired operations as follows:

	Continuing Operations £	Acquired Operations £	Total £
Turnover	10,042,787	4,278,420	14,321,207
Administrative expenses	(1,911,606)	(1,414,490)	(3,326,096)
Other operating charges	(6,621,685)	(2,774,190)	(9,395,875)
Operating Profit	1,509,496	89,740	1,599,236
	=====	=====	=====

In the previous period, all amounts relate to continuing operations.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

4. PARTICULARS OF STAFF

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

	1997 £	1996 £
Wages and Salaries	5,987,803	2,064,983
Social Security Costs	550,733	257,035
	<u>£6,538,536</u>	<u>£2,322,018</u>
	=====	=====

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

	1997	1996
Administration and Management	47	41
Sales	111	82
	<u>158</u>	<u>123</u>
	=====	=====

5. DIRECTORS' REMUNERATION

Directors' remuneration, including pension contributions and benefits in kind, was as follows:

	1997 £	1996 £
Emoluments for services as directors	1,697,585	424,222
	<u>=====</u>	<u>=====</u>

Emoluments excluding pension contributions:

	1997 £	1996 £
Chairman and highest paid director	1,444,152	265,000
	<u>=====</u>	<u>=====</u>

The number of other directors whose emoluments, excluding pension contributions, were within the following ranges:

	1997	1996
£ 55,001 - 60,000	-	1
£ 90,001 - 95,000	1	-
£ 100,001 - 105,000	-	1
£ 160,001 - 165,000	1	-
	<u>=====</u>	<u>=====</u>

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

6. EXCEPTIONAL ITEMS

The exceptional credit in the current period relates to the reversal of management fee income for the year ended 30th September 1996 which was waived in that year. The charge by the company has been reinstated and so has been recognised as income in the current period. The tax effect of this exceptional credit has been included in the underprovision in prior years in note 9.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997 £	1996 £
Bank interest receivable	110,917	174
Other similar income receivable	-	1,690
	<u>£110,917</u> =====	<u>£1,864</u> =====

8. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Interest payable on bank overdrafts	5,614	3,345
HP interest and finance leases charges	71,257	43,882
Interest payable on overdue tax	67,352	-
Other similar charges payable	34,427	8,842
	<u>£178,650</u> =====	<u>£56,069</u> =====

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

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

	1997 £	1996 £
Current period corporation tax at 33%/33%	642,285	(224,167)
Under/(Over) provision in previous years	644,991	(8,410)
Increase in deferred tax provision	39,826	14,922
	<u>£1,327,102</u> =====	<u>£(217,655)</u> =====

The profit on disposal of fixed assets has no material effect on the company's charge to corporation tax for the period.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	1997 £	1996 £
Profit/(Loss) for the period	2,357,454	(513,390)
Dividends declared in period	(1,893,292)	-
Net movement on shareholders' funds	464,162	(513,390)
Opening shareholders' funds	1,708,922	2,222,312
Closing shareholders' funds	<u>£2,173,084</u> =====	<u>£1,708,922</u> =====

11. DIVIDENDS

The following dividends have been paid during the year:

	1997 £	1996 £
Dividends on ordinary shares	1,893,292 =====	- =====

12. INTANGIBLE FIXED ASSETS

	Goodwill £	Deferred Expenditure £	TOTAL £
COST			
Balance brought forward	490,000	754,900	1,244,900
Additions at cost	911,089	426,000	1,337,089
Disposals at cost	-	(494,499)	(494,499)
Balance carried forward	<u>1,401,089</u> =====	<u>686,401</u> =====	<u>2,087,490</u> =====
AMORTISATION			
Balance brought forward	392,000	533,034	925,034
Depreciation on disposals	-	(494,499)	(494,499)
Depreciation charge	175,136	283,216	458,352
Balance carried forward	<u>567,136</u> =====	<u>321,751</u> =====	<u>888,887</u> =====
NET BOOK VALUE			
Carried forward	<u>£833,953</u> =====	<u>£364,650</u> =====	<u>£1,198,603</u> =====
Brought forward	<u>£98,000</u> =====	<u>£221,866</u> =====	<u>£319,866</u> =====

FOXTONS LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

13. TANGIBLE FIXED ASSETS

	Short-term Leasehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	TOTAL £
COST/VALUATION				
Brought forward	1,202,966	845,607	1,307,235	3,355,808
Additions	472,307	559,744	1,186,481	2,218,532
Disposals	-	-	(939,133)	(939,133)
Carried forward	<u>1,675,273</u> =====	<u>1,405,351</u> =====	<u>1,554,583</u> =====	<u>4,635,207</u> =====
DEPRECIATION				
Brought forward	244,891	473,973	495,744	1,214,608
Eliminated on disposals	-	-	(351,586)	(351,586)
Charge for the period	112,535	293,717	484,664	890,916
Carried forward	<u>357,426</u> =====	<u>767,690</u> =====	<u>628,822</u> =====	<u>1,753,938</u> =====
NET BOOK VALUE				
Carried forward	<u>£1,317,847</u> =====	<u>£637,661</u> =====	<u>£925,761</u> =====	<u>£2,881,269</u> =====
Brought forward	<u>£958,075</u> =====	<u>£371,634</u> =====	<u>£811,491</u> =====	<u>£2,141,200</u> =====

