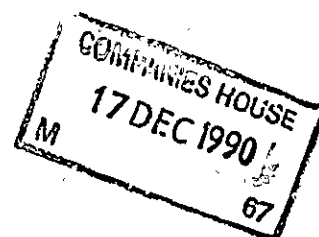


WALLHEAD, GRAY & COATES

DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
Year ended 31 March 1990



WALLHEAD, GRAY & COATES

DIRECTORS' REPORT AND FINANCIAL STATEMENTS 1990

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WALLHEAD, GRAY & COATES

OFFICERS AND PROFESSIONAL ADVISERS

Directors

J B Tait  
G Lamb  
R C Wallhead  
J A Hart  
Nationwide Anglia Estate Agents  
(an unlimited company)

Secretary

P R Magness

Registered Office

Chesterfield House  
Bloomsbury Way  
London WC1

Auditors

Touche Ross & Co  
Chartered Accountants

# WALLHEAD, GRAY & COATES

## Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 1990.

### 1. ACTIVITIES

A group re-organisation on 1 April 1989 resulted in all the assets, liabilities, and undertakings of the company being transferred at book value to the holding company, and this company ceased to trade from that date.

The company is an unlimited company. The principal activities of the company were residential estate agency, property management, commercial agency and the provision of professional, financial and other related services.

### 2. REVIEW OF DEVELOPMENTS

The company did not trade during the year.

The financial position of the company at the end of the year is set out in the balance sheet on page 8.

Following the passing of a special resolution by the shareholders on 6 March 1990, the allotted share capital was reduced to £2.

### 3. FIXED ASSETS

The changes in tangible fixed assets are set out in note 5 on page 13 of the financial statements.

### 4. DIRECTORS

The present members of the board are set out on page 2.

Details of dates of resignation during the period are as follows:

	<u>Date of Resignation</u>
M S F Wallhead	31 October 1989
W J Wilkinson	31 October 1989
R W Wallhead	31 December 1989
D M Coates	31 December 1989
P E Heron	31 January 1990

WALLHEAD, GRAY & COATES

Directors' Report

All other directors served throughout the year.

All shares in the company are held beneficially by Nationwide Anglia Estate Agents, a director of the company.

The directors did not have any interest in the shares of the holding entity at the beginning or end of the year.

5. FUTURE PROSPECTS

The directors anticipate no change in the status of the company in the foreseeable future.

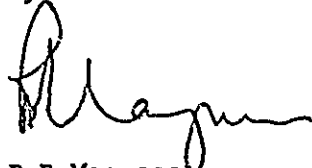
6. CLOSE COMPANY STATUS

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company.

7. AUDITORS

A special resolution that auditors not be re-appointed in accordance with Section 252 of the Companies Act 1985, will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



P R Magness  
Secretary

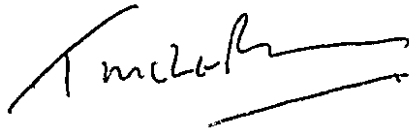
23 May 1990

WALLHEAD, GRAY & COATES

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 15 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1990 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Touche Ross & Co.,  
Chartered Accountants,  
Columbia Centre,  
Market Street,  
Bracknell,  
Berkshire  
RG12 1PA

23 May 1990

WALLHEAD, GRAY & COATES

PROFIT AND LOSS ACCOUNT  
Year ended 31 March 1990

	<u>Note</u>	Year ended 31 March <u>1990</u> £	Year ended 31 March <u>1989</u> £
Turnover		-	2,585,019
Other operating income		-	1,634
Staff costs	1	-	(1,448,430)
Depreciation		-	(121,085)
Other operating costs		-	(1,909,994)
Operating loss	2	-	(892,856)
Interest receivable and similar income		-	1,199
Interest payable and similar charges	3	-	(83,275)
Loss on ordinary activities before taxation		-	(974,932)
Taxation credit on loss on ordinary activities	4	-	358,992
Loss on ordinary activities after taxation for the financial year		-	(615,940)

