

COUNTRYWIDE SURVEYORS LIMITED

REGISTERED IN ENGLAND NO. 1954031

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1992

COUNTRYWIDE SURVEYORS LIMITED

DIRECTORS' REPORT

The directors submit their annual report together with audited financial statements for the year ended 31 December 1992.

Principal Activities

The principal activities of the company are commercial and professional property advisors, property management, planning and development, building and residential surveying.

Review of business

Due to the continued downturn in the property market, 1992 has been an extremely disappointing trading year. Steps were taken during the year to reduce overheads and other operating costs. It is anticipated that profitable trading will resume during 1993.

During the year, Chelmsford Office achieved certification for Quality Assurance to BS5750 part 2. Other major offices are now progressing towards certification and it is anticipated that this success will assist in obtaining instructions from councils and other authorities.

Losses and Dividend

No interim dividend has been paid 1991: NIL) and the directors do not propose any further dividend until the company has returned to profitability. The retained loss for the year was £575,647.

COUNTRYWIDE SURVEYORS LIMITED

Directors

The directors who served the company during the year were as follows:-

C J Finch	Chairman
D V George	Joint Managing Director
C P Shaw	Joint Managing Director
J H Bagshaw	Director
A Chambers	Director (Resigned 18th January 1993)
N G Franklin	Director
J L McGuffog	Director
M D Moody	Director
D J Shortland	Director

Directors' Interests

Mr C J Finch is a director of the immediate holding company and his shareholdings are disclosed in that company's annual report.

The interests of the other directors at the year end in the shares of the other group companies, which are all beneficial, are set out below:-

	HAMBRO COUNTRYWIDE PLC		HAMBROS PLC	
	Ordinary 5p shares		Ordinary 20p shares	
	<u>1.1.92</u>	<u>31.12.92</u>	<u>1.1.92</u>	<u>31.12.92</u>
D V George	723,333	735,333	Nil	7,582
C P Shaw	Nil	Nil	Nil	Nil
J H Bagshaw	Nil	Nil	Nil	Nil
A Chambers	169,224	119,224	Nil	Nil
N G Franklin	Nil	10,000	Nil	Nil
J L McGuffog	3,808	3,808	2,465	2,465
M D Moody	112,388	112,388	Nil	Nil
D J Shortland	147,593	204,288	Nil	Nil

The unexpired periods of Directors' service contracts at 31 December 1992 were as follows:

D V George	29 months
C P Shaw	8 months
J H Bagshaw	29 months
A Chambers	8 months
N G Franklin	29 months
J L McGuffog	29 months
M D Moody	29 months
D J Shortland	29 months

No director had an interest in any other significant contract with the company during the year.

COUNTRYWIDE SURVEYORS LIMITED

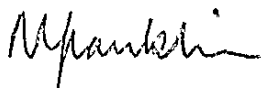
Personnel

The company has a policy of keeping employees informed of company affairs on a regular basis by area meetings involving Main Board and Regional Directors. The company has adopted employment practices aimed at full compliance with legislation on race relations and equal opportunities. It is the policy of the Company to provide employment for disabled persons whenever the requirements of the organisation will allow and if applications for employment are received from suitable individuals. If existing employees become disabled every reasonable effort will be made to ensure that their employment with the company can continue on a worthwhile basis with career opportunities available to them.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



N G Franklin
Secretary

23 February 1993

REPORT OF THE AUDITORS

TO THE MEMBERS OF COUNTRYWIDE SURVEYORS LIMITED

We have audited the financial statements on pages 5 to 14 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1992 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditor
London
23 February 1993

