

No. 1680088.

FOXTONS LIMITED

MODIFIED REPORTS AND  
FINANCIAL STATEMENTS

30 SEPTEMBER 1988

PANNELL KERR FORSTER  
Chartered Accountants



FOXTONS LIMITED  
MODIFIED REPORTS AND FINANCIAL STATEMENTS  
30 SEPTEMBER 1988

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FOXTONS LIMITED  
AUDITORS' REPORT TO THE DIRECTORS  
IN ACCORDANCE WITH PARAGRAPH 10 OF  
SCHEDULE 8 OF THE COMPANIES ACT 1985

In our opinion the directors are entitled under Sections 247-249 of the Companies Act 1985 to deliver modified financial statements in respect of the year ended 30 September 1988, and the modified financial statements on pages 2 to 4 have been properly prepared in accordance with schedule 8 of that Act.

On 23 December 1988 we reported, as auditors of Foxtons Limited, to the members on the company's financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 30 September 1988 and our audit opinion was as follows:-

"We have audited the financial statements set out on pages 3 to 11. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraphs.

In common with many businesses of similar size and organisation, the company's system of control is dependent upon the close involvement of the directors, who are also the shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the above in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1988 and of its result and source and application of funds for the year then ended and comply with the Companies Act 1985."

*Pennell Kerr Foster*

Chartered Accountants

22 January 1990

FOXTONS LIMITED  
BALANCE SHEET  
30 SEPTEMBER 1988

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	Notes	£	1988 £	£	1987 £
<b>FIXED ASSETS</b>					
Intangible assets			431,685		430,166
Tangible assets			802,940		439,991
			<hr/>		<hr/>
			1,234,625		870,157
<b>CURRENT ASSETS</b>					
Debtors		913,889		286,170	
Cash at bank and in hand	2	183,380		-	
		<hr/>		<hr/>	
			1,097,269	286,170	
<b>CREDITORS - Amounts falling due within one year</b>					
Bank loans and overdrafts		168,738		766,448	
Other creditors		850,846		114,037	
Corporation tax		127,000		-	
		<hr/>		<hr/>	
			1,146,584	880,485	
<b>NET CURRENT LIABILITIES</b>					
			(49,315)		(594,315)
<b>CREDITORS - Amounts falling due after more than one year</b>					
			1,185,310		275,842
			(434,907)		(240,761)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Deferred taxation			(134,000)		(41,000)
			<hr/>		<hr/>
			616,403		(5,919)
<b>REPRESENTED BY</b>					
Share capital	3		10,000		2
Profit and loss account			394,987		(5,921)
Revaluation reserve			211,416		-
			<hr/>		<hr/>
			616,403		(5,919)
			<hr/>		<hr/>

I have relied on Sections 247 to 249 of the Companies Act 1985 as entitling us to deliver modified financial statements on the grounds that the company is entitled to the benefit of these sections as a small company.

Approved by the board on 17th January 1990

Director

1 ACCOUNTING POLICIES

(a) Accounting convention

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

(b) Turnover

Turnover represents commissions receivable on exchange of contracts, excluding value added tax. Should completion of any contracts not take place appropriate provision for credit notes is made.

(c) Depreciation

Depreciation is provided at the following annual rates in order to write off the cost of each asset on a straight line basis over its estimated useful life:

Property improvements	- 20% per annum
Motor vehicles	- 25% per annum
Furniture, fixtures and office equipment	- 20% to 33 <sup>1</sup> / <sub>3</sub> % per annum
Computer	- 25% to 50% per annum

(d) Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

(e) Assets acquired under lease contracts and hire purchase agreements

Assets acquired under finance leases and hire purchase agreements are capitalised in the year of purchase. The finance charge element of these agreements is written off over the period of the agreement according to the capital balance outstanding. Assets acquired under operating leases are not capitalised. Operating lease rentals are charged to the profit and loss account in the period to which they relate.

(f) Deferred revenue expenditure

Expenditure on new branches or projects for the accounting period in which they are initiated less any related income in that period is written off in equal instalments over a period of five years.

FOXTONS LIMITED  
 NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
 YEAR ENDED 30 SEPTEMBER 1988

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2 BANK LOANS AND OVERDRAFTS

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

3 SHARE CAPITAL

	<u>1988</u>	<u>1987</u>
	£	£
Authorised:		
50,000 Ordinary shares of £1 each	50,000	1,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
10,000 Ordinary shares of £1 each	10,000	2
	<hr/>	<hr/>

During the year the authorised share capital was increased from £1,000 to £50,000 and 9,998 ordinary shares of £1 were issued at par to broaden the company's base.