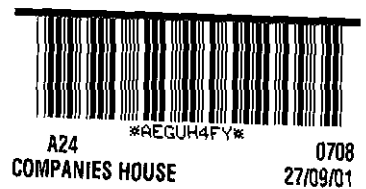


Company Registration No. 1680058 (England and Wales)

FOXTONS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

SIGNED COPY



FOXTONS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | J M Hunt P J L Rollings |
| Secretary | R Gipson |
| Company number | 1680058 |
| Registered office | Building One Chiswick Business Park London W4 5BE |
| Auditors | Rothman Pantall & Co Clareville House 26/27 Oxendon Street London SW1Y 4EP |
| Business address | Building One Chiswick Business Park London W4 5BE |
| Bankers | National Westminster Bank Plc 176 London Road Portsmouth Hants PO2 9DR |
| Solicitors | Mishcon de Reya 21 Southampton Row London WC1B 5HS |

FOXTONS LIMITED

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FOXTONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities and review of the business

The principal activity of the company continued to be that of estate and lettings agents.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

An ordinary dividend of £4,126,893 has been paid during the year (1999 - £5,100,000).

Post balance sheet events

Post balance sheet events are disclosed in note 25 of the financial statements.

Directors

The following directors have held office since 1 January 2000:

J M Hunt
P J L Rollings

Directors' interests

The directors' interests in the shares of the company, including spouse's interest as required by the Companies Act, were as stated below:

| | 31 December 2000 | Ordinary of £ 1 each 1 January 2000 |
|----------------|------------------|--|
| J M Hunt | - | - |
| P J L Rollings | - | - |

The interests of J M Hunt in the issued shares of the holding company, Heven Holdings Limited, are shown in the accounts of that company.

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Rothman Pantall & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

FOXTONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

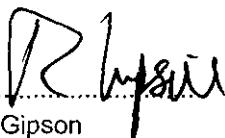
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board


.....

R Gipson

Secretary

15 August 2001

FOXTONS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF FOXTONS LIMITED

We have audited the financial statements on pages 4 to 15 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 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rothman Pantall & Co

Chartered Accountants
Registered Auditor

15 August 2001

Clareville House
26/27 Oxendon Street
London
SW1Y 4EP

FOXTONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

| | Notes | 2000 £ | 1999 £ |
|--|-----------|-------------------|-------------------|
| Turnover | 2 | | |
| Continuing operations | | 27,909,467 | 23,919,708 |
| Discontinued activities | | 683,510 | 483,226 |
| | | <u>28,592,977</u> | <u>24,402,934</u> |
| Administrative expenses | | (19,059,092) | (15,593,832) |
| | | <u></u> | <u></u> |
| Operating profit | 4 | | |
| Continuing operations | | 9,288,205 | 8,647,620 |
| Discontinued activities | | 245,680 | 161,482 |
| | | <u>9,533,885</u> | <u>8,809,102</u> |
| Other interest receivable and similar income | 5 | 500,461 | 230,736 |
| Interest payable and similar charges | 6 | (28,156) | (315,726) |
| | | <u></u> | <u></u> |
| Profit on ordinary activities before taxation | | 10,006,190 | 8,724,112 |
| Tax on profit on ordinary activities | 7 | (2,866,827) | (3,061,095) |
| | | <u></u> | <u></u> |
| Profit on ordinary activities after taxation | | 7,139,363 | 5,663,017 |
| Dividends | 8 | (4,126,893) | (5,100,000) |
| | | <u></u> | <u></u> |
| Retained profit for the year | 16 | <u>3,012,470</u> | <u>563,017</u> |

There are no recognised gains and losses other than those passing through the profit and loss account.