WALLHEAD, GRAY & COATES

STATEMENT OF MOVEMENTS ON RESERVES  
Year ended 31 March 1990

	<u>Profit &amp; Loss Account</u> £	<u>Share Premium Account</u> £	<u>Revaluation Reserve</u> £	<u>Total</u> £
At 1 April 1989	(1,105,777)	1,347,612	91,090	332,925
Realisation of revaluation reserve on disposal of assets	91,090	-	(91,090)	-
Transfer between reserves	1,014,687	(1,014,687)	-	-
Returned to shareholders	-	(332,925)	-	(332,925)
At 31 March 1990	-	-	-	-



WALLHEAD, GRAY & COATES

BALANCE SHEET  
31 March 1990

	Note	1990	1989
		£	£
FIXED ASSETS			
Tangible assets	5	-	1,259,076
CURRENT ASSETS			
Debtors	6	2	1,322,055
Cash at bank and in hand		-	4,784
		2	1,326,839
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	-	1,138,952
NET CURRENT ASSETS		2	187,887
TOTAL ASSETS LESS CURRENT LIABILITIES		2	1,446,963
PROVISION FOR LIABILITIES AND CHARGES	9	-	21,036
		2	1,425,927
CAPITAL AND RESERVES			
Called up share capital	10	2	1,093,002
Share premium account		-	1,347,612
Revaluation reserve		-	91,090
Profit and Loss account		-	(1,105,777)
		2	1,425,927

The financial statements were approved by the Board of Directors on  
23 May 1990.

*[Signature]*  
*[Signature]*

Directors

FOR AND ON BEHALF OF  
NATIONWIDE ANGLO ESTATE AGENTS

WALLHEAD, GRAY & COATES

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 1990

STATEMENT OF ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention, modified by the annual revaluation of freehold premises.

(b) Turnover

Turnover comprises commission and fees receivable. Commission earned on residential and commercial property sales is recognised on exchange of contracts. Fees for professional and other services are recognised when amounts become due and receivable. Commission earned from the sale of insurance and other financial service products is recognised when a binding obligation has been entered into.

(c) Depreciation

Depreciation is not provided on freehold land. On other assets it is provided on cost or revalued amounts by the straight line method over the estimated lives of the assets, which are generally taken to be:

Freehold Premises	-	50 years from the date of valuation or the remaining useful economic life, if shorter, from date of initial use.
Short Leasehold Premises	-	The unexpired period of the lease.
Fascia signs, furniture, fixtures, fittings and equipment	-	10 years
Office, computer equipment and printing machinery	-	5 years
Motor Vehicles	-	4 years

Where increased depreciation arises following revaluation, an amount equal to the increase is transferred from the revaluation reserve to general reserves.

(d) Deferred Taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**WALLHEAD, GRAY & COATES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 1990**

**(e) Leasing**

Rental costs under operating leases are charged to profit and loss account as incurred over the period of the leases.

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term so as to give a constant rate of charge on the remaining balance of the obligation.

**(f) New offices**

Operating costs arising from the opening of new offices are written off to the profit and loss account in the period in which they are incurred.

WALLHEAD, GRAY & COATES

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 1990

	Year ended 31 March 1990 £	Year ended 31 March 1989 £
1. INFORMATION REGARDING DIRECTORS AND EMPLOYEES		
Directors' emoluments		
Fees	-	-
Other emoluments	-	278,354
	-	278,354
Remuneration of the chairman	-	30,101
Remuneration of highest paid director	-	44,599
Scale of directors' remuneration	No	No
£     0     -     £ 5,000	10	2
£25,001   -     £30,000	-	3
£30,001   -     £35,000	-	2
£35,001   -     £40,000	-	2
£40,001   -     £45,000	-	1
	£	£
Employee costs during the period:		
Wages and salaries	-	1,314,231
Social security costs	-	110,988
Other Pension costs	-	23,211
	-	1,446,430
Remuneration of senior employees which fall within the following range:	No	No
£30,001   -     £35,000	-	1
Total average number of persons employed:	-	157

All employees were utilised in the business of estate agency and related services.