COUNTRYWIDE SURVEYORS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1992

	<u>Note</u>	1992 <u>£</u>	1991 <u>£</u>
TURNOVER	1b	10,783,593	11,992,503
Staff costs	2	(6,711,280)	(7,620,948)
Other operating costs		(5,120,814)	(5,505,764)
		<hr/>	<hr/>
(LOSS) FROM OPERATIONS	4	(1,048,501)	(1,134,209)
Interest receivable		188,348	291,443
Other income	5	191,831	96,347
Interest payable and similar charges		(87)	(2,504)
		<hr/>	<hr/>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(668,409)	(748,923)
Taxation on (loss) on ordinary activities	6	92,762	96,101
		<hr/>	<hr/>
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(575,647)	(652,822)
		<hr/>	<hr/>
RETAINED (LOSS) FOR THE YEAR	12	(575,647)	(652,822)
		=====	=====

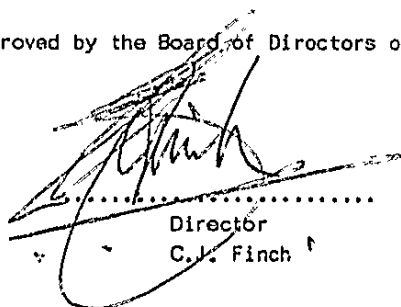
The loss for the financial year shown above recognises all gains and losses of the company during the year.

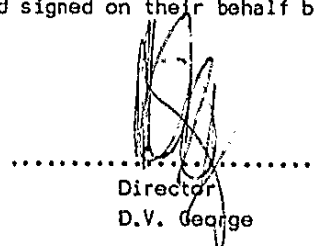
The notes on pages 7 to 14 form part of these financial statements.

COUNTRYWIDE SURVEYORS LIMITED
BALANCE SHEET AT 31 DECEMBER 1992

	Note	£	1992 £	1991 £
FIXED ASSETS				
Tangible assets	7		965,109	1,651,201
CURRENT ASSETS				
Debtors	8	2,088,216	2,211,703	
Cash at bank and in hand		44,392	174,662	
		<u>2,132,608</u>	<u>2,386,365</u>	
Creditors: amounts falling due within one year	9	(3,624,477)	(3,988,679)	
NET CURRENT LIABILITIES			(1,491,869)	(1,602,314)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(526,760)</u>	<u>48,887</u>
			=====	=====
CAPITAL AND RESERVES				
Called up share capital	11	500,000	500,000	
Profit and loss account	12	(1,026,760)	(451,113)	
		<u>(526,760)</u>	<u>48,887</u>	
			=====	=====

Approved by the Board of Directors on 23 February 1993 and signed on their behalf by


.....
Director
C.J. Finch


.....
Director
D.V. George

The notes on pages 7 to 14 form part of these financial statements.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and drawn up in accordance with applicable accounting standards.

(b) Turnover

Turnover comprises commercial fees, professional fees and property management fee income.

Commission earned on the sale of commercial property is accounted for on the exchange of contracts for such sales.

Residential survey income is accounted for when the survey is completed.

Property management fee income is accounted for on a cash basis.

(c) Fixed Assets

Fixed assets are stated at cost or valuation less accumulated depreciation. Tangible fixed assets are depreciated over their estimated useful economic lives as follows:

Leasehold Properties and improvements:	Over the period of the lease
Office furniture and equipment:	20% per annum on straight line basis
Motor Vehicles:	25% per annum on straight line basis

(d) Deferred Taxation

Provision is made for taxation deferred through income and expenditure being recognised for taxation purposes in different periods from those used for accounting purposes, to the extent that, in the opinion of the Directors, such deferred taxation is expected to become payable in the foreseeable future.

(e) Operating Leases

Lease payments in respect of operating leases are charged against profit as incurred.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. ACCOUNTING POLICIES (Continued)

(f) Pension Costs

The Company is a member of Hambro Countrywide PLC's group pension schemes. The expected cost of pensions in respect of the group's defined benefit pension scheme is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme. In accordance with statement of Standard Accountancy Practice No. 24 variations from the regular cost are spread over the expected remaining service lives of current employees in the schemes. The pension cost is assessed in accordance with the advice of qualified actuaries. In respect of defined contribution schemes, contributions are charged to the profit and loss account in the year in which they become payable.