FOXTONS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

| | Notes | 2000 £ | £ | 1999 £ | £ |
|--|-------|--------------------|------------------|--------------------|---|
| Fixed assets | | | | | |
| Intangible assets | 9 | 690,000 | | 614,985 | |
| Tangible assets | 10 | 8,217,244 | | 4,607,024 | |
| Investments | 11 | 5,000 | | - | |
| | | <u>8,912,244</u> | | <u>5,222,009</u> | |
| Current assets | | | | | |
| Debtors: amounts falling due within one year | 12 | 5,295,689 | 3,628,806 | | |
| Debtors: amounts falling due after more than one year | 12 | 1,173,485 | 4,411,259 | | |
| Cash at bank and in hand | | 269,856 | - | | |
| | | <u>6,739,030</u> | <u>8,040,065</u> | | |
| Creditors: amounts falling due within one year | 13 | (11,391,020) | (11,836,393) | | |
| Net current liabilities | | <u>(4,651,990)</u> | | <u>(3,796,328)</u> | |
| Total assets less current liabilities | | <u>4,260,254</u> | | <u>1,425,681</u> | |
| Creditors: amounts falling due after more than one year | 14 | (3,396) | (181,293) | | |
| | | <u>4,256,858</u> | <u>1,244,388</u> | | |
| Capital and reserves | | | | | |
| Called up share capital | 15 | 10,000 | 10,000 | | |
| Revaluation reserve | 16 | 104,824 | 104,824 | | |
| Profit and loss account | 16 | 4,142,034 | 1,129,564 | | |
| Shareholders' funds - equity interests | 17 | <u>4,256,858</u> | <u>1,244,388</u> | | |

The financial statements were approved by the Board on 15 August 2001


M. Hunt
Director


P J L Rollings
Director

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a 100 per cent subsidiary of Heven Holdings Limited and therefore over 90 per cent of the voting rights of the company are controlled within the group. Consolidated financial statements in which the company is included are publicly available.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. Currently goodwill is being written off over 10 years.

1.5 Development expenditure

The expenditure associated with the initial development of new offices is capitalised and amortised over a period of two years. No such expenditure was incurred in the current year.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|-----------------------------|
| Short-term leasehold property | Over the term of the lease. |
| Fixtures, fittings & equipment | 20% - 25% straight line |
| Motor vehicles | 25% straight line |

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Cost of sales and net operating expenses

| | 2000 | | | 1999 | | |
|-------------------------|------------|--------------|------------|------------|--------------|------------|
| | Continuing | Discontinued | Total | Continuing | Discontinued | Total |
| | £ | £ | £ | £ | £ | £ |
| Administrative expenses | 18,621,262 | 437,830 | 19,059,092 | 15,272,088 | 321,744 | 15,593,832 |

On 1 January 2000 the company sold the trade of Worldwide Apartments, a division of Foxtons Limited, to fellow subsidiary company Nothotels.com Limited for £10,000. This is included within turnover of continuing operations.

The turnover of Worldwide Apartments in 1999 was £235,363 and the operating loss was £53,983. The impact of the sale on the profit and loss account of the company is not considered to be material in the context of the financial statements as a whole and therefore the results of Worldwide Apartments have not been disclosed within discontinued activities.