WALLHEAD, GRAY & COATES

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 1990

	Year ended 31 March <u>1990</u> £	Year ended 31 March <u>1989</u> £
<b>2. OPERATING LOSS</b>		
The operating loss is after charging/(crediting)		
Profit on sale of fixed assets	-	(1,634)
Rentals under operating leases		
Hire of equipment		
Other operating leases	-	1,188
Auditors' remuneration and expenses	-	7,000
	=====	=====
<b>3. INTEREST PAYABLE AND SIMILAR CHARGES</b>		
Bank loans, overdrafts and other loans repayable within 5 years	-	58,198
Other leases	-	25,077
	-----	-----
	-	83,275
	=====	=====
<b>4. TAXATION CREDIT     ON LOSS ON ORDINARY ACTIVITIES</b>		
Group relief surrendered	-	380,028
Deferred taxation	-	(21,036)
	-----	-----
	-	358,992
	=====	=====

WALLHEAD, GRAY & COATES

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 1990

5. TANGIBLE FIXED ASSETS

	<u>Land &amp; Buildings</u>		<u>Fixtures &amp; Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>Freehold</u>	<u>Short Leases</u>			
	£	£	£	£	£
COST OR VALUATION					
At 1 April 1989	568,000	49,210	751,848	113,680	1,482,738
Disposals	(568,000)	(49,210)	(751,848)	(113,680)	(1,482,738)
	-----	-----	-----	-----	-----
At 31 March 1990	-	-	-	-	-
	-----	-----	-----	-----	-----
DEPRECIATION					
At 1 April 1989	7,940	3,338	146,258	66,126	223,662
Disposals	(7,940)	(3,338)	(146,258)	(66,126)	(223,662)
	-----	-----	-----	-----	-----
At 31 March 1990	-	-	-	-	-
	-----	-----	-----	-----	-----
NET BOOK VALUE					
At 31 March 1990	-	-	-	-	-
	=====	=====	=====	=====	=====
At 31 March 1989	560,060	45,872	605,590	47,554	1,259,076
	=====	=====	=====	=====	=====

	<u>1990</u>	<u>1989</u>
	£	£
6. DEBTORS		
Trade debtors	-	236,099
Amounts owed by group companies	2	824,891
Other debtors	-	140,733
Prepayments and accrued income	-	120,332
	-----	-----
	2	1,322,055
	=====	=====

WALLHEAD, GRAY & COATES

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 1990

	<u>1990</u> £	<u>1989</u> £
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans and overdrafts	-	37,148
Trade creditors	-	122,963
Other creditors	-	81,255
Amounts owed to group companies	-	762,012
Taxation and social security	-	81,474
Accruals and deferred income	-	54,100
	-----	-----
	-	1,138,952
	-----	-----

8. BORROWINGS

Bank loans and overdrafts (unsecured) within one year	-	37,148
	-----	-----

All borrowings are at commercial rates  
of interest.

9. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	-	21,036
	-----	-----

The amounts of deferred taxation provided and unprovided in the accounts  
are:

	<u>1990</u>		<u>1989</u>	
	<u>Provided</u>	<u>Unprovided</u>	<u>Provided</u>	<u>Unprovided</u>
	£	£	£	£
Capital allowances in excess of depreciation	-	-	21,036	-
	-----	-----	-----	-----

WALLHEAD, GRAY & COATES

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 March 1990

	<u>1990</u> £	<u>1989</u> £
10. CALLED UP SHARE CAPITAL		
Authorised		
Ordinary shares of £1	1,200,000 =====	1,200,000 =====
Allotted and fully paid		
At 1 April 1989	1,093,002	268,002
Shares issued	-	825,000
Returned to shareholders	(1,093,000)	-
	-----	-----
At 31 March 1990	2 =====	1,093,002 =====

Following the passing of a special resolution by the shareholders on 6 March 1990, the allotted share capital was reduced to £2.

11. CAPITAL COMMITMENTS

Authorised but not contracted for:  
Refurbishments and buildings

-	69,500
=====	=====

12. CLIENT MONIES

At 31 March 1990, monies held in bank and building society accounts on behalf of clients amounted to £Nil (1989 £66,606).

This amount and the matching liability to the clients concerned are not included in the balance sheet.

13. PARENT COMPANY

The immediate parent company is Nationwide Anglia Estate Agents.

The ultimate holding entity is Nationwide Anglia Building Society, a body incorporated under the Building Societies Act.