

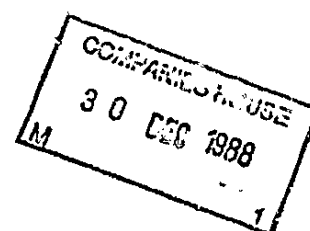
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△ Touche Ross

WRIGHT OLIPHANT LIMITED

REPORT AND FINANCIAL STATEMENTS

31 March 1988



WRIGHT OLIPHANT LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year ended 31 March 1988.

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of specialist advice to clients in the commercial property business.

REVIEW OF THE BUSINESS

On 8 July 1987 the company commenced trading when it acquired the undertaking of Messrs. Wright Oliphant Chartered Surveyors. On 7 September 1987 the company was itself acquired by Brookmount PLC and now operates within the property services division of the Brookmount group. The satisfactory outcome of the first period of trading is expected to continue.

RESULTS AND DIVIDENDS

The results of the company for the year are set out in detail on page 4. Retained profits carried forward are £1,158,438 (1987 - £nil). The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year and the shares of the company in which those serving at the end of the year were interested were as follows:-

		Ordinary Shares of £1	
		31 March 1988	1 April 1987
			(or later appointment)
		£	£
S B Wright		-	50
R J Oliphant		-	50
C R Dunsford	Appointed 7 July 1987	-	-
E H Sproule	" 7 September 1987	*	*
P C Hunt	" 1 October 1987	-	-
		====	====

* As the company is a wholly-owned subsidiary and Mr Sproule is also a director of the parent company he is exempted from the statutory requirement for recording directors' interests in shares or debentures of the company or its holding company.

WRIGHT OLIPHANT LIMITED

REPORT OF THE DIRECTORS (Cont'd)

The remainder of the directors had the following interests in the shares of the holding company, Brookmount PLC:-

	Ordinary Shares of 25p		Convertible Shares of 25p	
	31 March 1988	1 April 1987 (or later appointment)	31 March 1988	1 April 1987 (or later appointment)
S B Wright	215798	-	571050	-
R J Oliphant	215798	-	571050	-
C R Dunsford	27548	-	72900	-
P C Hunt	-	-	-	-
	=====	=====	=====	=====

AUDITORS

A resolution to re-appoint as auditors Touche Ross & Co will be proposed at the Annual General Meeting.

Spicer & Oppenheim have indicated that they will not be seeking re-election.

30 Cornhill
London
EC3V 3ND

By order of the board

A G K Bannon
Secretary

Registered in Great Britain
No 2021539

WRIGHT OLIPHANT LIMITED


AUDITORS' REPORT TO THE MEMBERS OF WRIGHT OLIPHANT LIMITED

We have audited the financial statements set out in pages 4 to 14 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1988 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.



TOUCHE ROSS & CO
Chartered Accountants
Belfast
21 June 1988



SPICER & OPPENHEIM
Chartered Accountants
London
21 June 1988

WRIGHT OLIPHANT LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1988

	<u>Note</u>	<u>1988</u> £	<u>1987</u> £
TURNOVER	1	2,950,975	-
Cost of sales		(771,525)	-
		-----	-----
Gross profit		2,179,450	-
Administrative Expenses		(385,640)	-
Other interest receivable and similar income		1,909	-
Interest payable and similar charges		(96)	-
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,795,623	-
Tax on profit on ordinary activities	6	(637,185)	-
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,158,438	-
Retained profits at start of period		-	-
		-----	-----
RETAINED PROFITS AT END OF YEAR		1,158,438	-
		=====	=====

The notes on pages 8 to 14 form part of these accounts.

WRIGHT OLIPHANT LIMITED

BALANCE SHEET

31 March 1988

	<u>Note</u>	<u>1988</u> £	<u>1987</u> £
FIXED ASSETS			
Tangible assets	1 & 7		
Land and buildings			
- premises for own use		23,176	-
Plant and Machinery		68,913	-
Fixtures, fittings & equipment		69,603	-
		-----	-----
		161,692	-
CURRENT ASSETS			
Debtors			
Trade debtors		953,965	-
Amounts owed by Group Companies	8	1,351,100	-
Other debtors		8,644	-
Prepayments and accrued income		20,526	-
		-----	-----
		2,334,235	-
		-----	-----
Cash at bank and in hand		3,983	100
		-----	-----
		2,338,218	100
CREDITORS - amounts falling due within one year			
Bank loans and overdrafts		27,170	-
Trade creditors		32,641	-
Amounts owed to group companies	8	40,020	-
Other creditors including taxation and social security	9	747,285	-
Accruals and deferred income		723	-
		-----	-----
		847,339	-
NET CURRENT ASSETS			
		1,490,379	100
		-----	-----
		1,652,071	100
		=====	=====

WRIGHT OLIPHANT LIMITED

BALANCE SHEET (Cont'd)
31 March 1988

	<u>Note</u>	<u>1988</u> £	<u>1987</u> £
CAPITAL AND RESERVES			
Called up share capital	10	250,000	100
Share premium account	11	243,633	-
Profit and loss account		1,158,438	-
		-----	---
		1,652,071	100
		=====	===

Approved by the board of directors

E H Sproule
S B Wright

21 June 1988

The notes on pages 8 to 14 form part of these accounts.