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

| | | | |
|----------|---|-------------------|-------------------|
| 4 | Operating profit | 2000 | 1999 |
| | | £ | £ |
| | Operating profit is stated after charging: | | |
| | Amortisation of intangible assets | 213,895 | 216,609 |
| | Depreciation of tangible assets | 1,236,339 | 1,012,724 |
| | Operating lease rentals | 913,738 | 785,500 |
| | Auditors' remuneration | 13,000 | 13,000 |
| | Remuneration of auditors for non-audit work | 15,625 | 41,219 |
| | | <u> </u> | <u> </u> |
| 5 | Other interest receivable and similar income | 2000 | 1999 |
| | | £ | £ |
| | Bank interest | 474,256 | 229,203 |
| | Other interest | 26,205 | 1,533 |
| | | <u> </u> | <u> </u> |
| | | 500,461 | 230,736 |
| | | <u> </u> | <u> </u> |
| 6 | Interest payable | 2000 | 1999 |
| | | £ | £ |
| | On bank loans and overdrafts | 21,349 | 1,129 |
| | Hire purchase interest | 46,051 | 52,826 |
| | On overdue tax | (40,268) | 261,771 |
| | | <u> </u> | <u> </u> |
| | | 28,156 | 315,726 |
| | | <u> </u> | <u> </u> |
| 7 | Taxation | 2000 | 1999 |
| | | £ | £ |
| | U.K. current year taxation | | |
| | U.K. corporation tax at 30% (1999 - 30%) | 3,018,570 | 3,100,000 |
| | Contribution made to group company in respect of loss surrendered | 534,721 | 243,553 |
| | Tax benefit of loss surrendered | (534,721) | (243,553) |
| | Deferred taxation | - | (38,905) |
| | | <u> </u> | <u> </u> |
| | | 3,018,570 | 3,061,095 |
| | Prior years | | |
| | U.K. corporation tax | (151,743) | - |
| | | <u> </u> | <u> </u> |
| | | 2,866,827 | 3,061,095 |
| | | <u> </u> | <u> </u> |

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

| 8 | Dividends | 2000 | 1999 |
|---|-------------------------|-------------------|-------------------|
| | | £ | £ |
| | Ordinary paid | 4,126,893 | 5,100,000 |
| | | <u> </u> | <u> </u> |
| | | | |
| 9 | Intangible fixed assets | Goodwill | |
| | | £ | |
| | Cost | | |
| | At 1 January 2000 | | 911,089 |
| | Additions | | 288,911 |
| | | | <u> </u> |
| | At 31 December 2000 | | 1,200,000 |
| | | | <u> </u> |
| | Amortisation | | |
| | At 1 January 2000 | | 296,104 |
| | Charge for year | | 213,896 |
| | | | <u> </u> |
| | At 31 December 2000 | | 510,000 |
| | | | <u> </u> |
| | Net book value | | |
| | At 31 December 2000 | | 690,000 |
| | | | <u> </u> |
| | At 31 December 1999 | | 614,985 |
| | | | <u> </u> |

The additions in the year relate to the finalisation of the transfer value of the lettings business. The lettings operation was acquired from Mr J M Hunt in the period ended 31 December 1997 and originally valued at £911,089. The market value at the time of acquisition has subsequently been agreed at £1,200,000.

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

10 Tangible fixed assets

| | Short-term leasehold property £ | Fixtures, fittings & equipment £ | Motor vehicles £ | Total £ |
|--------------------------|--|---|------------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2000 | 2,838,268 | 1,897,867 | 2,584,066 | 7,320,201 |
| Additions | 876,883 | 2,005,946 | 2,250,377 | 5,133,206 |
| Disposals | - | - | (778,193) | (778,193) |
| At 31 December 2000 | 3,715,151 | 3,903,813 | 4,056,250 | 11,675,214 |
| Depreciation | | | | |
| At 1 January 2000 | 563,052 | 1,147,759 | 1,002,366 | 2,713,177 |
| On disposals | - | - | (491,546) | (491,546) |
| Charge for the year | 93,592 | 379,075 | 763,672 | 1,236,339 |
| At 31 December 2000 | 656,644 | 1,526,834 | 1,274,492 | 3,457,970 |
| Net book value | | | | |
| At 31 December 2000 | 3,058,507 | 2,376,979 | 2,781,758 | 8,217,244 |
| At 31 December 1999 | 2,275,216 | 750,108 | 1,581,700 | 4,607,024 |

Comparable historical cost for the land and buildings included at valuation:

| | £ |
|---|---------|
| Cost | |
| At 1 January 2000 & at 31 December 2000 | 105,176 |
| Depreciation based on cost | |
| At 1 January 2000 | 80,198 |
| Charge for the year | 5,259 |
| At 31 December 2000 | 85,457 |
| Net book value | |
| At 31 December 2000 | 19,719 |
| At 31 December 1999 | 24,978 |