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

	1997		1996	
	NBV	Depr'n Charge	NBV	Depr'n Charge
	£	£	£	£
Fixtures and Fittings	118,144	39,381	157,525	39,381
Motor Vehicles	806,662	312,700	765,199	282,041
	<u>£924,806</u> =====	<u>£352,081</u> =====	<u>£922,724</u> =====	<u>£321,422</u> =====

Liabilities due under hire purchase agreements are secured by those assets.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

TANGIBLE FIXED ASSETS (continued)

Included in the above figures are assets which have been revalued on an open market basis as follows:

Leasehold property revalued in 1989 £210,000

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

	1997	1996
	£	£
Cost	1,701,461	1,218,860
Depreciation	208,488	201,041
Net book value	£1,492,973 =====	£1,017,819 =====

14. FIXED ASSET INVESTMENTS

	1997	1996
	£	£
Investment in motor vehicles at cost	522,453 =====	- =====

Include in the above total are vehicles costing £118,686 which are subject to hire purchase contracts.

15. DEBTORS

	1997	1996
	£	£
Amounts falling due within one year:		
Trade debtors	1,044,869	864,659
Other debtors	96,964	109,066
Prepayments and accrued income	414,171	163,920
	£1,556,004 =====	£1,137,645 =====
Amounts falling due after more than one year:		
	£	£
Amounts owed by group undertakings	1,763,223 =====	872,943 =====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

16. CREDITORS: Amounts falling due within one year

	1997	1996
	£	£
Bank overdrafts	742,390	648,979
Trade creditors	664,859	397,522
Corporation tax	1,447,092	168,904
Other taxes & social security costs	476,051	323,435
Hire purchase and finance leases	526,482	552,292
Other creditors	360,093	17,651
Accruals and deferred income	1,125,815	275,529
	<u>£5,342,782</u>	<u>£2,384,312</u>
	=====	=====

Bank overdraft facilities are secured by a fixed and floating charge over the assets and undertakings of the company.

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

	1997	1996
	£	£
Hire purchase and finance leases	292,644	309,433
	<u>=====</u>	<u>=====</u>

18. DEFERRED TAX

At 31st December 1997 the total potential liability for deferred taxation together with the amount provided was as follows:

	Total Potential Liability		Amount Provided	
	1997	1996	1997	1996
	£	£	£	£
Short term timing differences	113,042	73,216	113,042	73,216
Accelerated capital allowances	-	(285,933)	-	-
	<u>£113,042</u>	<u>£(212,717)</u>	<u>£113,042</u>	<u>£73,216</u>
	=====	=====	=====	=====

Provision for deferred tax is made where it is probable that the asset or liability will crystallise in the foreseeable future.

19. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

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

	1997	1996
	£	£
Total amounts payable:		
- within 1 year	526,482	552,292
- between 2 and 5 years	292,644	309,433
	<u>£819,126</u>	<u>£861,725</u>
	=====	=====

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

20. COMMITMENTS UNDER NON-CANCELLABLE OPERATING LEASES

The company has annual commitments under operating leases as follows:

	1997		1996	
	Land and Buildings £	Other Items £	Land and Buildings £	Other Items £
Agreements expiring:				
- within 1 year	-	52,530	-	38,920
- between 2 and 5 years	-	105,516	-	26,050
- after more than 5 years	715,000	-	759,000	-
	<u>£715,000</u>	<u>£158,046</u>	<u>£759,000</u>	<u>£64,970</u>
	=====	=====	=====	=====

21. EQUITY SHARE CAPITAL

	1997		1996	
	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
	=====	=====	=====	=====

22. REVALUATION RESERVE

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

23. CAPITAL COMMITMENTS

At 31st December 1997 there were no outstanding commitments for capital expenditure (1996: £nil).

24. CONTINGENT LIABILITIES

At 31st December 1997 the company had undertaken to guarantee the bank borrowings of its ultimate parent company. At 31st December 1997 these borrowings amounted to £3,565,753 (1996: £1,478,615).

25. ULTIMATE PARENT COMPANY

The directors regard Heven Holdings Limited, a company registered in England and Wales, to be the company's ultimate parent company.

FOXTONS LIMITEDNOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST DECEMBER 1997

27. TRANSACTIONS WITH RELATED PARTIES

During the period the company made arms length transactions with related parties as follows:

Rent of £79,772 was charged to Alexander Hall Associates Limited, a company of which J M Hunt is a director and shareholder. This charge included refurbishment expenses recharged of £18,539.

Trading expenses were incurred on behalf of Jellybean Limited, a company of which J M Hunt is a director and shareholder. These costs were recharged in full and amounted to £41,591.

Material amounts due from these related parties at the balance sheet date were as follows:

	£
Alexander Hall Associates Limited	37,690
Jellybean Limited	41,591

On 1st October 1996, the company acquired the business and assets of Foxtons Lettings from Mr J M Hunt for net consideration of £742,336.