WRIGHT OLIPHANT LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31 March 1988

	<u>1988</u> £
SOURCE OF FUNDS	
Profit on ordinary activities before taxation	1,795,623
Items not involving the movement of funds:	
Depreciation	34,866

FUNDS GENERATED FROM OPERATIONS	1,830,489
 FUNDS FROM OTHER SOURCES	
Share issues less expenses	493,533

	2,324,022
 APPLICATION OF FUNDS	
Additions to tangible fixed assets	196,558

NET INFLOW OF FUNDS	2,127,464
	=====
 MOVEMENT IN WORKING CAPITAL	
Debtors increase	2,334,235
Creditors (increase)	(183,484)

	2,150,751
 Movement in net liquid funds	
Bank balances and cash increase	3,883
Bank overdraft (increase)	(27,170)

	(23,287)

	2,127,464
	=====

This statement does not take account of taxation payable after the year end which will be reflected in future outflow of funds.

WRIGHT OLIPHANT LIMITEDNOTES TO THE ACCOUNTS
31 March 1988

1. ACCOUNTING POLICIES

(i) CONVENTION

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

(ii) TURNOVER

Commissions on property transactions income is recognised on completion of the transaction or on earlier exchange of contracts if completion is unconditional.

Income is recognised on funding arrangements when funds are made available by the funding institution to the client. If funding is made available in tranches, the fee is split over each tranche.

Letting instructions income is recognised on completion of the letting. Where pre-lettings occur on unbuilt or partly built property the fee is accounted for upon exchange of agreement for lease and the balance on execution of the lease following completion of the building works.

Income is recognised on valuations and after professional services as soon as the service has been fully rendered.

(iii) WORK IN PROGRESS

All expenditure is written off as incurred. No costs are carried forward as work in progress because at any given balance sheet date the recovery of such costs is contingent upon the successful completion of the underlying transaction.

WRIGHT OLIPHANT LIMITED

NOTES TO THE ACCOUNTS (Cont'd)
31 March 1988

1. ACCOUNTING POLICIES (Cont'd)

(iv) TANGIBLE FIXED ASSETS AND DEPRECIATION

Cost of assets comprise purchase price and any ancillary installation costs.

Depreciation is calculated to write off the cost of assets within their useful lives. The methods used and rates adopted are as follows:-

Short leasehold land and buildings - Over period of lease
Plant and machinery - motor vehicles - 25% on reducing balance
Fixtures, fittings and equipment - 20% on reducing balance.

(v) DEFERRED TAXATION

Unless it is probable that the liabilities will not become payable, provision is made for tax deferred as a result of timing differences between accounting and taxation profits. Any such provision is based on the taxation rates anticipated at the projected dates of reversal of current timing differences.

2. SIGNIFICANT EVENTS

- (i) On 8 July 1987 the authorised capital of the company was increased from £100 to £250,000. On that same date 249,000 ordinary shares of £1 each were issued for cash at £2 per share.
- (ii) On 8 July 1987 the company commenced trading when it purchased for £201,150 in cash the undertaking and certain assets of the professional practices as Chartered Surveyors carried on by S B Wright and R J Oliphant and by C R Dunsford. Following the purchase the state of affairs of the company was as follows:-

	<u>£'000</u>
Tangible fixed assets	151
Current assets - Cash at bank	294

	445
	===
Financed by:	
Share Capital	250
Share Premium	245
Revenue Reserves - deficit	(50)

	445
	===

WRIGHT OLIPHANT LIMITED

NOTES TO THE ACCOUNTS (Cont'd)
31 March 1988

2. SIGNIFICANT EVENTS (Cont'd)

(ii) (Cont'd)

The deficit on revenue reserves arose as a consequence of the write-off of the element of the consideration related to work in progress of the Wright Oliphant Partnership in accordance with the Company's accounting policies.