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

10 Tangible fixed assets

Included above are assets held under finance leases or hire purchase contracts as follows:

| | Motor vehicles £ |
|---|------------------------|
| Net book values | |
| At 31 December 2000 | 256,060 |
| At 31 December 1999 | 765,187 |
| Depreciation charge for the year | |
| 31 December 2000 | 145,244 |
| 31 December 1999 | 345,916 |

11 Fixed asset investments

| | Unlisted investments £ |
|--------------------------|------------------------------|
| Cost or valuation | |
| At 1 January 2000 | - |
| Additions | 5,000 |
| At 31 December 2000 | 5,000 |

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

| 12 Debtors | 2000 £ | 1999 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 4,185,149 | 3,095,505 |
| Amounts owed by group undertakings | 501,660 | 4,411,259 |
| Other debtors | 947,800 | 56,828 |
| Prepayments and accrued income | 834,565 | 476,473 |
| | <u>6,469,174</u> | <u>8,040,065</u> |

Amounts falling due after more than one year and included in the debtors above are:

| | 2000 £ | 1999 £ |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | 501,660 | 4,411,259 |
| Other debtors | 671,825 | - |
| | <u>1,173,485</u> | <u>4,411,259</u> |

Other debtors due after more than one year is a rent deposit on new offices of £671,825.

| 13 Creditors: amounts falling due within one year | 2000 £ | 1999 £ |
|---|-------------------|-------------------|
| Bank loans and overdrafts | - | 290,820 |
| Net obligations under finance lease and hire purchase contracts | 162,617 | 451,637 |
| Trade creditors | 1,330,681 | 1,162,213 |
| Corporation tax | 5,191,961 | 4,024,147 |
| Other taxes and social security costs | 897,821 | 2,886,690 |
| Directors' current accounts | 288,911 | - |
| Other creditors | 230,291 | 234,358 |
| Accruals and deferred income | 3,288,738 | 2,786,528 |
| | <u>11,391,020</u> | <u>11,836,393</u> |

The bank overdraft is secured by a fixed and floating charge over the assets and undertakings of the company.

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

| | | |
|---|--------------------------------|------------------------------------|
| 14 Creditors: amounts falling due after more than one year | 2000 | 1999 |
| | £ | £ |
| Net obligations under hire purchase contracts | 3,396 | 181,293 |
| | <u> </u> | <u> </u> |
| Net obligations under hire purchase contracts | | |
| Repayable within one year | 162,617 | 451,637 |
| Repayable between one and five years | 3,396 | 181,293 |
| | <u> </u> | <u> </u> |
| | 166,013 | 632,930 |
| Included in liabilities falling due within one year | (162,617) | (451,637) |
| | <u> </u> | <u> </u> |
| | 3,396 | 181,293 |
| | <u> </u> | <u> </u> |
| 15 Share capital | 2000 | 1999 |
| | £ | £ |
| Authorised | | |
| 50,000 Ordinary of £ 1 each | 50,000 | 50,000 |
| | <u> </u> | <u> </u> |
| Allotted, called up and fully paid | | |
| 10,000 Ordinary of £ 1 each | 10,000 | 10,000 |
| | <u> </u> | <u> </u> |
| 16 Statement of movements on reserves | | |
| | Revaluation reserve | Profit and loss account |
| | £ | £ |
| Balance at 1 January 2000 | 104,824 | 1,129,564 |
| Retained profit for the year | - | 3,012,470 |
| | <u> </u> | <u> </u> |
| Balance at 31 December 2000 | 104,824 | 4,142,034 |
| | <u> </u> | <u> </u> |
| 17 Reconciliation of movements in shareholders' funds | 2000 | 1999 |
| | £ | £ |
| Profit for the financial year | 7,139,363 | 5,663,017 |
| Dividends | (4,126,893) | (5,100,000) |
| | <u> </u> | <u> </u> |
| Net addition to shareholders' funds | 3,012,470 | 563,017 |
| Opening shareholders' funds | 1,244,388 | 681,371 |
| | <u> </u> | <u> </u> |
| Closing shareholders' funds | 4,256,858 | 1,244,388 |
| | <u> </u> | <u> </u> |

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

18 Contingent liabilities

At the year end the company had given a guarantee in respect of the bank borrowings of its ultimate parent undertaking. At 31 December 2000 these borrowings amounted to £6,460,424 (1999 - £2,632,235).