(g) FRS1

The immediate parent undertaking of the company, for which Group accounts are prepared, is Hambro Countrywide PLC. Under the provisions of FRS1, the Company is exempted from preparing a cash flow statement.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. EMPLOYEE INFORMATION

Staff costs were as follows :-

	1992	1991
	<u>£</u>	<u>£</u>
Wages and salaries	5,892,968	6,717,490
Social security costs	543,974	609,143
Other pension costs	274,338	294,315
	<hr/>	<hr/>
	6,711,280	7,620,948
	=====	=====

The average number of persons employed by the company was :-

	1992	1991
Sales	158	185
Management and administration	215	244
	<hr/>	<hr/>
	373	429
	=====	=====

3. DIRECTORS EMOLUMENTS

	1992	1991
	<u>£</u>	<u>£</u>
For management services	472,767	549,963
	=====	=====

The emoluments of the directors were within the following ranges :-

	1992	1991
£ nil - £ 5,000	1	1
£40,001 - £45,000	2	1
£45,001 - £50,000	1	2
£50,001 - £55,000	3	2
£55,001 - £60,000	-	1
£60,001 - £65,000	-	1
£70,001 - £75,000	2	2

The Chairman received no emoluments from Countrywide Surveyors Limited, being paid by Hambro Countrywide PLC. The highest paid director earned £72,131.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. LOSS FROM OPERATIONS

This is stated after charging :-	1992	1991
	£	£
Auditors remuneration:		
Charge for current year	23,31	22,500
Over-provision in prior years	(7,000)	(25,346)
	<u>300</u>	<u>(2,846)</u>
Non-audit fees	<u>5,000</u>	<u>6,000</u>
Depreciation - tangible fixed assets	611,501	746,097
Operating lease payments	312,284	300,212
(Gain)/Loss on sale of fixed assets	(5,526)	58,804
	=====	=====

5. OTHER INCOME

Other income includes rent receivable from group undertakings of £52,133 (1991: £23,888) and losses on the sale of leasehold property of £5,075 (1991: £NIL)

6. TAXATION

Tax charge for the year:		
Corporation tax	(147,504)	(96,101)
Irrecoverable ACT written off	<u>54,742</u>	<u>-</u>
	<u>(92,762)</u>	<u>(96,101)</u>
	=====	=====

Taxation (credit) has been calculated at a corporation tax rate of 33% (1991:33.25%) and on the basis that group relief is available.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. TANGIBLE FIXED ASSETS

	Short Leasehold <u>Properties</u>	Motor <u>Vehicles</u>	Furniture and <u>Equipment</u>	<u>Total</u>
Cost	£	£	£	£
1 January 1992	263,209	1,780,810	1,334,128	3,378,147
Group transfers	-	24,765	13,613	38,378
Additions	-	-	15,027	15,027
Disposals	(31,059)	(334,469)	(48,752)	(414,280)
31 December 1992	232,150	1,471,106	1,314,016	3,017,272
=====				
Depreciation				
1 January 1992	90,552	702,679	933,715	1,726,946
Group transfers	-	1,460	8,706	10,166
Charge for year	33,865	408,431	169,205	611,501
Disposals	(31,059)	(222,631)	(42,760)	(296,450)
31 December 1992	93,358	889,939	1,068,866	2,052,163
=====				
Net Book Amount				
31 December 1992	138,792	581,167	245,150	965,109
=====				
31 December 1991	172,657	1,078,131	400,413	1,651,201
=====				

8. DEBTORS

	1992	1991
	£	£
Trade debtors	1,244,384	1,408,666
Amounts owed by group undertakings	10,923	-
Other debtors	277,034	396,212
Prepayments and accrued income	555,875	406,825
	2,088,216	2,211,703
	=====	=====

Other debtors include ACT of £NIL (1991: £54,742) which will be recovered after more than one year

