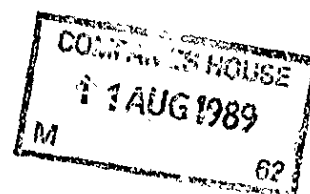


No: 1680058.

FOXTONS LIMITED

MODIFIED REPORTS AND
FINANCIAL STATEMENTS

30 SEPTEMBER 1987



PANNELL KERR FORSTER
Chartered Accountants

FOXTONS LIMITED
MODIFIED REPORTS AND FINANCIAL STATEMENTS
30 SEPTEMBER 1987

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

1

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 1987, 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 1987 and our audit opinion was as follows:-

"We have audited the financial statements set out on pages 3 to 10. 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 1987 and of its result and source and application of funds for the year then ended and comply with the Companies Act 1985."

Parnell Ken Foster

Chartered Accountants

26k July... 1989

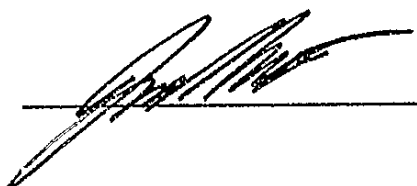
FOXTONS LIMITED
MODIFIED BALANCE SHEET
30 SEPTEMBER 1987

2

	Notes	£	1987	£	1986	£
FIXED ASSETS						
Intangible assets				430,166		60,384
Tangible assets				439,991		218,240
				<hr/>		<hr/>
				870,157		278,624
CURRENT ASSETS						
Debtors		286,170			61,493	
		<hr/>			<hr/>	
CREDITORS - Amounts falling due within one year						
Other creditors		766,448			309,805	
Bank loans and overdrafts	2	114,037			-	
		<hr/>			<hr/>	
		880,485			309,805	
		<hr/>			<hr/>	
NET CURRENT LIABILITIES				(594,315)		(248,312)
				<hr/>		<hr/>
				275,842		30,312
CREDITORS - Amounts falling due after more than one year				(240,761)		(45,406)
PROVISION FOR LIABILITIES AND CHARGES						
Deferred taxation				(41,000)		-
				<hr/>		<hr/>
				(5,919)		(15,094)
				<hr/>		<hr/>
REPRESENTED BY						
Share capital	3			2		2
Profit and loss account				(5,921)		(15,096)
				<hr/>		<hr/>
				(5,919)		(15,094)
				<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 those sections as a small company.

Approved by the board on 21st July 1989

 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 ¹ / ₃ % 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 1987

4

2 BANK LOANS AND OVERDRAFTS

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

3 SHARE CAPITAL

	<u>1987</u> £	<u>1986</u> £
Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid: 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>