19 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | | |
|----------------------------|--------------------|----------------|---------------|----------|
| | 2000 | 1999 | 2000 | Other |
| | £ | £ | £ | 1999 |
| Expiry date: | | | | £ |
| Between two and five years | - | - | 48,000 | - |
| In over five years | 2,161,565 | 770,000 | - | - |
| | <u>2,161,565</u> | <u>770,000</u> | <u>48,000</u> | <u>-</u> |

The company has purchased 4000 Founder shares in Cottermore Limited (see note 11) and this commits the company to take four pages of advertising in each monthly issue of the magazine. If Foxtons wish to terminate this arrangement they can either sell the shares or if no purchaser can be found they must pay a penalty charge of two years worth of advertising charges, currently £96,000.

20 Capital commitments

| 2000 | 1999 |
|------|------|
| £ | £ |

At 31 December 2000 the company had capital commitments as follows:

| | | |
|---|-----------|-----------|
| Contracted for but not provided in the financial statements | 1,123,000 | 2,846,000 |
|---|-----------|-----------|

The capital commitments at the year end refer to contracts for office refurbishment of leased properties.

Of the above amount, £173,000 refers to the refurbishment of offices in Knightsbridge. On 1 January 2001 these offices were transferred to Ocubis Limited, a fellow subsidiary, and the commitment relating to the refurbishment was also taken on by Ocubis Limited.

21 Directors' emoluments

| 2000 | 1999 |
|------|------|
| £ | £ |

| | | |
|------------------------------------|---------|---------|
| Emoluments for qualifying services | 205,261 | 152,799 |
|------------------------------------|---------|---------|

Emoluments disclosed above include the following amounts paid to the highest paid director:

| | | |
|------------------------------------|---------|---------|
| Emoluments for qualifying services | 205,261 | 152,799 |
|------------------------------------|---------|---------|

FOXTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

22 Employees

Number of employees

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

| 2000 Number | 1999 Number |
|----------------|----------------|
| 234 | 197 |

Employment costs

| | £ | £ |
|-----------------------|-------------------|------------------|
| Wages and salaries | 9,204,635 | 7,297,742 |
| Social security costs | 1,122,966 | 890,191 |
| | <u>10,327,601</u> | <u>8,187,933</u> |

23 Control

The ultimate parent company is Heven Holdings Limited, a company registered in England and Wales. The ultimate controlling party is Mr J M Hunt, a director.

24 Related party transactions

During the year the company made transactions with related parties as follows:

Funding of £138,961 was provided for Octagon Academy Limited, a company in which J M Hunt is a director and shareholder. This amount remained outstanding at the year end.

No disclosure has been made in these financial statements of transactions with entities that are part of the group or investees of the group qualifying as related parties, as consolidated financial statements including Foxtons Limited are publicly available. All of the voting rights of Foxtons Limited are controlled within the group.

25 Post balance sheet events

On 1 January 2001 the leases for the serviced offices at Knightsbridge and Battersea were transferred to Ocubis Limited, a fellow subsidiary. The net book value of leasehold improvements transferred, being £1,665,242 in Knightsbridge and £387,360 in Battersea, are as disclosed at the balance sheet date and are included within short-term leasehold property in tangible fixed assets. The trading impact of the transfer is disclosed separately on the face of the profit and loss account as a discontinued activity.

The company re-financed its car fleet in February 2001 obtaining £2.4 million in additional finance.

Subsequent to the year end the company has invested in a site in Ealing where a new office is due to open in 2002. Expenditure on the new site to date is £244,000.