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. CREDITORS

Amounts falling due within one year	1992	1991
	<u>£</u>	<u>£</u>
Trade creditors	80,775	161,800
Amounts owed to group undertakings	2,169,326	2,385,465
Other creditors including taxation and social security:		
Other taxes and social security	460,197	558,295
Other creditors	533,641	533,534
Accruals and deferred income	380,538	349,585
	<u>3,624,477</u>	<u>3,988,679</u>
	=====	=====

10. DEFERRED TAXATION

Accelerated capital allowances	1992	1991
	<u>£</u>	<u>£</u>
Balance at 1st January and 31st December	-	-
	=====	=====

There is no unprovided potential liability.

11. SHARE CAPITAL

	1992	1991
	<u>£</u>	<u>£</u>
<u>Authorised</u>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	=====	=====
<u>Allotted and fully paid</u>		
500,000 ordinary shares of £1 each	500,000	500,000
	=====	=====

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital	Profit & Loss Account	1992 Total Shareholders' Funds	1991 Total Shareholders' Funds
	£	£	£	£
At 1st January	500,000	(451,113)	48,887	701,709
Retained loss for year		(575,647)	(575,647)	(652,822)
At 31st December	<u>500,000</u>	<u>(1,026,760)</u>	<u>(526,760)</u>	<u>48,887</u>

13. CAPITAL EXPENDITURE COMMITMENTS

	1992 £	1991 £
Authorised and contracted	-	-
	=====	=====
Authorised but not contracted	-	-
	=====	=====

14. OPERATING LEASE COMMITMENTS

	1992 £	1991 £
Commitments under operating leases payable within the twelve months ending 31 December 1993 are as follows:		
Land and buildings with commitments expiring:		
- within one year	74,099	27,229
- in two to five years	107,231	211,618
- in more than five years	571,480	506,672
	<u>752,810</u>	<u>745,519</u>
	=====	=====
Other operating leases with commitments expiring:		
- within one year	86,423	9,363
- in two to five years	187,226	287,540
	<u>273,649</u>	<u>296,903</u>
	=====	=====

The majority of leases of land and buildings are subject to rent reviews.

COUNTRYWIDE SURVEYORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. CLIENT MONIES

At 31 December 1992 client monies held by the company in approved bank and building society accounts amounted to £3,010,673 (1991: £3,674,368). This amount and the matching liability to the clients concerned, are not included in the balance sheet.

16. PENSION SCHEMES

The Company operates a number of pension schemes, the majority of which are of the defined benefit type. The main defined benefit scheme is the Hambro Countrywide Executive Pension Scheme which is operated for all companies within the Hambro Countrywide group. The assets of all the schemes are held in separate trustee administered funds.

The pension cost of the defined benefit schemes was £104,261 (1991 - £143,793). The pension contributions relating to the schemes are assessed in accordance with the advice of a qualified actuary using the projected unit method. The latest actuarial assessment of these schemes was at 1 March 1992. The assumptions used in the valuation were that the investment return would be 8.5% per annum, that salary increases would average 7.5% per annum, and that present and future pensions would increase at the rate of 4.0% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the schemes was £8.1 million and the actuarial value of the assets was sufficient to cover 96% of the benefits that had accrued to the members, after allowing for expected future increases in earnings. This represents an actuarial deficit of £0.4 million which is being made up by increased funding over the employees' expected remaining service lives in accordance with actuarial advice.

In addition the Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge to the schemes amounted to £129,378 (1991 - £119,876).

17. ULTIMATE HOLDING COMPANY

The immediate holding company is Hambro Countrywide PLC, a company registered in England. Copies of the accounts of Hambro Countrywide PLC can be obtained at Queensgate, Myrtle Road, Brentwood, Essex CM14 5EG.

The ultimate holding company is Hambros PLC, which is incorporated in Great Britain and registered in England. Copies of the accounts of Hambros PLC can be obtained at 41 Tower Hill, London EC3N 4HA.