(iii) On 7 September 1987, the entire issued share capital of the company was acquired by Brookmount PLC.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1988</u> £	<u>1987</u> £
Profit is arrived at after charging:		
Exceptional item - Introductory payments to executive staff	474,935	-
Depreciation	34,866	-
Leasing of equipment	1,260	-
Property rentals	44,115	-
Interest on bank borrowings	96	-
Auditors' remuneration	2,000	-
	=====	=====

4. EMPLOYEES

The average number employed by the company (including directors) within each category of persons was:

	<u>No of Employees</u> <u>1988</u>	<u>1987</u>
Administrative staff	3	-
Property management staff	10	2
	-----	-----
	13	2
	=====	=====

The costs incurred in respect of these employees were:

	<u>1988</u> £	<u>1987</u> £
Wages and salaries	270,509	-
Social security costs	73,194	-
Introductory payments to executive staff	430,000	-
	-----	-----
	773,703	-
	=====	=====

WRIGHT OLIPHANT LIMITED

NOTES TO THE ACCOUNTS (Cont'd)
31 March 1988

5. DIRECTORS

	<u>1988</u>	<u>1987</u>
	£	£
(i) Directors' emoluments, including value of benefits in kind, were		
in aggregate:		
For services as a director	-	-
Other emoluments	130,074	-
	-----	-----
	130,074	-
	=====	=====
	<u>1988</u>	<u>1987</u>
	£	£

The emoluments, excluding pension scheme contributions, were as follows:

Chairman	Nil	Nil
Highest paid director	39,532	Nil
	=====	=====

	<u>No of Directors</u>	
	<u>1988</u>	<u>1987</u>
Other directors		
£20,001 - £25,000	1	-
£30,001 - £35,000	1	-
£35,001 - £40,000	1	-
	===	===

(ii) Transactions involving directors

Apart from the acquisition agreement outlined at note 2 (ii) above there were no transactions in the year requiring disclosure under the Companies Acts.

6. TAXATION

	<u>1988</u>	<u>1987</u>
	£	£
(i) Tax on profit on ordinary activities comprises:		
Corporation tax at 35%	637,185	-
	=====	=====

The current year charge has been increased by approximately £8,000 as a result of permanent differences between accounting and taxation profits.

WRIGHT OLIPHANT LIMITED

NOTES TO THE ACCOUNTS (Cont'd)
31 March 1988

6. TAXATION (Cont'd)

- (ii) No deferred taxation provision is required in the absence of originating timing differences.
- (iii) The company is a close company for taxation purposes.

7. TANGIBLE ASSETS

	Land and Buildings - short leasehold	Plant and Machinery - motor vehicles	Fixtures, Fittings, and Equipment	Total
	£	£	£	£
Cost				
At start of year	-	-	-	-
Additions	25,223	89,476	81,859	196,558
Disposals	-	(5,210)	-	(5,210)
	-----	-----	-----	-----
At end of year	25,223	84,266	81,859	191,348
	-----	-----	-----	-----
Depreciation				
At start of year	-	-	-	-
Provision for year	2,047	15,435	12,256	29,738
Disposals	-	(82)	-	(82)
	-----	-----	-----	-----
At end of year	2,047	15,353	12,256	29,656
	-----	-----	-----	-----
Balance Sheet Value	23,176	68,913	69,603	161,692
	=====	=====	=====	=====
Depreciation Charge				£
Provision for year				29,738
Adjustment on disposals				5,128

Charge for year				34,866
				=====

8. GROUP COMPANIES

The company's holding company is Brookmount PLC, a company incorporated in Great Britain.

WRIGHT OLIPHANT LIMITED

NOTES TO THE ACCOUNTS (Cont'd)
31 March 1988

9.	TAXATION AND SOCIAL SECURITY	<u>1988</u> £	<u>1987</u> £
	Included in creditors falling due within one year are:		
	Corporation tax - due 31 December 1988	637,185	-
	Other taxation and social security	110,019	-
		=====	=====
10.	SHARE CAPITAL	<u>1988</u> £	<u>1987</u> £
	Authorised		
	250,000 ordinary shares of £1 each (1987-100)	250,000	100
		=====	=====
	Allotted and fully paid		
	250,000 ordinary shares of £1 each (1987-100)	250,000	100
		=====	=====
	The allotted share capital of the company was increased from £100 to £250,000 as part of the transaction described at note 2.		
11.	SHARE PREMIUM ACCOUNT	<u>1988</u> £	<u>1987</u> £
	At start of year	-	-
	Arising on allotment of ordinary shares (See note 2)	249,900	-
	Expenses of allotment	(6,267)	-
	At end of year	243,633	-
		=====	=====

WRIGHT OLIPHANT LIMITED

NOTES TO THE ACCOUNTS (Cont'd)
31 March 1988

12. CONTINGENCIES AND COMMITMENTS

Apart from property rental commitments the company had no material contingencies or financial commitments not provided for in these accounts (1987 - Nil).